

MINUTES OF MEETING
BRANDY CREEK COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Brandy Creek Community Development District was held on Wednesday, December 12, 2012 at 6:00 p.m. at Watson St. Johns Realty, 175 Hampton Point Drive, St. Augustine, Florida 32092.

Present and constituting a quorum were:

Gary Williams	Chairman
Dianne Drinkwater	Vice Chairperson
Barbara Little	Supervisor
Charlie Arnold	Supervisor
Jason Hill	Supervisor

Also present were:

Jim Oliver	District Manager
Jason Walters	District Counsel
Peter Ma	District Engineer
Brad Weeber	England-Thims & Miller
Mike Usina	Interim Facility Manager
Greg Dunn	Division of Forestry
Residents	

FIRST ORDER OF BUSINESS

Roll Call

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

SECOND ORDER OF BUSINESS

Organizational Matters

A. Oath of Office for New Supervisors

Mr. Oliver administered an oath of office to Ms. Dianne Drinkwater and to Mr.

Jason Hill.

Mr. Walters stated I have handed you a binder with information that is related to the fact that this is a public entity. You are an elected official. Under Florida Law, you are subject to two main provisions, which will impact your interaction with other supervisors and how you keep your documents. The first provision is the Sunshine Statute. Essentially what that means is any item that may come before this board, you cannot discuss that item outside of a meeting with other supervisors. It is important to

note that does not attach to staff. The second provision relates to public records. Documents that you create or that you receive in your position as a supervisor are often times going to be considered public records. We generally advise that you keep those separate, so if we get a public records request, you know where to look and they are not intermingled with other documents.

B. Consideration of Resolution 2013-01, Election of Officers

Mr. Williams stated we did have our Chairman leave the board, so we need to elect a Chairman, Vice Chairman and additional positions.

Ms. Drinkwater stated I nominate Gary Williams as Chairman.

Mr. Williams stated I would like to nominate Dianne Drinkwater as the Vice Chairperson.

Mr. Oliver stated I have been serving as Secretary for the District. James Perry serves as Treasurer. The balance of the board serves as Assistant Secretaries. Dave deNagy and Jim Perry also serve as Assistant Secretaries. Dave deNagy and Patti Powers both serve as Assistant Treasurers.

On MOTION by Ms. Drinkwater seconded by Mr. Arnold with all in favor Resolution 2013-01 Election of Officers with Mr. Williams as Chairman, Ms. Drinkwater as Vice Chair, Jason Hill as an Assistant Secretary & All Other Positions Remaining the Same was approved.

TENTH ORDER OF BUSINESS

Discussion of Florida Forest Stewardship Program

Mr. Dunn stated Tracey Michaels approached me early this year about doing some mowing within Brandy Creek along some of the common grounds. I sent out an email to Mike Usina. It equates to about two acres worth along the main road. It is mitigation mowing. There is no charge to the residents or to the District for us coming in and cutting it. The way it is cut is that it is mulched up. It is a flailed head mulcher. It is a drum. It is not a rotary, so it doesn't kick things out to the side. It is on a posy track. We use it in Palm Coast and all over the State. We bring it right up to homes. It mulches up all of the underbrush and leaving trees. Normally we take any tree out that is three inches in diameter. If you don't want to take anything out that is fine. If we are marking too many, where we are not going to cut any of the underbrush then that defeats

the purpose. There has to be a trade out. If you sign this then we will get this started either Monday or Tuesday of next week.

Ms. Drinkwater asked who would be there overseeing it?

Mr. Dunn responded we will have a supervisor there. I am sure you all have heard about what went on down at the Shores. I am the one that initiated the project. I presented a plan to the Shores board. The board approved it. We started doing the work. We had only a few residents out of 3,000 show up to the board meetings. Once we started doing the work, it blew up. We put that on hold right now. Our organization is in it for about \$25,000 to clean up a mess that should not have been a mess. You have seen what a timber thinning was. What was left out there made that look horrendous. We have spent two and a half months out there mulching it up. There will be oversight on it. It is probably going to take maybe a day or two. I will not be there the whole time but there is a person with forestry that will be there to make sure it is done right. I would see if you can appoint someone from the board or the community to also be onsite.

Ms. Little asked will the person need to be there just for daytime hours?

Mr. Dunn responded yes. I would rather do it when the kids are out of school. If you wanted to wait until after the holidays that is fine too.

Mr. Drinkwater asked at the Shores, was it in an area across from the fire station?

Mr. Dunn responded yes that was one location. It was in the plan to remove all of the sand pine in there and to come back and under plant with the longleaf.

Ms. Drinkwater stated that makes complete sense to me.

Mr. Dunn stated media left a lot out of it. In all three sites that were thin, we removed the sand pine out of it and we were coming back with the longleaf.

Mr. Arnold stated it looks to me like there are 12 residences with property lines that abut these tracts. Have they been directly contacted?

Mr. Dunn responded not yet. I would really like the board or the community to notify them.

Mr. Williams stated I think we need to craft a letter and have them delivered by our property manager. You can give them a copy of this map, let them know what we are going to do and ask them to call our property manager if they have any questions.

Ms. Drinkwater asked are the things that you cut left in place?

Mr. Dunn responded correct.

Ms. Drinkwater asked so it is mulched pretty good?

Mr. Dunn responded it is mulched pretty well. We are not going after large size diameter trees. Anything over four inches, we don't even look at.

Mr. Williams asked and the value here is fire prevention?

Mr. Dunn responded correct.

Mr. Williams stated these are really small areas. Is this like a test run type of thing?

Mr. Dunn responded no. It is fire prevention, as well as cleaning it out for the future. By mulching it, you are not going to have the palmetto coming back. You may have the galberry, which you will have to treat later.

Ms. Little asked why is it just these two acres here?

Mr. Dunn responded because those are the only common grounds that are next to homes.

Mr. Williams stated the other areas are wetlands or preserve areas. These are common areas and that is the important distinction.

Mr. Hill asked in the areas that will abut or be adjacent to the property line, is it going to be self defeating not to go all the way through this common area to those years, correct.?

Mr. Dunn responded correct.

Mr. Hill stated I would assume some residents are going to be concerned about losing privacy as a result of that. Who has leverage?

Mr. Williams responded my take is this is common area, so it is the CDD.

Mr. Dunn asked if they say they don't want any part of it done, are you going to mark it? Our problem is going to be that we don't know where the boundary line is.

Mr. Williams asked is some of the area that is overgrown private residents area or is it all common area?

Mr. Dunn responded it is all common area that I have marked here but it is right up to someone's property. Even though it is not theirs, they may still want it there as a buffer.

Mr. Walters stated we may be calling a January meeting to possibly look at some of the stuff on the refinancing. To the extent that we put the letter together and he had time to go talk to folks then he could come back and the January meeting to give the board some feedback.

Mr. Williams stated I would like for us to prepare a communication to these residents announcing our intention and asking them to provide us with any feedback or concerns. I would like that to be done through the property manager and be hand delivered. The property manager can gather results.

On MOTION by Mr. Williams seconded by Ms. Drinkwater with all in favor a Letter to Residents Regarding the Mowing Plan to Common Areas was approved.
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Mr. Dunn stated when you go ahead and hand deliver those let me know and I will go with you.

Mr. Williams asked what are the next steps with the Florida Forest Stewardship Program?

Mr. Dunn responded due to the situation that happened down at the Shores my recommendation is going to be instead of doing any thinning I would just propose to do the same thing as what we are going to do in these common areas. We will just mow the upland areas and if you all see a chance that you want to do a prescribed burn then we can do one on those areas.

Mr. Williams asked would there be an expense that is associated with that?

Mr. Dunn responded no. There will not be a charge for mowing, mulching or a prescribed burn.

Mr. Williams asked would that include both preserve areas and wetland areas?

Mr. Dunn responded the wetlands, we will stay out of.

Ms. Drinkwater asked and it is a 25 foot area, correct?

Mr. Dunn responded 30 foot. What I want them to mow is at least 50. The standards that they have is for California and it is 30 to 35 feet. That is not doing anything with our palmetto fuels. Our palmetto fuels make theirs look really small because of the radiant heat that is coming off of those.

Mr. Williams asked so if we were thinking of moving forward with some of this remediation over the next year, what next steps do we have to be doing over the next couple of months?

Mr. Dunn responded getting you to sign an agreement with St. Johns River Water Management District saying that you want to do this and then signing another mitigation agreement for us to come out and do it.

Mr. Oliver stated I think you could see how this two acre plan works and then you can revisit it.

Mr. Williams stated I am wondering if we need to sign the application of the forms with the St. Johns River Water Management District to get that moving, so we have it done when we are ready to go.

Mr. Dunn stated I can send the one page application to Mike to look at.

Mr. Williams stated the point being that we are not going to do anything until we reconvene as a board and make the decision. I am just talking about laying the ground work with the regulatory approval, so we are ready to make that decision.

THIRD ORDER OF BUSINESS

**Approval of the Minutes of the
October 10, 2012 Meeting**

Mr. Williams stated included in your agenda package is a copy of the minutes of the October 10, 2012 meeting. Are there any additions, corrections or deletions?

On MOTION by Ms. Little seconded by Mr. Arnold with all in favor the Minutes of the October 10, 2012 Meeting were approved.

FIFTH ORDER OF BUSINESS

**Update Regarding Series 2003
Bond Refunding**

Mr. Oliver stated Brett Sealy has spoke with this board several times about the process of refunding of the Series 2003 bonds. We have delayed that until the January timeframe. The IRS right now is in a battle with a Central Florida District over the tax exemption status of the bonds for that particular District. The specifics of that particular case do not necessarily translate to other CDDs. However, banks and bond investors are a little bit nervous about it. They want this issue resolved before more refundings are done. What we will do at the end of this meeting is to ask the board to continue this meeting to January 9th.

Mr. Walters stated the IRS issue has been going on for about five years. To call that audit contentious would be a huge understatement. The long and short of it is, it is specific to that District. That District is a very different type of District that you would see normally. There is 8,000 people in The Villages. It was set up very differently. It has a lot of corky things that 99% of the Districts don't have. The reality is that it is creating a little bit of uncertainty in the market. The reason it is coming up now and not over the last five years is the IRS sent out a verbal warning, where they are saying we are considering making a determination here that your bonds are not tax exempt. Both Senators from Florida have written letters to the IRS and have had meetings with the IRS. It is a big issue at higher levels. The reality is to wait until January and hopefully we will have a little clearer picture at that point.

Mr. Oliver stated we just completed a refunding at Julington Creek Plantation under this particular cloud. It did make things more difficult and impact the risk component of the interest rate.

SIXTH ORDER OF BUSINESS

Consideration of Resolution 2013-03, Declaring Series 2003 Project Complete

Mr. Walters stated if you look down the agenda, items six, seven, eight and nine are all going to be related. We established the District and we had a plan of improvement. We said we are going to build these three roads. We said we are going to put in stormwater ponds. We said we are going to put in stormwater ponds. We are going to lay the water and sewer. We are going to build the amenity center. We are going to do all of these things and to fund that effort we issued our 2003 Series bonds for phase one. When you issue those bonds, you are letting the world know what you are going to build with those. At the end of the day, we levy assessments to fund the repayment of those bonds. If you fast forward to where we are today, the question is now we are done with that project, so what do we do. The indenture is the agreement that we have with the bondholders on how the monies flow, where the monies go and what we are spending them on. It provides for the District to declare the project complete once it is done. Chapter 170, which is the chapter we use to levy our assessments also says once the improvements funded by the assessments are done, you have to declare the project complete and equalize the assessments. If I issue \$10M

worth of bonds and ended up only spending \$8M on improvements then I have \$2M and that has to be flushed back through the funds and a credit give to each landowner. In 99% of the cases, what you end up with is \$8M worth of bonds and \$10M worth of improvements. The improvements that we have contemplated in the improvement plan are now complete. You will see a certificate that I handed out to each of you that goes behind two of the resolutions. With respect to the 2003 project, the reality of that project is we issued debt and we have spent pretty much all of it except for a little piece. That has been the discussion we have had with the board for the last year on what are we going to do with those funds. One of the options was we are going to declare it complete and flush the money back through. That related to a very small savings and obviously, there were some projects that the District contemplated doing, so we held that out. We are looking to declare that project complete. When you look at the certificate for the 2003 project, the very last paragraph there references the full amount of the funds remaining in the construction account, which is estimated at \$135,000. The net effect of this is we are declaring the 2003 project complete. We are reserving the money in the construction account for the remainder of the projects and there will be no change to the assessments. Another reason I am bringing this to you today is we are looking at going out to rating agencies and to the market. If we go to refund our bonds, one of the boxes you want to have checked if you are doing that is that the project is complete and everything is done. When I am refunding bonds, I don't want there to still be all of these lingering issues.

Mr. Williams asked why didn't we do this a year ago or two years ago? For all intents and purposes, we have been completed except for this one \$135,000 that is on there.

Mr. Walter responded if we were going to not do anything, it would have been easier if we were going to say we are not going to do any further increments. We are just going to declare it complete and move the monies through. This hampers that ability a little bit, in terms of if we now want to push half of the money through we have to kind of re-amortize. We can do that but it is an effort.

Mr. Williams asked what is the impact if we do this now and then we decide we are just going to roll those remaining funds into a refinancing situation and net it out that way?

Mr. Walters responded we can do that. Now I will discuss 2006 because it is a little bit different. 2006 is our issuance for our phase two improvements. Again, we adopted an improvement plan and said these are the increments that we are going to put in the second phase, which included roadway, water and sewer and stormwater improvements. The biggest difference between the two projects is in the 2006 project if you remember our construction account was in the neighborhood of \$4M. We only had about \$2.2M in bond funds. Obviously, we can't sign an agreement for \$4M when we only have \$2M, so what we did is we had other agreements with the Developer in phase two to say you agree to complete all of the improvements. You agree to acquire certain things for the District and to give them to us. Essentially, you are going to pay the shortfall and that is how we funded the remaining improvements in phase two. The only difference that makes for the discussion here is when a Developer is funding over \$2M improvements there are provisions in the indenture for what we call deferred costs. Essentially what that says is it is a recognition of the difference between the funding and what was spent. Meaning this is how much the Developer paid that is a deferred cost to the District. We have a revenue account. We have a debt service reserve account. We have a construction account. Those are all invested monies. There is an interest component that is earned. Some of those interest earnings go to the construction account, so when you are in the middle of building it is great because you have \$2M and then another \$10,000 comes in every six months or so and then you have additional construction funds. Now we have expended all of the construction funds but there are still costs that were paid in excess of the construction funds. There is still a component that goes to the construction account and that is why we have \$15,000 in the construction account. Pursuant to the indenture for phase two, what happens is once you declare the project complete instead of a construction account that collapses into a deferred cost sub account. All that says is that money trickles in and keeps you going and that money will be paid to the Developer to reimburse the Developer for the \$2.2M in construction funds that they funded to the District. If you look at the resolutions, there is an additional reference to this document. We have a lot of money in deferred costs. If we wanted to go through and have a precise number on the preferred costs, we would have to go back through all of the construction contracts and itemize out all that was spent. This document says rather than going through that, we will have an

acknowledgement of a set amount of deferred costs and then the Developer will release all of the remaining obligations for deferred costs. In this case, we looked at \$150,000. Obviously that is just a small fraction of the total deferred costs. The interest earnings will never get to \$150,000, so for record keeping and an accounting standpoint, it just makes it easier. If you look at the resolutions it is somewhat of a two step process. The first resolution for each series is the resolution declaring the projects complete. That is pursuant to the indenture. We have received a certificate from the district engineer telling us that all of the improvements have been complete. They are in functioning order and they were build in compliance with the plans. It attaches that certificate. There will be an engineers report attached. The third document for 2006 is the acknowledgement release. The second resolution in each series is what we term the assessment finalization resolution. Chapter 170 requires you to do that in case there are credits that need to be given to each lot. Through either of these projects, we don't have that. The second resolution walks through the fact that we had x amount in construction costs and x amount in construction dollars because they are flipped. I will look to both Peter and Brad. I will ask that you reviewed the project and the plans and confirm that everything was constructed in conformance with those plans?

Mr. Ma responded yes I did.

Mr. Williams stated we had two different bond issuances in Johns Creek. Did one of those already get closed out?

Mr. Walters responded yes. The 2000B was a short term bond. It was paid not long ago.

Mr. Williams stated I don't understand the reference to Lennar Homes in this one you just gave us. I thought the agreement was between the District and the Developer.

Mr. Walters stated if you look at the second agreement, which is the construction funding agreement is where the phase two Developer agreed to pay all of the shortfall. The original acquisition agreement was with Lennar.

On MOTION by Mr. Williams seconded by Mr. Arnold with all in favor Resolution 2013-03 Declaring Series 2003 Project Complete was approved.
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SEVENTH ORDER OF BUSINESS

Consideration of Resolution 2013-04, Series 2003 Assessment Finalization Resolution

Mr. Walter stated included in your agenda package is Resolution 2013-04 Series 2003 assessment finalization resolution.

On MOTION by Mr. Williams seconded by Mr. Arnold with all in favor Resolution 2013-04 Series 2003 Assessment Finalization Resolution was approved.

EIGHTH ORDER OF BUSINESS

Consideration of Resolution 2013-05, Declaring Series 2006 Project Complete

Mr. Walter stated included in your agenda package is Resolution 2013-05 declaring Series 2006 project complete.

On MOTION by Mr. Williams seconded by Ms. Little with all in favor Resolution 2013-05 Declaring Series 2006 Project Complete was approved.

NINTH ORDER OF BUSINESS

Consideration of Resolution 2013-06, Series 2006 Assessment Finalization Resolution

Mr. Walters stated included in your agenda package is Resolution 2013-06 Series 2006 Assessment Finalization Resolution.

On MOTION by Mr. Williams seconded by Ms. Little with all in favor Resolution 2013-06 Series 2006 Assessment Finalization Resolution was approved.

ELEVENTH ORDER OF BUSINESS

Update Regarding Phase II Amenity Center

Mr. Arnold stated the amenity center continues to stay on schedule for a spring delivery. We continue to work with the District's property manager and even some of the residents to solicit input on some of the features of the amenity center, such as the type of turf we will be using, consistency with phase ones security and access system, as well as solicited some input on the final design of the playground equipment.

Mr. Williams asked has there been any material changes over what we have talked about over the last year?

Mr. Arnold responded no.

Ms. Drinkwater asked is it going to have key passes also?

Mr. Arnold responded that is what we are working on.

Ms. Drinkwater asked are you going to merge them, so we can use them in either one?

Mr. Arnold responded yes. The goal would be that a resident can use the same card in both facilities. We have ordered the playground equipment. The District Manager or Onsite Manger can speak to where the input came from. I am working with Mike, as well as Dianne on some turf and upgrading from the current specifications. The current specifications are a Bahia turf and we have agreed to upgrade that.

Ms. Drinkwater asked, "Chuck, how do you like your zoysia grass?"

Mr. Chuck Dicey responded I like it.

Ms. Drinkwater asked any issues that you have?

Mr. Dicey responded they recommend that it be cut two inches. It gets pretty thick. I have to keep the blades sharp on the lawnmower.

Ms. Drinkwater stated I love looking at it.

Mr. Arnold stated the cost increases seem to be that Bahia is the most cost effective. The next move up in cost would be a St. Augustine species and then a Bermuda, which is consistent with most of the right-of-ways and what we have out there right now. The most expensive would be the zoysia solution. We don't need to make the decision right now.

Mr. Williams asked and the cost increase over what is planned comes out of the CDD and not the Developer, right?

Mr. Arnold responded the Developer is considering covering that cost.

Mr. Williams stated one of the comments that has come from residents through the years and even from us is the ability to track even who is using the security system. Is there an option or an opportunity to do that or would we have to retrofit both phases?

Mr. Arnold responded I know the technology exists because I use it on other projects.

Mr. Usina stated the only thing that has been alluded to so far with me speaking to Terry Hill, who is the rep from Atlantic Security, is there a newer technology available today that can parallel what we have that has more capability to provide data.

To assume that it does what you just asked might be premature but it is more informative than what we have. We might conclude that it is a good possibility that we could acquire that kind of data with a newer system.

Mr. Williams asked but that means replacing the whole system?

Mr. Usina responded yes. The install at phase two, what we have today versus this new system I was told was about the same. We could choose to go with newer technology for the same cost associated with putting in what we currently have in phase one. To upgrade phase one to mirror what the new technology would be I got one number and then I got another number that was 30% less, so it is negotiable. In a range it would be \$4,000 to \$6,000.

Mr. Williams asked does it make sense to put some sort of system that is easily upgradeable if we decided to do that District wide? I get that we need to tie them in together.

Mr. Arnold responded I don't know the technology well enough to really be able to ask what you are asking but I believe that it is a computer system that goes in and just like computer systems, there are levels of software and levels of features. What I hope is that trying mirror what we have in phase one is not causing the new amenity to not take advantage of the latest and greatest technology. We should explore that if I am already spending the money on the latest technology that if there is an update to get to the level of being able to get data then maybe we take advantage of doing that.

Ms. Drinkwater stated I agree with that.

Mr. Arnold stated the District and the residents need to decide if you want individual identity data for any reason. The system is relatively simple. It is issuing cards that are magnetic based access cards and it is the ability to activate and deactivate on an individual card basis that is assigned to a resident.

Mr. Williams asked so what I am hearing is the foundation for doing that will be there?

Mr. Arnold responded yes.

Mr. Usina stated you are talking about two different systems. One system is made by Speko and one is made by Bosch. Eventually the decision would be made of whether we go with Bosch, which is newer technology and then convert Speko to Bosch. Speko is not upgradable.

Mr. Arnold stated we will continue to work with the onsite manager and continue this discussion at the next meeting.

FOURTH ORDER OF BUSINESS

Consideration of Resolution of Appreciation 2013-02 – Meredith Payne

Mr. Williams stated Meredith has served on the CDD for many years. For the last two years, he has been the Chairman.

On MOTION by Mr. Williams seconded by Ms. Drinkwater with all in favor Resolution of Appreciation 2013-02 Meredith Payne was approved.
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TWELFTH ORDER OF BUSINESS

Consideration of Proposals for Resurfacing Pools

Mr. Usina stated I have attempted to equalize these estimates. The detail is behind the summary. Each estimate had a basic scope of work, which I was able to apply to each estimate as it relates to the basic work that is going to be required to complete the refinishing. The estimates in one case it was both pools and in the other case, it was two different estimates, so I had to do some combining to reach total numbers. The scope of work is consistent between the three potential vendors. The VGB compliant issues, one quote included them and the other two quotes there was additional costs with supplying some frames and grates to meet VGB compliant regulations. There were some upgrade opportunities that may be of interest to the community related to lighting in the pool. The finish, whether it would be quartz or a pebble like finish and the totals that follow. There were other optional items and if you want to review them you can go to each individual estimate related to those items. They were over and above areas of work that were not required to complete the goal of refinishing the pools. I tried to simplify this as much as possible, so that at a glance you would be able to discern the difference in the quotes. My goal was to have an uncluttered view on a comparative sense apples to apples analysis of the estimates. As you see that is how the numbers flush out. The total estimated required minimum includes the scope of work and the VGB compliant drains and outlets. The upgrades that might be considered would make up the difference between the required minimums and the total estimate with options.

Mr. Hill stated there is about a 40% difference in the prices from top to bottom. Do you have any idea of why that is?

Mr. Usina responded as it relates to the scope of work I think in a primary sense it is labor related. The materials are all pretty much the same across the board, so I think it goes to a labor issue. Each one of these companies is of a certain size and have a certain number of employees. They may or may not rely on subs for this work. They have made overhead decisions within the estimate. I think a lot of that difference relies on those areas.

Ms. Drinkwater asked did you have the opportunity to check references with this type of work with each company to find out from other places that have similar type of work done to find out if they were happy with it?

Mr. Usina responded references no but I could do that. What I did do was make sure they were certified by the State of Florida. I have copies of their licenses. We have had some degree of work done by all three companies from time to time. We know these people. They are not strangers to us.

Ms. Drinkwater stated but my question was specific to this type of work that is going to be done.

Mr. Usina stated no would be the answer to your question. I can go back and get references if you like.

Ms. Drinkwater stated I think that would be helpful because there is such a difference in the numbers that we are looking at.

Ms. Little asked are we going to consider the optional pebble finish?

Mr. Usina responded potentially. I think so. There are samples and colors. That would be part of the consideration process. If you refer to pebble finish in a generic sense, there are a number of different brands. I believe there may also be inherent cost differences depending on the type of pebble finish that you chose. For example, pebble tech from what I have learned requires that they have their own qualified person spray that material. That is not necessarily something that a sub could go out and do. There may be costs associated with applying pebble tech that would not be associated with river rock.

Mr. Arnold stated one of the driving factors of the pebble tech finish was that we would enjoy a longer term or even a lifetime type warranty on that type of finish. In a

commercial application, we have since learned that we do not enjoy a lifetime warranty. The new amenity does currently have a pebble finish spec in the pool. We are considering going back to a more standard Krystal Krete finish because we are trying to balance between what are you getting out of that upgraded finish. It does appear that the District will get a longer life out of the finish but when it comes to resurfacing again, the cost in resurfacing a pebble finish to another pebble finish is even more expensive than what you are talking about here. I am not sure at this point that it is a good decision to set the stage for the District to have to consider 10 years down the road a higher cost to refinish the newer pool. If the board asked me what my recommendation was on the pebble finish I am not there yet but a month from now I would probably recommend that you stick with the same finish that you have. The other notice is timing. One of the reasons we waited to this point and time is we were hoping to enjoy savings by having the existing pool redone at the same time we were shooting at finishing the new pool. Dicky Smith is the company that is doing the new pool, so you can see that we are not necessarily realizing that savings. I believe Arsenault is a reputable contractor. They happen to be the one that is maintaining our pool, so I like the idea of someone, who is responsible for the maintenance after the fact to be on the hook for the work. He is the guy that is going to continue to service the pool, so it is nice to have him not in a position, where he is going to point fingers and he happens to be a lower bidder. I am not familiar with the other pool contractor but I am sure they are reputable and good. My question in all of this is from a timing point of view, do we have time to get some references from these contractors and ask our District Managers office if any of these contractors have done work and were there success stories there?

Mr. Usina responded it is a question that I need to ask. Generally speaking, all three have a feel for the timing of this job in January or February. They have been able to assure us that they would be available to do the work. To go back and ask for references I don't think should be that time consuming. I guess if there is a January meeting then that is where we would make the final decision. I don't think this extra step added to the process is going to affect their time lines.

Mr. Payne asked have we had extensive discussion with Dicky Smith about the ability to realize any economies to scale or is there a significant difference between resurfacing and the new development of a pool?

Mr. Williams responded for the minimum that we have to do, the bid from Arsenault is \$44,200. The bid from Dicky Smith is \$49,200, so there is a \$5,000 difference.

Mr. Usina stated there was a hope and a goal that there would be an economy of scale achieved.

Mr. Arnold stated I would hope the difference between Dicky Smith and Duda Pools is reflective of that savings that we would hope to get. Our current maintenance contractor has been able to come in much less. I have not gone back to Dicky Smith. I wanted these bids to come to the board. My reaction to the numbers would be that maybe these are two real and legitimate bids. No body knows that pool better than Arsenault, so he was more than likely able to estimate his labor based on much more intimate knowledge of what we have.

Mr. Williams stated if we went with Arsenault, would we end up with comparable materials and look and feel or are we going to end up with two very different looking pools?

Mr. Arnold responded the color pallet that is available for commercial pools is very limited. You can't have a much different variation. It is likely that the Crystal Creek decision that is made over here that we match it. If we decide to stay with the pebble tech, it is very similar in color. One would look exactly like you have in your current facility and the other one would be a pebble finish that has pebbles in it. If they were sitting side by side then you could definitely tell the difference. I don't think a resident would walk up to the new amenity and say that is different. I would like them to match because we will have two pools matched up in timing again and a resurfacing would likely be in the future together.

Mr. Williams stated I don't think it hurts to wait four more weeks to make a final decision. I think the point that Charlie made about Arsenault being our current vendor and one that we are happy with speaks a lot. He is the low bidder and I don't think he is the low bidder because of quality.

Mr. Walters stated obviously, these are informal bids because we didn't go through the formal process. It may be worth going to Dicky Smith and saying you are going to be doing the work on phase two and we are \$3,000 off, so can you match it.

Mr. Williams stated I think even if they match it, I would be inclined to go with our current contractor.

Mr. Arnold stated I would recommend that we ask the onsite manager to go back to all three contractors and ask for their best and final numbers and also provide letters of recommendation of who we could contact. Then he can contact those clients and bring back the feedback to the board. Also, work with the District Manager's office to see if any of these contractors have done other District's pools and he can report back on that.

Mr. Williams stated I would like that to be done quickly, so that we can get the material in advance of the next meeting. I don't want it to show up in the package a week before the meeting. There are some additional add ons here that we didn't really talk much about, like the lights. I know we had a discussion at one point about the pool being open in the evening and one of the reasons we said it wasn't was because there weren't pool lights in there but I believe there are pool lights in there.

Ms. Drinkwater stated but it is insufficient lighting for night swimming.

Mr. Williams asked would this bring the lighting in the pool to a point, where we could leave it open beyond dusk?

Mr. Usina responded the advantage of going LED is more of a long term payback based on electricity requirements and maintenance. They require much less in the way of replacement.

Mr. Williams asked I hear you but if we are not using lights within the pool for anything other decoration then is it worth that kind of investment?

Mr. Usina responded the lights come on right now at 5:00 p.m. and they are on until 6:00 a.m., so they are on for 13 hours.

Mr. Williams asked I thought we had a discussion about residents wanting to swim after dark and we said no because the lights in the pool area weren't sufficient?

Mr. Oliver responded there is a certain lighting specification that is required to allow for night time swimming.

Mr. Williams asked so do we want to spend \$7,500 for lights that are basically decoration and if it is just for decoration then is what we already have not sufficient?

Mr. Oliver responded I think one thing Mike was looking at was energy savings by using these LEDs.

Mr. Usina stated and maintenance.

Mr. Williams stated we are talking about \$4,000 or \$5,000 upgrade in those lights. If we are really going to save that over a 10 year period then it is probably worth it.

Mr. Usina stated you will probably save more than that.

Mr. Oliver stated and maybe one of those three vendors can run the numbers.

Mr. Usina stated none of these vendors were necessarily promoting it but newer pools are featuring this technology because it is cheaper on electricity and you have longer periods without maintenance required. All of these include water line tile. It is a little confusing because there are horizontal and vertical tiles and there is a gutter tile that is not being replaced.

Mr. Williams asked do we have the funding for this built into this year's budget or is it part of our reserve?

Mr. Oliver responded capital reserve.

Mr. Usina stated while the pool was drained this splash water feature would be torn down. The nets would be removed. The plastic that is not going to be repainted would be removed and anything metal would be prepped and repainted. There are before and after pictures that this company has done previously. In conjunction with the other work that is being done it would be smart to pursue this. I only have one quote. I can get some competitive quotes. I was impressed that this quote was as low as it was.

Mr. Williams asked do any of the three pool contractors that bid on resurfacing do the same work?

Mr. Usina responded I didn't pursue that but I could.

Mr. Williams stated I think we do need to get a couple more bids.

Mr. Arnold stated and in those bids we need to know where they have refurbished other equipment and references relative to them.

Mr. Williams stated I think we have had some repair work on that equipment already.

Mr. Usina stated the nets were replaced last spring.

Mr. Williams stated so we will get more information at the January meeting and we will need to make a decision at the January meeting.

THIRTEENTH ORDER OF BUSINESS **Consideration of Maintenance
Renewal Agreements**

Mr. Oliver stated Mike has done the heavy lifting on these. Jason has drafted the renewal agreements. We have basic agreements with these three vendors. The first one is with Austin Outdoors. They have the same price as what we have right now. Clearly, as soon as the amenity is done, we will need to do some type of addendum to this contract.

Mr. Williams stated it is the same services and scope of the existing agreement.

Mr. Hill asked do we have any concerns about their work?

Ms. Little responded I feel that since Mike has been here that I have seen a big improvement.

A resident stated the grass looks like it is cut pretty short. Is that because of the type of grass? It looks burnt out most of the time.

Ms. Drinkwater responded the Bermuda has to be cut short but I know what you are talking about because I see that at times, as well.

Mr. Williams stated we had an issue with some sort of pest infestation at American Eagle and Johns Creek. I think that was a pest issue.

Mr. Usina stated there has been some weed control issues from what I understand. They are trying to aggressively get more control of it this winter. Some of the yellowing you are seeing is actually weed control kicking in.

Ms. Drinkwater stated if you want a good indication of differences between vendors, go through our community and then go through South Hampton community. There is no comparison on the Bermuda grass. Ours is so much better. There is no weeds in it. In the spring take a look at it.

Mr. Williams stated I have been on the board for five years and I think Austin has always worked well with us. I think they do need to be managed but I think they are responsive.

Mr. Usina stated in my segment, I will share with you some of the things we have been doing.

Mr. Walters stated on all of our recurring maintenance type of agreements, these are annual renewals and we always provide for 30 days of termination without cause.

On MOTION by Ms. Little seconded by Mr. Arnold with all in favor the Austin Outdoor Renewal Agreement was approved.

Mr. Oliver stated the next agreement is for lake maintenance. It would be a renewal of the agreement with Charles Aquatics. We did have Lake Doctors out here and the board terminated their services within the last year.

Ms. Drinkwater asked how do you feel the pond has been behind your house?

Mr. Joe Taylor responded I have not necessarily seen him go to my pond but I do see them in the neighborhood more often and I know that he has gotten out and checked. I think it is much better than what we were getting.

Mr. Oliver stated and I think they are being better managed by the property manager and are providing monthly action and assessment reports.

Ms. Little stated on my end of the pond, it has been much cleaner. I really haven't had to clean it lately and I used to.

Mr. Joe Taylor stated there is still quite a bit of algae in the pond back here but the pond that I live on is mostly preserve.

On MOTION by Ms. Little seconded by Mr. Hill with all in favor the Charles Aquatics Renewal Agreement was approved.

Mr. Oliver stated the next one is a renewal agreement with Jani King, which is for janitorial services. It would need to be amended once the new amenity center is open.

Mr. Hill stated on page three in paragraph three it shows it is \$335 a month.

Mr. Oliver stated it should be \$660 a month.

Mr. Walters stated I will make sure that it is corrected.

Mr. Usina stated the \$335 a month was the original contract fee and it has gone up since we have added more responsibilities. It was \$660 when I got here in September. I was a little stunned by it too when I reviewed it. I met with them and have established some understandings. They have added more work to the contract for no difference in charges. The big factor that added to this original contract, where the dog stations.

Mr. Williams asked so that is included in this?

Mr. Usina responded yes.

Ms. Little asked have you been pleased with their performance?

Mr. Usina responded yes. I have been pleased with their response in the requests that I have made to them to kick it up a notch. They do an annual review with their clients, which I just completed with them. I think we are in good standing with them.

Ms. Drinkwater asked how many times a week do they pick up the animal stations?

Mr. Usina responded twice a week.

Ms. Drinkwater asked and that seems to be working?

Mr. Usina responded for the most part. We have had other issues unrelated to Jani King with those stations that I am working on with another vendor. In the time that I have been here I have had one resident who called concerned about a station in phase two that may have been overlooked once, so we jumped on it right away. We haven't had any other negative feedback.

On MOTION by Ms. Little seconded by Mr. Hill with all in favor the Jani King Renewal Agreement was approved.
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FOURTEENTH ORDER OF BUSINESS

Update Regarding Compliance with ADA

Mr. Oliver stated we need to put in some handrails in the swimming pool and we will do that in conjunction with the resurfacing. We will draft a letter that will declare the splash pool technically infeasible.

Mr. Walters stated if you recall the Department of Justice extended the deadline. They were issuing clarifications. If there is nothing to clarify it or change it then we will take it.

Mr. Williams asked is the handrails something that should be built into the resurfacing? Why wouldn't we do it at the same time?

Mr. Oliver responded we will do it at the same time or just before the resurfacing. Rick Arsenault does not do those. Duda Pools has been doing it for most of our Districts but they have not been doing any resurfacing for any of our Districts.

Mr. Usina stated and Duda has a quote into us for it. I spoke to Mark on Monday and asked him to revisit the quote because it is older. I asked to get it today and I have not received it.

SEVENTEENTH ORDER OF BUSINESS

Staff Reports

D. Facilities Manager – Amenity Center and Operations Update

Mr. Usina stated included in your agenda package is a copy of my report. I am on a regular basis doing light checks, not only in and around the amenity center but also around the community. I have incorporated the street lighting checks into a couple or three times a month to do. I toured the property regarding signage. I am submitting a request for some stop sign replacements with St. Johns County. I noted seven stop signs that were either vandalized, faded or defaced to a point, where they probably qualify for replacement. I also noted a couple of street signs that are missing. I have had contact with the vendor that we have worked with in the past to quote replacement of a couple street signs. I appreciate any input from the board or from the residents in regards to lighting issues. In the last couple of months I have reattached all of the tennis courts netting. One thing that I was able to find is there is such a thing as aluminum wire ties, which I chose to use on this netting rather than allow the plastic wire tires that have been used in the past that have deteriorated after a few months in the sun. We should get longer life after that application. I have gotten kind of aggressive with Jani King in regards to their expectations. I have added some work to their contract at no extra charge for the community. We have successfully held a fall festival and a holiday event at the amenity center. From all of the input that I have received both events were well received and well attended. We have completed the Christmas lighting in and around the amenity center.

Ms. Little stated it is gorgeous.

Mr. Usina stated I have a quote from a resident about considering using rubberized mulch in lieu of using wood mulch in the playground areas. I am in the process of getting that quote and I will present it to the board as soon as I get it. With regard to Austin Outdoor, I have had the opportunity to establish a pretty good relationship with Brian Moore. I just went through a survey process with him in regards to our relationship in general and what I expect of Austin as it relates to Austin

supporting the community. There can never be enough trash pickup. There can never be enough weed control. I have been very aggressive with Austin as it relates to our irrigation and the use of water. In those three key areas, I think they are doing a good job on our behalf. The oak tree planning program I think went very well. It was completed in a matter of two to three days from start to finish. The 25 trees are all still alive. We will watch them grow and enjoy that new tree line on the parkway. We are into the winter irrigation schedule, which is a one day a week watering with 15 minute runtime intervals. We have been available to achieve a certain conservation and compliance and resulting cost efficiencies by going on a winter irrigation program. We have also implemented a 90 day game plan related to what Austin is going to be involved in through the winter months. Not only have we talked about it but we have gotten it on paper. We are referring to these December, January and February timeframes of what we are going to accomplish. It is good to have a game plan and it is even better to have it on paper. We have been working on shrubbery and trying to trim it back and realign it accordingly. We had some feedback regarding the Johns Creek monument signs up on County Road 210. We actually went back in and removed some Hawthorn's. By doing that, we have taken shrubs that have grown up in front of our light fixtures out of the way of the light and reduced or eliminated the shadowing that was occurring on the monument signs. Going forward, I think the mentality is if there is a light fixture there, we are not going to block it. You may have seen general pine straw enhancement going on within the development. A 40 foot semi dropped off a complete load of pine straw. Austin is very motivated to get it spread out and off the grass. They have been aggressively adding pine straw to the common areas and plant beds accordingly. I am now receiving timely monthly irrigation reports. These are a function of an irrigation manager that comes out and walks the entire property once a month. Kevin is one of Austin's best and he has been working really hard for us. We were not getting his reports but we are getting them now. I want to thank Charlie for his kind words regarding the playground equipment for phase two amenity center. I want to thank Michelle Walling and Kelly for their support in considering some equipment for five to 12 year olds. They actually poled some of the residents in the community and they got a consensus that the equipment that was selected was going to be good. You may all know that we had a speed smart survey done. We had a speed detection device

on the parkway over the Thanksgiving holiday. The results were actually positive. There was a car count in five days of 24,000 vehicles. The average speed was 31 mph in that 25 mph zone. I think the intent would be to do that from time to time just to remind people.

Ms. Drinkwater stated next time do it during school. I followed a school bus that was 35 to 40 mph. I called about it. I had to catch up to it to get its number.

Mr. Usina stated I appreciate that. We are a little bit at the mercy of the sheriff's department and when the equipment is available. We may have a little bit of an issue brewing based on the material that these stations are made of. A dark green plastic in Florida sun is not going to last very long. Within a year we are already seeing signs of failure. There is an aluminum version that is twice as much money as we spent but there maybe some consideration related to some potential replacement in the future. I have also been approached regarding a youth soccer development program. Two coaches from Flagler College have started a company and they have solicited Johns Creek. Based on that, I have brochures from them. I would need to gauge what level of interest there would be for a youth soccer program. It would be conducted on the soccer field at amenity center one.

Mr. Williams stated we have had other vendors come in for things like swim lessons. I would think we would treat it in just the same way. If they want to come give it a go then they sign an agreement with us.

Mr. Walters stated we want to make sure they have insurance.

Mr. Usina asked assuming they provide all of that and we are comfortable, is that something we could promote on the website?

Mr. Oliver responded yes after the board approves it.

Mr. Usina asked so bring it up in February again?

Mr. Oliver responded yes.

Mr. Usina stated we have been promoting the website with the signage out front. I have been trying to tell people to use it. Jim has talked to you about Google Analytics can be used on that site to understand how people are using it and to try and see what kind of traffic we are getting. The feedback I am getting is very positive related to the current upkeep of the site. I am working with Janet Ridgeway, the site developer, in trying to keep it current.

Ms. Drinkwater stated I appreciate a very detailed manager's report as this is. I appreciate the fact that you put the time in to show us exactly what is happening onsite and what you are doing.

Mr. Hill stated you are very thorough.

A resident stated I think Mike is doing a great job. He is very proactive and I think that is what we were lacking in the past.

Ms. Little stated we thank you for all you do. You are both proactive and reactive to resident issues. I have gotten a lot of feedback in the past few months of how things are improved and they are happy to have you here and you are approachable.

FIFTEENTH ORDER OF BUSINESS

**Consideration of Matters
Regarding Vacant Property
Manager Position**

Mr. Williams stated right now, Mike is the interim property manager. He is basically working fulltime hours. The salary, the cell phone and the insurance is all the same as it was with our prior property manager. We, the board, need to decide our next steps. There is a job description in here. We have the performance review that we spent a lot of time last year developing. At this point, we have a couple of options. We could run an ad in the newspaper. We could put a posting on our website. We could use word of mouth to try to solicit positions for the property manager. We need to decide if we want a fulltime property manager or do we want a part-time property manager or do we want some kind of combination of part-time property manager and a part-time maintenance type person.

Ms. Little stated my initial thought is considering that we are taking on phase two also and knowing the volume of work this position requires, I see it as a fulltime position.

Ms. Drinkwater stated based upon my knowledge of the property management and also working with the board and working pretty closely with the property manager previously and current, I feel the position is probably a 30 hour position right now. I do think it would increase to a fulltime position with some additional responsibilities with phase two coming on board. There is going to be a lot of work involved with the start up of phase two and I think it would be a 40 hour position at that point and time.

Mr. Hill stated I agree with that. I would be in favor of a fulltime position.

Mr. Arnold stated this is really a level of service decision that the residents have before them. From my perspective, you are enjoying a high quality level of service from your current interim property manager. If you throttle back the hours then you are going to lower the level of service that you enjoy.

Ms. Drinkwater stated what I am saying is that if you add more responsibility to the current position, I think it would be fulltime position. I just think based upon the scope that you have right now that you could add some additional responsibilities and get it to that 40 hour position.

Mr. Williams asked is there something that we are not doing today?

Ms. Drinkwater responded one that comes to mind is you also have a volunteer who does community events. I think some responsibilities in regards to those community events, could be also assisted by the property manager. In other Districts I have seen staff handle that responsibility.

Mr. Hill asked is it sufficient to only check the lights every 30 days? We state that our hours are 8 a.m. to 5 p.m. There is also another statement in there about being present during bus times and the buses are around 7 a.m., 7:50 a.m. and 8:25 p.m.

Mr. Williams responded I picked up on that 7 a.m. piece to. Maybe the question is, is there value in the property manager being there when the buses come through. I am not sure.

A resident stated I have never seen the property manager out during that time and I am not sure what they would do.

A resident stated I think fulltime is warranted when you have someone like Mike, who is out and getting things done. I think that is going to be key is finding someone like him.

Ms. Drinkwater asked what about the pool manager also being pool certified? Additional items like that would definitely warrant a fulltime position.

A resident asked when would phase two require a property manager? What would you be requiring them to do with that position?

Mr. Williams responded it would be the same activities that are taking place today. It is being available for residents. It is daily trash pickup. It is coordinating the bills on the maintenance items.

A resident asked so is Austin here almost every day?

Mr. Usina responded no.

Mr. Williams stated they are here once a week but the property manager makes sure that they show up and that everything gets done. I have called and had them come back out when they haven't done something.

Ms. Drinkwater stated also with phase two, there is going to be scheduling that room and this room. There are events. They need to drive around and make sure that the trash is picked up.

Ms. Little asked how will the new amenity center be monitored? I think we said it could be used to be rented, so that would take some management. Is that our property manager's responsibility?

Mr. Oliver responded yes.

Mr. Williams stated that is what we do today. We need to make a couple of tweaks to our job description. We wrote in our job description that there was a shift for the evening hours. Do we keep that in or do we say there needs to be some evening hours once a week?

Ms. Drinkwater responded maybe an hour past 5 p.m.

Mr. Williams asked is this considered an hourly job or a salary job?

Mr. Walters responded we are considering it a salary job as we pay. It is based on the management structure. I think we can have some extended hours and maybe leave that to the discretion of the property manager.

Mr. Williams stated I think we should delete the part about them being present during the school bus pick up. I don't see any value in that.

Ms. Little stated I agree.

Mr. Williams asked what about adding supporting community events. It crosses over into the POA but I don't think that is a real problem.

Ms. Drinkwater asked should some of the community events flip over into the CDD rather than the HOA?

Mr. Williams responded I have a little bit of struggle with that because we only have a couple of people that help out with that. Are you asking that the CDD drive the four events a year?

Ms. Drinkwater responded yes.

Mr. Williams asked what does it take for pool certification? Is there a value to that?

Mr. Oliver asked was this just for a secondary backup to do pool checks between the maintenance performed by the pool vendor?

Ms. Drinkwater responded yes.

Mr. Hill stated it is just a test, so it is not a big deal.

Mr. Usina stated I am doing that.

Mr. Williams asked so we are not talking about replacing what our pool service is doing? We are talking about augmenting what they are doing, correct?

Ms. Drinkwater responded yes.

Mr. Walters stated it sounds like we are talking about a supplement to the should be services provided by Arsenault. I don't know what pool certification means. Is that a two week course or is that a three hour class one evening? Are there different levels? Is there an operator versus a maintenance versus a builder?

Mr. Oliver responded maybe we can not include it in the job description, but encourage whoever gets the job to pursue the designation.

Ms. Little stated and we could look at that in the future because I am sure the Department of Health has documentation records.

Ms. Drinkwater stated when you have brown outs, you have to shut down the pool and you have to call Arsenault. If you had someone on staff that was certified then they might be able to take care of some of those issues and monitoring those issues.

Mr. Williams asked if everyone is happy with what Mike is providing to us, is there anything preventing us from offering him the job on a fulltime basis rather than go through the posting process?

Ms. Drinkwater asked, "Mike, is this something that you are interested in doing?"

Mr. Usina responded it is.

Mr. Hill stated we have had a good working interview over the last couple of months and that is more proof or more data that we are going to get through interviews. If there is nothing from a legal perspective then I would be in favor of moving forward.

Mr. Walters stated I don't believe there is. It is something that I can probably find out about fairly easily.

Mr. Joe Taylor stated I realize we are talking about a CDD position but I have been asked by some residents when the process was going to take place for them to apply for the job. Mike is my choice but you may hear some flack by people as to why it wasn't advertised.

Mr. Williams stated that is a good point.

Mr. Oliver stated I think what you could do is just really reduce the applicant pool to locals by advertising it on the website. That is how JCP advertises positions.

Mr. Williams stated if we just bring a bunch of resumes to the board and don't talk to people then to me, that is almost a disserve to the people taking the time to apply. I could certainly screening it to the top two or three and maybe that is what we need to do. Let's put a posting on our website saying that we have a fulltime position available. I think there are some things that we can continue to tweak in our job description and let's post it with those changes. Then tell people if they are interested to send resume by January 4th. Then get those to the board and we will have a discussion at the January 9th meeting. I feel a little uncomfortable bringing a bunch of resumes to a board meeting and not have some sort of vetting process.

Ms. Little stated maybe we should have a committee to be able to review who applied before the next board meeting.

Mr. Oliver stated we don't have to rush this in any way. We can advertise the job. If needed, we can set a committee meeting for sometime in January.

Mr. Williams stated that is a good point.

Ms. Little asked so for our January meeting, we will have a final job description?

Mr. Oliver responded yes.

Mr. Williams stated we will have it done in the next couple of days and then posted.

Mr. Usina asked would you guys allow me some feedback or input of ideas related to this job description?

Mr. Williams responded I don't have an issue with that. Let's get that done by Monday or Tuesday.

Mr. Oliver stated if it can be Wednesday that will be good because I will be out of town.

Mr. Williams stated Wednesday is good. We will get it up and posted by Wednesday.

SIXTEENTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.

SEVENTEENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. Walters stated I handed you all a copy of an easement agreement. This easement agreement has been approved before. If you go to the very southern part of phase two there is a very large property owner that has close to 12,000 acres. It abuts the back of our development. He has a property manager that lives in the house right on the back. They have been very accommodating by routing construction traffic through their property. They had asked us for an easement, so they could go through there to monitor the property. The board has already approved that agreement. This is a slightly modified version of that. The language is just tweaked. The modification is just due to the fact that given that relationship that it is the landowner in the back but it is a different person living in the home. If you look at the initial language in the easement, it is trying to draw the benefit to the landowner and not to the person in the house.

On MOTION by Mr. Williams seconded by Ms. Drinkwater with all in favor the Modified Easement Agreement was approved.

B. Engineer - Requisition Summary

Mr. Weeber stated we have two requisitions. The first requisition is to repay the general fund for fencing. This is the second half of a payment that was approved at a previous meeting. The second requisition is from Austin Outdoor. It is for the installation of the irrigation line and bubblers for phase one. The first requisition is for \$1,688. The second requisition is for \$3,754.33.

On MOTION by Ms. Little seconded by Mr. Williams with all in favor the Requisition Summary was approved.

C. Manager

There being none, the next item followed.

EIGHTEENTH ORDER OF BUSINESS Supervisor's Requests and Audience Comments

A resident stated there still seems to be the ongoing saga about the cable. At our last POA meeting people said if they knew that the internet and cable situation was as bad as it is, they wouldn't have moved here and that kind of turned a light on for me. We have contacted Comcast. They came out and made a proposal to us but they declined to come in and do it because it was too costly. Second of all, they are a little upset in phase two because the only place that has cable is one street. The other streets don't have it. How can we go about improving the cable situation in the area? Is County Road 210 a vehicle?

Mr. Williams responded the challenge as I understand it is there is no exclusivity agreement within Johns Creek. If Comcast or AT&T wants to come in there and lay cable, they can. If I recall, Comcast would come in and lay cable if we provided some sort of 10 year exclusivity agreement and provided marketing materials, etc. I don't think neither the POA or the board are interested in doing that. I think the community is at the mercy of the cable companies. In terms of phase two, I thought when AT&T came through that those lines were for cable but evidently they were only for phone.

Mr. Arnold stated my understanding from AT&T is that they are expanding their level of services. It is upgrades to their infrastructure outside of Johns Creek that determines what is available.

Mr. Williams asked so the infrastructure is there but it is not able to pipe in?

Mr. Arnold responded I would be guessing. Litestream was brought into phase one. When the decision came to align with a service provider for the construction of phase two, Comcast was not an option. They wouldn't come through but due to the historical troubles with Litestream, the only person left was to align with AT&T. AT&T was unveiling their new Uverse program but the ability to provide that service resides outside of this neighborhood and is driven by customers spending the money. Everyone has the right to come in and put the utilities in the right-of-way and no one in this room has any control over those service providers.

Mr. Williams asked is there infrastructure in phase two that would allow cable should AT&T chose to turn it on or have the ability to turn it on?

Mr. Arnold responded it was my understanding the work through the right-of-ways of phase one was to lay main line to bring the Uverse system back through to phase two. It is a series of infrastructure investments and that was one of the steps to get the system to phase two but also available to residents in phase one.

Mr. Williams stated they only went down the main road. They didn't go through the side streets in phase one, which AT&T would have to do.

Mr. Arnold stated the reason there is some cable in phase two that Litestream provided was because Litestream had capacity. For instance, they had capacity for 25 more residents and not 183. They took it upon themselves to go into the right-of-way and lay that cable and pick up the first 25 customers they could, which created some problems because some people have some services that other people can't get.

A resident stated it doesn't really affect me personally but I think for the younger people that are moving into the neighborhood, who have a tendency to do more work from home and it is their livelihood. That could impact future sales of homes.

Mr. Williams stated I am less than pleased with the signs that Lennar put in for phase two. When they put in their signs, they agreed to have appropriate landscaping. When they started they put wood chips over grass. When we called them out over that, they put pine straw down and said that is all they are going to do and then they put in four little bitty ground level evergreens in there. In my opinion that is not appropriate and it certainly does not match the example they gave us when they came here. I don't know if there is anything that can be done. I have heard complaints from a couple of other people. Are you satisfied with the work that Lennar did when they put those signs in and the landscaping that is with it?

Mr. Arnold responded I think it could be better. I would like the signs to be bigger and I would like them to have substantial plants around them and I am willing to pay for it.

Ms. Drinkwater stated but irrigation is the biggest thing.

Mr. Williams asked aren't they all in an area that is irrigated though?

Ms. Drinkwater responded but the sprinklers are meant specifically for the turf, so you would have to add some sprinklers in that area specifically for those beds.

Mr. Arnold stated or a bubbler.

Ms. Little stated I agree that they are not as desirable as we had hoped they would be.

Mr. Williams asked do we do anything about it?

Mr. Arnold asked are the signs and the height of sign off of the ground compliant?

Mr. Williams responded I don't think the signs are all that bad. I will admit that the signs came out better than I thought they would.

Ms. Drinkwater asked, "Charlie, would you be agreeable to extend the irrigation for us?"

Mr. Arnold responded we could get a proposal. We can look at the cost. Wasn't there a plan that contemplated turning this into a directional down the road?

Ms. Drinkwater responded yes.

Mr. Williams stated we did talk about that. As I have personally thought about that, I am not really sure we really need that because it is just our residents that go back there. When phase two sells out, I am going to recommend that we rip those things out and get rid of them.

Mr. Arnold stated I wish you would be able to take those out tomorrow then because that means phase two sold out. I have been an advocate for signage for phase two but I was disappointed to. I called them myself.

Mr. Williams stated it went from wood chips to pine straw to this.

Mr. Arnold stated you are exactly right. I would love to support an enhancement to this in order for them to survive. It probably should have been a phase two Developer responsibility versus us relying upon one of the preferred builders to do it.

Mr. Usina asked would it make sense to add some color to it?

Mr. Williams responded I just want it to look better. Part of my thing is I don't want it to be an expense to phase one residents. I really don't want it to be an expense to the Developer. I appreciate it your position but you are already doing stuff with the amenity center. This is Lennar in my mind. I am probably a little more emotional about it because they came in here with this big speech about wanting to be a partner and sharing our interests. I am just frustrated.

Mr. Joe Taylor stated I see in here where you address the temporary signs on the weekends.

Mr. Williams stated they are not putting temporary signs up inside of Johns Creek. They put these little yellow open house signs at the entrance to the community over by Publix and down County Road 210 and they are there every weekend. Tom told us that once we get these permanent signs, we are not going to need those other signs and it hasn't happened.

NINETEENTH ORDER OF BUSINESS

Financial Reports

A. Balance Sheet & Income Statement

Mr. Oliver stated included in your agenda package are the balance sheet and income statement.

B. Approval of Check Register

Mr. Oliver stated included in your agenda package is a check register.

On MOTION by Ms. Drinkwater seconded by Mr. Hill with all in favor the Check Register was approved.

C. Treasury Report

Mr. Oliver stated included in your agenda package is a treasury report.

D. Assessment Receipt Schedule

Mr. Oliver stated included in your agenda package is an assessment receipt schedule.

TWENTIETH ORDER OF BUSINESS

**Next Meeting – Wednesday,
February 13, 2013 at Watson St.
Johns Realty at 6:00 p.m.**

On MOTION by Mr. Williams seconded by Ms. Drinkwater with all in favor the Meeting was Continued to January 9, 2013 at 6:00 p.m. at Watson St. Johns Realty, 175 Hampton Point Drive, St. Augustine, Florida 32092.

TWENTY FIRST ORDER OF BUSINESS

Adjournment

Secretary / Assistant Secretary

Chairman / Vice Chairman