

**MINUTES OF MEETING  
SOUTH-DADE VENTURE  
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the South-Dade Venture Community Development District was held on Thursday, June 27, 2013 at 4:00 p.m., at the Waterstone Clubhouse, Phase II, 1355 Waterstone Way, Homestead, Florida.

Present and constituting a quorum were:

Curtis Cooper	Chairman
Miguel Aponte	Vice Chairman
Mike Lopez	Assistant Secretary
Sonia Castro	Assistant Secretary (by phone)

Also present was:

Mike Pawelczyk	District Attorney
Paul Winkeljohn	District Manager
Dennis Baldis	Governmental Management Services
Jeff Dunkelberger	Governmental Management Services
Jon Kessler	FMS Bonds
Eric Mendez	Resident
Manuel Villate	Resident
Jason Kyle	Resident

**FIRST ORDER OF BUSINESS**

**Roll Call & Pledge of Allegiance**

Mr. Cooper called the meeting to order, called the roll and the Pledge of Allegiance was recited by all who attended the meeting.

**SECOND ORDER OF BUSINESS**

**Approval of the Minutes of the  
April 4, 2013, April 25, 2013 and  
May 9, 2013 Meetings**

Mr. Cooper: Moving on to item No. 2, I need a motion to approve the minutes from April 4, 2013, also April 25, 2013, and May 9, 2013 meeting minutes. Is there any discussion or changes to the minutes?

Ms. Castro: I didn't see anything that I needed changed.

Mr. Cooper: Ok, Mr. Lopez?

Mr. Lopez: None.

Mr. Cooper: Mr. Aponte?

Mr. Aponte: None.

Mr. Cooper: Ok, hearing none, seeing none, I need a motion.

On MOTION by Mr. Aponte seconded by Mr. Lopez with all in favor, the Minutes of the April 4, April 25, and May 9, 2013 Meetings were approved.

### THIRD ORDER OF BUSINESS

### Update on Refinancing and Potential Refunding of the Bonds

Mr. Cooper: Alright, Mr. Winkeljohn, update on refinancing and potential refunding of the bonds.

Mr. Winkeljohn: Yes, we're very happy that we were able to meet today because we've had several things take place. Let me give you a quick summary of everything that has happened in the last almost 6 weeks with your refinancing and then Jon is here today and we're going to amend the purchase agreement slightly because the bond market had some horrible weeks and we're here today to lock into it with a slight adjustment, nothing terrible. I will tell you that bank financing in the CDD bond world is a nightmare and it's been proven once again, in the last 6 weeks the bank's commitment letter that we thought we had finalized changed an inordinate amount of times and I'll give you the substantive changes. There's a little history with a District that is essentially commercial property in the central part of Florida, you may have heard about it called The Villages. When The Villages got a ruling from the IRS because they didn't have anybody living in the spot where they had their elections, they couldn't ever vote for anyone and so they lost, or had the potential of losing their ability to have tax free financing and one of the main purposes of CDDs is economical financing of major costs such as infrastructure and what we do, lakes, the roads, and all

those big things and that's what you do with bonds, you buy them at a low price, called tax rate. In all the deals I've done with the bank, the first thing they wanted to do is say, well what if that ruling trickled out, or bled out into residential Districts which don't meet the topic but just, what if, so they wanted to put in clauses to protect themselves should things become taxable. If it becomes taxable your rate goes up a couple of points, you'd have to come back, reassess the residents at a taxable rate for all of your bonds probably and that's just how you would live with it. So the bank wanted that in the documents, no big deal to me. It's unlikely as any other scenarios like the alien clause that aliens would come down and abduct all the board and make them not vote to have assessments, that's in there too practically, and obviously I'm being facetious but it's basically at that level of, ok, I can't think of everything but let's try. If they were to do a taxable element, they also put in a clawback, where they would go backwards, let's say 10 years from now it comes up that this is not tax free, they would want us to assess enough to go back and pay the missing tax dollars for all those. It doesn't amount to a lot, and so I approved it, no big deal, we can live with that. Again, it's an unlikely scenario to an unlikely component of an unlikely scenario which is still very much unlikely. One of the bigger elements and this is a commercial for U.S. supervisors, that there was a legitimate concern of the bank, it wasn't a legitimate concern in my world because they went into not just your audit and your financial history to get your credit worthiness to do this deal, but they crossed over into the operations and maintenance side and looked at that and justly so, and they don't understand this but, the District spends everything it draws in revenue, every year and has for 4 or 5 years, for whatever reasons and for good and bad, that's who we are and that's how this District operates, and in 3 or 4 occasions whether it's money from refinancing or whatever we have raised our assessments to meet the service level that this District desires, the bank had a lot of trouble with all of that, they didn't like it, they didn't think you raised enough revenue every year versus your operating costs. They noticed in year's past that you had cash laying around, excuse the expression, and you used that in a fiscal year, and they said well you didn't assess for what you spent that

year, so that's wrong, so you see what I'm getting at? They didn't like that financial aggressiveness, but to make a long story short is there is some legitimacy to it because as you've added and you've heard me say this a number of times, when you add a recurring expense to your budget and don't increase assessments to match it, you've got to cut something, or your spending last year's money to pay for something next year, and eventually it catches up to you and you've been basically running on that really tight line, and the services we added were the full time off duty officers and the additional annual expenses for the holiday lighting, so those were new expenses without a revenue to match. The other new expense that you have that this will all fix a lot of it is the clubhouse, you added a new revenue line to match the clubhouse, that's perfectly appropriate. So I explained to the bank that when you refinance you're actually going to start keeping some of that refinancing dollars a little bit from the gates and a lot from the clubhouse customers, and that will sweeten your cash, you'll have a little bit of a buffer, and originally and this is leading right into Jon's purpose here. Originally the proposal from Jon was a 14% savings, that's what it looked like and given the 1 or 2 weeks we thought we would not nail this down with the bank, that would have probably been the number without any hesitation and probably even a little bit better. Now what I did, and I can't pat myself on the back because I don't remember why I did it, but I budgeted with you at 12% and so that cushion, I actually told the bank that cushion was for them to be more comfortable, but the good news is you assessed for next year at a 12% savings on these bonds. So Jon's here today, and Pedro is on the phone, to tell you that because the bond market went crazy and the two types of financing that you need to have the right spacing between them, got lost a little bit, and he's here to tell you that you're looking at 12%, so you're going to hear that from him.

Mr. Kessler: Ok, so unfortunately we would have been able at no problem to deliver the savings that we had discussed and I don't remember the last time I was here but it was probably about 45 days ago, right.

Mr. Winklejohn: Yes.

Mr. Kessler: Or maybe even 60 days ago, but anyway what's happened is Regions Bank, who is involved, they had been dragging this on and on, so unfortunately we weren't able to really catch the market when we would have liked to because of this delay, they said they were going to do the financing, they just kept coming back and back with new things that they wanted added after they gave us a commitment letter, so the unfortunate thing is as we talk about it, you could just say we don't want to refinance and possibly look at it next year, but because we have this 2008 Regions loan, it makes it, with them coming in and providing a portion of the loan and that like \$6.5 million at 3.95%, it dramatically helps this situation, so they basically have us in a box unfortunately. So if you want to lower your assessments I think this is a pretty opportune time, even at 12%. I would have liked to have gotten the 14% savings, but if you would have asked me 3 days ago literally, I would have said we couldn't even get the bonds sold because there's been such a dislocation of the market and that's why what I did is I showed you this chart of what's happened. It's been a violent move upwards in rates, and things have settled down in the last couple of days so right now we think we have a very short window where instead of giving, I think last time I had shown you 13% or 14% savings, it's now around 12.5% savings. So what I did was I brought a sheet on page 2 and it shows you essentially the exact same schedule as I showed you last time, and I have the schedule from the time before so you can basically compare the two but in this bond issue it looks like in any given year it's about a \$17,000 to \$18,000 difference, at the higher interest rate, so that unfortunately is where we are today. So the previous parameter that we had approved was 13% so in order to go ahead with the financing we would have to have the board adopt a parameter so you would allow us to go sell bonds where there was 12% savings, and that's why I'm here.

Mr. Winkeljohn: Right and that's where we said we would be, and before you I put out a resolution and I don't have a number, did we get a number from anybody on this resolution?

Mr. Pawelczyk: Resolution 05.

Mr. Winkeljohn: Ok, thank you, so resolution #2013-05 is before you which basically is an amendment to the previous resolution that set the purchase parameters of the refinancing that we were looking at 14% and it puts it as a minimum of 12%.

Mr. Kessler: Last time it was 13%

Mr. Winkeljohn: Sorry.

Ms. Castro: Your recommendation was that we should negotiate the bond unless it went under how much percent?

Mr. Kessler: Well given where rates were before and what the bond market was like, when I was here two months ago, and just for instance to give you a sense of how things are moving, about 2 weeks ago I refinanced Stonegate CDD, which is right down the road, it's called Malibu Bay right next door, and I think this is a much better credit but at the time we priced the bonds it was about 2 ½ weeks ago, those bonds in 2034 priced at around 5.1% and that's how I was always running numbers here. Given the fact that interest rates have moved up, substantially and you probably see what treasuries do, we're only talking about now, that would be priced at around 5.10%, and this is going to price at around 5.40%, that's where we think we can get the bonds sold, so it's a 30 basis point difference in 2034 but what it is, the savings is not 14%, the savings is 12%, it's a little bit more than that, it's 12.5% savings.

Ms. Castro: So you still recommend that?

Mr. Winkeljohn: Absolutely, you would do this at 5%.

Ms. Castro: Ok.

Mr. Kessler: You're still talking about \$111,000 per year and then keep in mind which we have not addressed is, part of this, they're also lowering the interest rate on the 2008 bonds.

Mr. Winkeljohn: Right and that rate did not change, so you're still at 7%.

Mr. Kessler: Right so that's not going to change, so that's another \$14,000 per year, so you're still going to be saving, which is in that column to the far right, around \$120,000 per year.

Mr. Winkeljohn: So for the board's action today the resolution solves that for you and gives the permission at the new number. Yes, Mike?

Mr. Lopez: The 2008 bond stays the same at 7% right?

Mr. Winkeljohn: Yes, that's the bank number totally, and so it wasn't affected by the market. Now one of the reasons why we're anxious, and we've already jumped on this, is the bank, we had hoped would put this out until August and maybe things would clean up a little bit tighter but they're not willing to go that far out without renegotiating or looking at the rate again, so that would be bad news. So we're here now, this is the time, we need to jump on it, and the bank's rate is 3.95%.

Ms. Castro: But seeing that we already had a commitment letter and they didn't move forward, what is the guarantee that now they really are going to sign this for us.

Mr. Kessler: They are, we have the approval.

Mr. Winkeljohn: It's been approved, I actually received an email today from the bank credit committee that they've approved everything, I saw it this morning.

Ms. Castro: Ok.

Mr. Cooper: If we did wait until August, there's no guarantee that they would do this anymore?

Mr. Kessler: No.

Mr. Winkeljohn: Right, things would go bad, and their rate would go up on everything.

Mr. Aponte: We're saving 12%, and if we keep delaying it, and let's just say things go sour, it's going to go down 10%, then 7%, so let's just get this over with.

Ms. Castro: Yes.

Mr. Lopez: Now from it going just from 14% to 12%, that represents \$280,000.

Ms. Castro: And really the chances of, we'd end up saving 14% are nil from here to August.

Mr. Kessler: Well not even until August, that's not going to be meaningful, but as Paul said, I think they would change the rate because rates have gone up, they

agreed to the 3.95%, they would probably come back and say 4.25% and then everything changes.

Ms. Castro: Ok.

Mr. Winkeljohn: So is there a motion?

Mr. Kessler: Given the volatility in the bond market the prospectus is done and it's posted to investors and we're actually going to try and get these bonds priced tomorrow so we have no risk over the weekend, or things changing next week, so the next steps are, I'm going to have to work with Curtis because what we'll do is we'll have a conference call tomorrow morning and tell you that we're going to price the bonds and then what will happen is our firm will sign the bond purchase agreement and then we'll need you to sign on behalf of the District, and Michael will be copied on everything but it will essentially have the numbers in it with the 12% plus savings, so I'll need a phone number or something to coordinate with you.

Mr. Cooper: Ok.

Mr. Winkeljohn: Are you available tomorrow sometime?

Mr. Cooper: Yes, sometime. What was the initial savings we were having with the gatehouses?

Mr. Winkeljohn: 7%.

Mr. Cooper: Was it always 7%?

Mr. Winkeljohn: Yes, they just lowered their rate.

Mr. Cooper: Ok, so nothing has changed on that.

Mr. Kessler: No.

Mr. Cooper: Ok. Hearing no more discussion is there a motion for resolution #2013-05.

<p>On MOTION by Ms. Castro seconded by Mr. Aponte with all in favor, Resolution #2013-05 amending the parameters of the bond purchase rate to a minimum of 12% was approved.</p>
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Mr. Kessler: Thanks everybody.



Mr. Cooper: I'll talk to you in the morning.

Mr. Pawelczyk: And we've been looking at the documents as they've come in as well as the numerous pieces of correspondence with the bank in dealing with this and I can tell you that Jon's been working his tail off to get these deals finalized, including Stonegate across the street, because the interest rates are going up and this benefit that these local governments have had to this low rate tax exempt financing is starting to disappear, at least for now. It's like you said, it's a roll of the dice, you don't know what's going to happen especially in this market, but there is a trend up, and I think that trend does show it on page 1.

Mr. Cooper: Alright.

Mr. Winkeljohn: Thank you.

Mr. Cooper: Thank you Mr. Winkeljohn.

#### **FOURTH ORDER OF BUSINESS**

#### **Staff Reports**

Mr. Cooper: Moving on to Staff Reports, Mr. Attorney.

##### **A. Attorney**

Mr. Pawelczyk: Like I said, the only thing we've really been working on is the refunding, refinancing item, and I don't have anything else to report on that is awaiting my work. Curtis did mention to me something about Stonebrook and dealing with some encroachment easement issues associated with the improvements there, so in speaking with Curtis I think between the 3 of us we'll get the information between now and the next meeting and look at it and bring something back to you. It may require an amendment to the current agreement but we basically need to know what's there and where it is before we can decide what needs to be done. I think the issue is that there might be some HOA improvements that are installed inadvertently on District property, or even vice versa, we don't really know. So there are just some items we need to work out, similar to what we've done with other communities having similar issues. You'll recall, and I can't remember which community it is, but one of them has their security cameras that happen to be in the median because that's where the

developer put it, but the median is owned by the District, so what's the District going to do, make them get rid of it, no, we just want to make sure that everything is legal, that's all.

Mr. Aponte: Just for the record, Portofino Point has an encroachment agreement with the District right now for the same exact reason, the actual monument is encroaching, and I think it's probably 3'.

Mr. Pawelczyk: And it's really all driven by the developer for the most part.

Mr. Cooper: Correct, and I believe the mention was that they wanted to have some type of an agreement or change something around where they would be able to maintain something.

Ms. Castro: Didn't we have that already with them?

Mr. Cooper: There was something back then that something was agreed upon or there is something like that and we're revisiting it to see what can be done to rectify the situation if that's possible.

Mr. Pawelczyk: So I've already made a note to work with Curtis once I get back on the 8th.

Mr. Cooper: And I'll see maybe if we can have the president of the HOA from the community, maybe the management company to meet us.

Mr. Pawelczyk: Right, maybe just a quick call or something and take care of it that way, but we'll bring it back to the next meeting. I just wanted to bring it to your attention because I think it's something that they might have been waiting for but we really don't have any information to look at yet, they meaning Stonebrook, the people there. That's all I have, so we'll bring something back to the next meeting, at least a report, and if not an amendment to an agreement, or an agreement itself for your consideration and review.

Ms. Castro: Ok.

Mr. Pawelczyk: That's all I have, there is an item that's on the agenda and I'm going to talk about. I emailed some of you on the Commission on Ethics Form 1 statement of financial interest, please make sure you all file that.

Ms. Castro: I have a question.

Mr. Aponte: Mine is already in, right?

Mr. Pawelczyk: I'll check while you guys are talking, I'll check online.

Ms. Castro: I had filed when I got the qualifications for the election.

Mr. Pawelczyk: Well you filed for 2011 at that time, you need to file the 2012 form because remember every year we have to do this.

Ms. Castro: Ok, yes.

Mr. Pawelczyk: I have to file, Paul has to file, Dennis files, and anybody who is a District manager and I have to file as a co-compliance hearing officer for another municipality, and I did file mine so I am in compliance, and I think Paul has too.

Ms. Castro: Ok, can I do it there, the Department of Elections, or do I have to mail it in?

Mr. Pawelczyk: It's my understanding, and I don't recommend this, you can fax it, or you can drop it off, this is what I do, I take a copy of it and I take my original, I give them the original and they stamp the copy and you take it back with you and put in your file for next year, so if you're right there that's what I would do.

Ms. Castro: Ok, perfect.

Mr. Pawelczyk: I think I indicated they have not in the past started to fine \$25 per day, up to \$1,500, until September 1st but there's nothing in the law that says they can't start fining on July 2nd, it's just their past practice is that, so between myself and your manager, and other managers, we're trying to get everybody compliant as soon as possible. It's one of those things you get in the mail, and you let it sit and you forget about it, so we're trying to train you, as we're trying to train ourselves, when we get it, fill it out, and send it in, but if any questions come up, let me know, and I'll check now just to get the most updated list, that's all I have.

Mr. Cooper: Does anybody have any questions or anything else for Mr. Attorney?

Mr. Lopez: I want to ask something related to the easements. Can the District actually just give the easements to the community so the HOA manages it, just like they

manage now any other property that has a backyard that's not cut and we retain an agreement, a security agreement, which I think we had discussed where if we need to install let's say the camera relay system we're going to eventually be expanding we have access to that part?

Mr. Pawelczyk: No, we can't give an easement over public property to a private entity, so we allow the encroachment of that, and it's basically a license agreement, it's a temporary license. We have full authority to go in there as the District and remove the cameras if need be, it's public property, so there's very little we can do, we can't lease public property to any private entity, whether it's for a private purpose or a public purpose, so we set up the encroachment agreement which is in essence the temporary license, gives me the authority to go in, but it's revocable. If the District board, this board says no, we're going to revoke that, you have the right to do that. In most cases are you going to do it, no, because it benefits the community, but the power is there to do it in case we need that property for the "public purpose" and the property has to maintain that public purpose. Now if the District wanted the HOA to maintain that area, and the HOA wanted to, and all parties agreed, we can go ahead and enter into a maintenance agreement and allow them to go ahead and maintain that area. So all the encroachment agreement does is it just gives them permission to put their stuff there, or to maintain their stuff that's already there, is really what the case is, but I think this board would certainly be willing to consider if there is a community that says, I can't get my new gates in unless I have an extra foot over that CDD property, well this board is probably going to grant that encroachment to do that. Does that basically answer your question?

Mr. Lopez: We had discussed it already but I just told them no.

Mr. Pawelczyk: No the green space encroachment agreement you're talking about, there is no permission for anybody to do that yet because nobody has taken advantage of that at all.

Mr. Lopez: Does Portofino Oaks have an encroachment, that's why their gate is all the way back on this side of the lake?

A resident: I believe they do, that's my understanding.

Mr. Lopez: They do, ok.

Mr. Pawelczyk: There are encroachment agreements for certain items at certain communities, but off the top of my head I couldn't say.

Mr. Lopez: Ok, well I'm asking because we have one particular community, three communities I believe, one of the communities is present here today, Mr. Villate, and when we spoke about it the last time we discussed about putting gates all the way towards the back and then having to add doors in between each gate, which technically I understand the reasoning behind it, but to a certain extent, the legality, it's there for a reason I understand, but at the same time it doesn't make sense to have 10 gates and then a door to each gate, that's a little bit awkward. If you take that land, the likelihood of you maintaining it is very high, I can't imagine a homeowner taking that land and building a fence all the way back to what would be considered the new District down there if you want to look at it that way, and now maintaining that area. Right now what that's becoming for us, the board, it's no different than what happened to the City of Miami with the alleyways when people were dumping trash back there, and the city had to constantly be going back there to pick up the trash. It cost them money, it cost them the crews, instead of dedicating time and their energy to the real issues, they had to be go back there and take care of this, the sooner we hand this over to either the HOA or the homeowners, the better it will be for the District.

Mr. Winkeljohn: And the history is we've done it before and we had to take it back because there was one in the middle who didn't maintain it and so it affected everyone across the line.

Mr. Lopez: That's why you give it to the HOA.

Mr. Winkeljohn: Well back when we did it the first time the HOA wasn't maintaining it either and they still needed access and then it went into the enforcement procedures through the HOA which takes months and months, and in the meantime the District's getting the black eye the whole time because everyone looks and calls code enforcement or calls whoever and they look it up on the records and it's District

property, so it's one of those weird challenges we will face as a board is that you have this land obligation that will never go away and you try to come up with the most efficient benefit to everyone and maintenance and when you're dealing with 17 or 10 people versus one entity, you end up with a problem that it fails, and it's philosophical, and policy setting for you guys. My opinion is, to be consistent and if all of them come to you and their president says we can do it, our pattern has been to let them try and if or when it doesn't work, we take it back and we catch it up to speed and we fix it and it's ugly, and it's messy.

Mr. Lopez: So how do we begin this process, do we write an agreement, start reviewing it, how would this work?

Mr. Pawelczyk: No, we presented this to you all sometime ago and we presented a draft green space encroachment rule which sets forth the rules and it basically says that the District has to adopt these rules first, and then the District can enter into a green space encroachment agreement with the applicable HOA who is going to agree to oversee the fence installation and to make sure that property is being maintained, and then really the District is out of it at that point, but to make sure that that HOA basically becomes the enforcement mechanism and the last point we left it at was that when ready, someone was going to look at those properties and determine what properties would be "green space areas" where this rule would be affective and then I guess at that time you could bring it back to adopt the rule, and that's the last I heard about it.

Mr. Lopez: So do we know what areas are considered green space?

Mr. Pawelczyk: Nobody has identified any of those areas for me now, so I don't know if anybody has looked at it or not. I think it was either going to come out of the management or the engineer.

Mr. Winkeljohn: We can come back at our next meeting with the proposed areas.

Mr. Lopez: Sounds great.

Mr. Winkeljohn: We have a map, and I've actually over the last few weeks had the map updated and asked the engineer to provide us one that we can hand out and identify what we maintain now, areas that we do not maintain that are the District's,

color code them and then we can just circle the ones that we think apply at a meeting and then go from there.

Mr. Lopez: Ok, sounds good.

Mr. Pawelczyk: And this has worked in at least one other community. The gate thing is not that big of a deal because this other community has allowed the residents to put a lock on the gate, as long as the District has access to the locks. So basically the HOA just locks all the gates, and there's one key, and the key is given to the District, and the District has never had to use it.

Mr. Lopez: Right but then again, we're talking about, if you have 11 homes, that's 22 doors right, because it would be one for each gate.

Mr. Pawelczyk: Well it's not their property, they don't own it.

Mr. Lopez: Ok, so is there a reasonable way to give them the property where we just give it to them?

Mr. Pawelczyk: Well you can't convey it to them at all.

Mr. Cooper: Can we sell it to them?

Mr. Lopez: Could we? That's a good question.

Mr. Pawelczyk: I guess if it's surplus property, but it's my understanding that property is there as a buffer in connection with a land development requirement when this whole project was built. I don't know why, but it might be part of the development order for this property in which case you can't change it without going to the city.

Ms. Castro: Can we find out to see if this is liable that we can work with the association and then we sell them the land?

Mr. Pawelczyk: Who would you sell it to?

Ms. Castro: Whatever property or community.

Mr. Lopez: The HOA.

Mr. Pawelczyk: We can look at it.

Ms. Castro: Then if we could sell it that releases us from the obligation.

Mr. Pawelczyk: You'd have to sell it for market value as surplus property, but like I said, I don't know if is surplus, I think there's a reason for it as part of the PUD.

Ms. Castro: Let's research it because in the past, do you remember what happened, we did the encroachment agreement and then we had to go back there and clean up after everybody. Now it's good that we're talking about this, I want to go on the record and say that I am very upset, I don't like the back and forth and I am going to do this on the record. I want to say it here in front of you. I don't appreciate the animosity in the emails that you send, I would like it to stop because none of us were on the board when the encroachment agreements were reached or when a lot of things happened in the past and we're trying to move on from that, but I sense that every email and a lot of things that are said on the record, are stabs at the board members that have been here a long time, I would like that to stop because there is no preferential treatment, we're very willing to work with everybody and I don't like it when it's said that, the previous board, or whatever, we're here to work with everybody and if they want to purchase, whatever land they want to purchase and we can do that, of course we're here to help, but I would like to move past that.

Mr. Lopez: I'm sorry for cutting you off but I'm sorry that it bothered you. It wasn't my intent or purpose to make you feel that way, they say that sometimes the truth hurts, and I'm not trying to draw comparisons between this board, or previous boards, I'm really not. I've said this and I've gone on the record as well to say that I believe that if we work together as a diverse group and we reach a general consensus and don't sit up here by ourselves and make decisions, we go out to the boards which is what Curtis and I did this week, we went out, we spoke to the master board in Waterstone I, I drew up a list of their issues and that's the email I sent, I sent the map to Dennis very orderly and I said Dennis, these are issues that were brought up to Curtis and I.

Ms. Castro: Yes, I understand, and you sent out an email saying that they were older, you didn't bother to research the history, that is what your email said, so you need to research the history, there was an encroachment agreement.

Mr. Lopez: I don't need the history, the history doesn't matter to me, this is brand new, I'm here now, whatever the history was that's not my problem anymore.



Ms. Castro: I understand that but before you said that there was no agreement.

Mr. Lopez: My problem is to move forward.

Ms. Castro: I understand, but there was an agreement with this board.

Mr. Lopez: I know there was one community that had an agreement, I didn't have an agreement in front of me.

Ms. Castro: I understand that you didn't, but the one in particular you said, we had an agreement and you didn't know that we came back and we had to fix the problem that there was because that board at that time which was not the president that you mentioned in your email, did not comply with what he agreed and we had to go back and spend lots of money and effort to clean up the mess that was back there, but if the community now is willing to come back and say yes, we're here, and we're going to take over, I'll be the first one to sign, I don't have an issue with that, but please stop the animosity because I'm tired of that.

Mr. Lopez: There's no animosity, I think you are wrong, with all due respect, you have to understand the following situation. If I go out and I talk to a board member or a president or anyone in the community and they give me a list of issues, I need to write and email to someone about it and what I'll do is I won't copy you, I'll make sure that I discuss it here, but it can't go unnoticed, it can't not be addressed and that's what I did, and there was no animosity, I try to draw a comparison of a boulder being placed in the middle of a road, that prevented us from being more united from reaching an agreement for whatever reason, whether it was because some guy didn't like the fact that they threw a peanut butter jar in their easement, that's not my problem. My problem is from now moving forward and trying to become a more united community and working together, that's why I did that comparison to show that we were off the road for whatever reason for a small little legality, that's it, and I said we're on detour, let's get back on the road and get this done. We can do it, and we can, I'm not here to be the adversarial guy, I said it before, not one thing is for certain, and I'm going to let you know this right now on the record as well. I'm not going to keep quiet, nor will I stand down to my beliefs and I will always push and fight for what I believe

in and I will continue to push and fight for what I believe in and if I have to in two years overturn the board to make my point come through I will and I will not stop and I will continue to move forward, that's my message to you and that will end it.

Ms. Castro: That's perfect, nobody is telling you to keep quiet, what I'm telling you is before making statements out here, do the research and find out if there really was an encroachment agreement prior.

Mr. Lopez: This is brand new, no research.

Ms. Castro: No, it is not brand new, this community had an encroachment agreement.

Mr. Lopez: We're starting new, forget about the past, there's no past, this is brand new.

Ms. Castro: No, it's not a past.

Mr. Lopez: Forget about the past.

Mr. Aponte: I have to disagree with you Mike because this community has been around for quite some time so there is a lot of past where there's an encroachment agreement whether there's 10,000 agreements it follows the board, so the way I handle it is when I have a question for something, and I've been on the board for 3 years and there was a lot of stuff that happened when I wasn't here, so I'll go to for example Paul, or I'll email Mike and say Mike, here's what's going on, can you fill me in on this before I put an email out to the entire, I like to know exactly what I am discussing, or if I'm right or if I'm wrong, and that's all we're saying. Unfortunately there is a history whether we like it or not, we're on the board now, can we fix it, possibly, but that's just the way we have to look at it, there is history, let's find out what the history is, not the issues, not the stuff that happened in the past, it has nothing to do with anything, it's all political, it's not that. History within the District regarding the District, just business, that's it.

Mr. Lopez: Let me ask you, so what is it that bothers you guys, that I used a connotation of a boulder in the middle of the street that drew us with the legal aspect which was probably some legal aspect that was maybe something that was ridiculous

or made no common sense, is that what bothered you? Or did it bother you that I put a picture of Portofino Oaks showing that their gate goes all the way back to this boundary, did that bother you Sonia, did that bother Miguel because now you confuse me.

Mr. Aponte: No here's what I have to say, the email didn't bother me whatsoever. I read the email and I deleted it, I just read it and deleted it, the email doesn't bother me whatsoever, it had nothing to do with me, I read it though, and I got your point, I'm not saying that I did get your point, I read it and we're talking about it, that's the way I see it.

Ms. Castro: What bothered me was the fact that it was said in the email that there was no agreement reached in the past and that you want to move on, and it's fine that you want to move on but there was an agreement in the past. What bothers me really is the animosity that I felt in those words, maybe you didn't intend it that way but I did feel animosity and I sat there and I said to myself, doesn't he know that there was an agreement established with this particular association which was not the name of the president that I know who was on the encroachment agreement, but when I came on the board I sat down and I researched what encroachment agreements do we currently have sitting, nothing to do with those. What bothers me is the fact that you're saying that we never wanted to deal with this board about an encroachment agreement, which is not true because when I came on to this board there was an existing encroachment agreement and when I came in, I was on the board sitting, deciding how it was that we were going to take the encroachment agreement back because there were homeowners that did not want to spend the time or the effort or the money to clean it up and the association didn't have the money to do it themselves so they wanted to turn it over. I went with Dennis on the inspection to see all the debris and the trash and the items that were placed there, and we were there with ValleyCrest giving them instructions, so it's not a matter of this association, that association, it's a matter of, ok if there was an encroachment agreement or wasn't there, have they tried to do this before and then ask and we move on, I don't have a problem with that.

Mr. Lopez: So can I know the reason why the encroachment agreement didn't go through now that we're back in the past, Mr. Attorney could I know why it didn't go through?

Mr. Pawelczyk: I don't even know what you all are talking about because I wasn't copied on any email. I know there have been several encroachment agreements but I don't have a clue what you're talking about.

Mr. Cooper: Which encroachment agreement are we talking about?

Ms. Castro: Portofino Lakes.

Mr. Cooper: That's the one that we're talking about.

Mr. Pawelczyk: I'm still not going to be able to answer the question until I go pull the file.

Mr. Lopez: Ok, then can I have an email so I can know why the encroachment agreement was denied or not signed.

Ms. Castro: It was not denied, they had it for a while, the problem was.

Mr. Pawelczyk: There were several communities where stuff wasn't signed for whatever reason, the HOA just wouldn't approve stuff.

Mr. Cooper: Are we talking about the encroachment agreement along the lake about the hedges?

Ms. Castro: No, Portofino Lakes.

Mr. Lopez: No, this has nothing to do with that, this is green space encroachment agreement.

Mr. Pawelczyk: Ok, well why don't I do this because this is going absolutely nowhere, with all due respect to every single one of us. Let me pull all the encroachment agreements you have, we'll bring a list back and we'll put on the agenda for discussion at the next meeting and I think that will dovetail into the stuff that Paul's going to do with the green space, so let's do that and then we will have the information and I'm the first one to say it's always good to revisit what we have, especially with new board members, new even going back to Miguel and that way we'll be able to

bring it back and we can decide what we want to do, but I'll bring back the history on all of those encroachments.

Mr. Winkeljohn: Lakes was the one that wouldn't sign it.

Mr. Pawelczyk: I think they wouldn't sign it but I don't know why.

Mr. Aponte: Can you include that because I know from the past, all 16 communities, communities that had green space were offered the space, so can you bring that back?

Mr. Pawelczyk: Yes, we just have to pull the file, because I'll be honest with you I'm drawing a blank and I don't want to say something that's not true.

Ms. Castro: What I can tell you from my community is that I haven't been able to sign an encroachment agreement because not every homeowner wants to spend the money to move the fence back and if the homeowner doesn't want to move it back and everybody along the tract H signs it, then the association is going to be responsible for that piece, or if not the CDD, and then they have to come in and clean that and that is not the purpose of an encroachment agreement. The purpose of an encroachment agreement is, you're the HOA, here is this land, take care of it, use it as per the laws and guidelines, and then it's your responsibility and you're taking off our hands the maintenance and the responsibility of mowing the lawn and whatever it is that we have to do back there. My association is one, but I cannot convince 42 people that I have to have sign each and every one, because if not it's going to be on the association.

Mr. Lopez: What do you do now when a homeowner doesn't cut his backyard and you can see it has no fence? Are you going to send them a letter?

Ms. Castro: My association has a landscaper that does front and back.

Mr. Lopez: Well I'll tell you what we do, if they don't have a fence and they don't cut their backyard, they're going to get a violation letter, and if I have an encroachment letter with the CDD and you give me as the HOA that encroachment, that's my problem. The homeowner doesn't cut his backyard regardless he's going to get a letter from me, if he doesn't cut it with one letter, he's going to get a second one,

he doesn't cut it after the second one, he's going to go to a grievance committee eventually and eventually we're going to fine him.

Mr. Pawelczyk: And that's your board.

Mr. Lopez: So he's going to have to clean it, he's going to have to get rid of the old tires, that beat down barbeque, and he's going to have no other choice.

Ms. Castro: But that doesn't happen in my association just because, first of all we do front and back, but that's not the issue, the issue is that we have, Stonebrook has a fence and after that fence is tract H, so you would actually have to tear down that fence and move and I cannot convince all 42 people to do it, so if one doesn't do it, how is the CDD going to jump over fences.

Mr. Lopez: So you're basing your decision off of your particular problem for your community.

Ms. Castro: No, what decision, there is no decision here to make. I'm explaining to you the problem that I have with the encroachment on my side.

Mr. Cooper: I think the bottom line is there are many different issues going on and every association is different, everybody has a different board, and that's the hard thing about this. I was going to ask Mike one thing, if we did have locks and the homeowners did put locks on if we gave them an opportunity to do that, we have bolt cutters right that can cut it, and gain access right?

Mr. Pawelczyk: Right.

Mr. Cooper: Ok, so if that was a huge issue we could let homeowners put their own locks and cut it if we need to.

Mr. Pawelczyk: But what we suggested a long time ago when this first happened was, because they don't want people walking behind their homes using this as an area whether it's dumping or whatever, so we'll put a fence on one end and we'll put a fence on the other end, and then you have no issues, and we won't allow people to put any other fences in but in affect extend their backyard, we'll just fence those two areas and that should take care of your problem and then the HOA can just be responsible to maintain that back. So what I'm saying is there are other ways to handle

it, the only reason this green space encroachment rule came up is because people wanted to extend their fences back through the District property. I don't think that's the best case scenario, I think the best case is secure the area by putting fences at those spots to keep people from walking through, even if they're 6' fences, and then have the HOA maintain the back and mow the back, so that's one way to think about it, but let's pull this all together, and I think this is a good exercise to see what's the best for the District.

Mr. Lopez: I agree, and in all honestly I started doing this because I did a drive with Dennis and he showed me, as a matter of fact in Sonia's community, that's why I brought this up really, she has in Stonebrook there's an area which is an acreage like a nursery, and we had spoken about it on our drive and I know it's in Stonebrook in Waterstone II, and we had spoken about that area as consistently having trash dumped in it, and this is why I started to bring this up because I saw the area, we spoke about the other easements where it's the foot traffic and it's vulnerable and I'll be honest, ever since becoming a dad, my whole perception has changed, so I actually brought it up because of a Stonebrook issue and I brought it up to board members in Waterstone I. If I would have known that this was going to create such a stir I would have probably just allowed it to take its natural evolutionary course.

Mr. Pawelczyk: Well I think this is a good exercise.

Mr. Lopez: Right this is the exercise of democracy which I love.

Mr. Mendez: I would like to mention something if I could.

Ms. Castro: Come up front here.

Mr. Pawelczyk: First, we need the microphone for recording purposes so if you would just state your name and address for the record and then go ahead.

Mr. Mendez: Yes, my name is Eric Mendez, I live at 2257 Portofino Avenue, part of Portofino Estates and it's basically on the lines of what you guys have been talking about, and this is my first meeting ever coming here so I don't know if you guys live in Portofino Estates or not, but I have an issue with the back side of the fence that borders around my property which I don't understand, when I did a survey report because I

want to build a fence to house my house I guess, and I'm not able to because I guess there's that white iron fence that is actually on my property, so how do I get that fixed because I went through Portofino Estates Association and I'm trying to get some clue as to who owns the fence and then try to get that fixed. I brought some survey reports for you guys to look at if you guys are interested.

Ms. Castro: Yes, the attorney will help us.

Mr. Mendez: So, on the paper you can see that on the back side of my house, the actual lot extends further outside where the fence is, so I need to know what I need to do to resolve that, if there's any way of resolving it.

Mr. Pawelczyk: Well Dennis and Jeff are field operations, they can look at your information and we can figure out who owns it.

Mr. Mendez: Ok.

Mr. Cooper: What area, could you point at it?

Mr. Mendez: Yes, it's the very corner one.

Mr. Cooper: This corner right here?

Mr. Mendez: Yes.

Mr. Baldis: Ok, that white fence was installed by the Portofino Estates HOA.

Mr. Mendez: Correct, but when I went to their meeting, they told me that's a CDD fence, so I keeping bouncing back and forth.

Mr. Baldis: No it's not.

Mr. Cooper: As you're going over the bridge on the left hand side, like if you are going from the roundabout, going over the bridge on the left hand side before the canal, there's that one picket aluminum fence.

Mr. Dunkelberger: That's correct, the only community that has a white iron fence.

Mr. Lopez: That's Portofino Estates

Mr. Dunkelberger: Correct.

Mr. Mendez: So I went to their meeting and they said go to the CDD.



Mr. Baldis: This is the history of the fence, I've been here a long time and I'm going to tell you exactly, some of the communities had chain link fence and other ones didn't, the ones abutting Waterstone Way. What happened was, the board at that time was looking into putting a fence behind all of the communities that didn't have them and they were going to put in a chain link fence, the CDD board, this board here. Portofino Estates at that time, their board wanted to fence up right away and they went ahead and put that white fence up and then they came to the CDD board and asked them to take the fence and it's my recollection that the board said, no we're not taking that fence because you installed it, it's not a chain link fence and it belongs to that HOA, and that's my recollection of it.

Mr. Winkeljohn: That's correct.

Mr. Mendez: Ok, so to get that fixed then who should I go to, to the Portofino Estates board?

Mr. Winkeljohn: If you want to tie to it, you want your parallel property line fence to hit the back of it so that shapes your backyard.

Mr. Mendez: Well the problem is the fence is on my property, it's inside the property.

Mr. Pawelczyk: Here's what I would suggest you do, you get Dennis' or Paul's information, and then I would go to the Portofino Estates property manager, the property manager for the HOA and bring this to their attention and tell them that Dennis and Paul said that it's not a CDD fence, it's a HOA fence.

Mr. Winkeljohn: Correct.

Mr. Pawelczyk: Because if the CDD would have installed, we wouldn't have installed on your property, just to let you know.

Mr. Mendez: Thank you. So then once I get that note from them.

Mr. Pawelczyk: We don't care what you do as long as it's not on District property.

Mr. Cooper: Do you mind if I see it?

Mr. Mendez: Yes, sure.

Ms. Castro: But if it's in his property he could have whatever he wants built and just take that out of the property right?

Mr. Pawelczyk: I'm not going to say that.

Mr. Baldis: So it doesn't belong to the CDD, it's not on our property.

Mr. Pawelczyk: And I think you should be able to work with the HOA on that if they installed it.

Mr. Winkeljohn: Yes, and I'm sorry they gave you the wrong information.

Mr. Pawelczyk: Most of the time there's so much change over with HOA managers and they don't know, they say oh that's CDD.

Mr. Cooper: Right, and I was here on the board when that was discussed and that was probably one of the first meetings I went to.

Mr. Winkeljohn: Like Mike said, make sure to put my email address in a correspondence with your HOA manager and when they say it's not I can reply to all and I can tell them, and I can give them the quick history, a little bit shorter than Dennis' version hopefully and they'll recognize the truth.

Mr. Mendez: I have a question and this is a little bit funny, but who is my HOA manager because I don't really know.

Mr. Winkeljohn: That's a bigger problem, I have no idea.

Ms. Castro: Mike knows?

Mr. Cooper: Mike?

Mr. Lopez: Portofino Lakes, you live in Portofino Lakes?

Mr. Mendez: No, Portofino Estates.

Mr. Lopez: Ok, I live in Portofino Lakes, but I think it might be Nora Abel, I'm not sure.

Mr. Pawelczyk: I think between the manager, if it's Alton Madison, and this District management they should be able to work it out. I think Alton Madison just needs to know that it's not a District fence and then they can deal with you directly. So you have Dennis' contact information and once you get past the HOA thing, Dennis has just indicated that he'll work with you on the hedge and we'll figure it out.

Mr. Mendez: Got it, ok.

Mr. Baldis: I'm onsite Tuesdays and Thursdays, you can call me anytime on the cell phone or shoot me an email, I'll be happy to meet you. If I can't meet you Jeff can, or I'll have someone meet you from ValleyCrest or both of us, and I'll come over and address any concerns you have.

Mr. Mendez: Ok and what about the trash, they just cut the hedge and take the trash?

Mr. Cooper: They're still picking stuff up I believe.

Ms. Castro: Yes, they are, they have a lot of clippings that they have along the entire District.

Mr. Mendez: This one inside though, inside my property like my backyard.

Mr. Baldis: I'll take care of that.

Mr. Mendez: Ok cool, sounds good, thank you so much.

Mr. Winkeljohn: You're welcome.

Ms. Castro: Well, thank you for coming.

Mr. Cooper: Thank you.

Mr. Mendez: Thank you.

#### **B. Engineer**

There not being any, the next item followed.

#### **C. Field Manager - Consideration of Actions and Proposals from Field Manager's Report**

Mr. Cooper: Ok, moving on the next report is going to be the field manager's report.

Mr. Baldis: Yes, as we all know the hedges along Waterstone Way have been pruned and so that's all been taken care of. All the drainage has been inspected and cleaned, that's been completed also. We have a recurring problem along Campbell Drive at 42nd Avenue and the fence, the problem is there's a chain link fence there and

people are jumping over the fence and the top row is getting broken. We are repairing that constantly. There was a report today on the west system that the fence needs repaired again, which we will take care of probably by tomorrow or Monday at the latest because we have to go get some extra parts now, but they're indicating that the fence is causing or allowing people to come in and rob, and I quote "loot" the neighborhood and this just keeps going on and on and I almost get the feeling that they don't think we're doing anything about it, but we are, we're doing it and I'm going say on a weekly basis it gets some type of repair. I talked to Curtis about this and I'm not sure if we looked at it Mike when we did our drive through, but I have this problem in a couple of other communities and most people don't care for the solution that I offer, but when the solution is taken, the problem goes away and that is cutting a path in there so they can go through and the reason it's being broken is it's the residents who don't want to walk all the way around and they're jumping the fence at the end of their street. For the people who live there I'm going to guess you're asking them to walk maybe a quarter or maybe a half of a mile to get behind their home to go where they want to go and they're just not going to do that. In all honesty, if I lived there, I would probably jump over the fence and try not to break them. I just want to put that out so you know that if you hear about that, we are fixing it, it's just that it's non-stop.

Mr. Cooper: Dennis, just to give you a heads up, I did speak with the property manager for that area and I basically gave her a heads up, I haven't had a chance to take her out there to physically show her because of time constraints but I did suggest maybe possibly there were a couple of issues obviously that their main gates are not functioning so that's obviously a cut through possibly for some of the other communities, that people aren't living there. Aside from that I gave her a possible solution of maybe the association being a little proactive because it seems like they're not really wanting to do anything to help with that issue, maybe plant something that will give a little bite when people jump over there.

Mr. Baldis: To me, it's a group effort, not just send Dennis an email, you know my fence, you're never fixing it, so it's frustrating to me to keep trying to do something

and I'm sure you understand what I'm saying. Anyway, we also had a complaint about trash around lake #13, we looked at that today, someone evidently had a picnic and left their stuff, that's been cleaned up. We're going to be installing the annuals, the new annuals should be in by July 3rd, we had a little bit of trouble locating the colors that we want to put in. We purchased new decorations for the guardhouses and here at the clubhouse abutting and that's going to be installed July 1st. I also have a request and I believe this was one of the things Mike pointed out, over at the lake along Portofino Bay, and this was an item that came to the board a while back, about putting a hedge along the South Florida Water Management District easement to plant a hedge there and to block the view for Portofino Bay.

Mr. Lopez: I put it on the map because I wanted to get your input to see whether it's viable to put a hedge there or not, will it survive, will it do well.

Mr. Baldis: Right and it came up before and we discussed it, you could plant a hedge there and you'd probably have to run a temporary watering system and use a native hedge until it took hold and then you could do away with that. So yes, it's something that could be done. I know Manny and I talked about it.

Mr. Villate: Yes, can I say something about that?

Mr. Winkeljohn: Sure, we'll allow it.

Mr. Villate: My name is Manny Villate, 3741 NE 23rd Court in Portofino Bay. I have been representing Portofino Bay proudly going on 7 years so it all started because I wanted a little gate on the side fence that was being installed by the HOA, the HOA president said no it's a security issue, I said is that it, nobody else gets to decide, and so I ran for president and that was 7 years ago. A lady came up to me the other day and said how wonderful a job we've been doing in Portofino Bay and when you get all the negatives it's always good to hear the positives, somebody actually saying wow look at all you do with \$100 per month, whereas the end verse is oh where does our \$100 go, so you actually get some good people out there. I want to say to you guys that you've been doing a lot of good stuff for me, Dennis you've been out there quite a bit, we have the security concerns at the gate over by the Turnpike and I know you guys are doing a

lot with the infrared lights, that whole system, it sounds great, you're in contact with Laura Lane about getting the IP address and all of that so we can get all that going, so a lot of good things are happening, we have a crime watch now that we've established a few months ago. July 4th the mayor is going to be in our community right in front, I invite all of you to go, we're dedicating a basketball court, the HOA is in conjunction with a local contractor who donated half of the cost, pretty much half of it, we have a basketball court for our youths, so I'd like to invite all of you. The mayor will be there, it's at 10:00 o'clock in the morning, we're going to do a dedication ceremony, a ribbon cutting and the whole bit, so if you guys can make it, that's great. Two years ago I still have the proposals, I have one from ValleyCrest to put coco plum trees, and Dennis you suggested coco plum along the hedge. There were two things about lake pride, it's not about blocking off Pebblebrook, that's just one thing. Pebblebrook does not maintain the back sides of its homes, I know that's something that's the responsibility of the Waterstone I master association. To get on to Pebblebrook and when that HOA doesn't do what they're supposed to be doing the master is supposed to step in and say something, but for years and years I see nothing but wood and overgrown trees, but it's not just that, and even without Pebblebrook if you just looked at our lake, you compare lake #5 to the rest of the lakes in Waterstone, it's a rock pit, there's no vegetation around it, there's nothing to beautify that lake, plus we have the canal next to the lake which it's not like it's a plus. So two years ago I came to the board and I said, I know you guys don't have a lot of money, but we'd be willing to pay to have this vegetation installed we'd even take care of it until they get rooted, and you could be talking 2 or 3 years down the road, then at which time we could turn it over to the CDD for maintenance. We would try to get hedges and now we've actually even considered maybe adding some trees too. I was talking to our landscaper, maybe some Japanese fern, I have no idea what a Japanese fern is but he says that's low maintenance, I don't know, maybe even some palm trees, I have no idea, but again we'd be willing to do the cost. Sonia you said last time it might be a security issue and that we need to do a swat report and if we're going to be doing a swat report for this then I'll go home, I'm not going to do a

swat report. So basically this is what we'd like to do. I think once we get this infrared thing going, the security issue is going to be nullified but we would, like I said, in one way or another if we could get a pump to get enough water out of the lake to put the water there until it takes root, I assume that's possible. We have a handyman and we can do that, and this is not even something from me because my wife and I, we're moving to North Carolina in 4 years and by the time that hedge is full grown I'll be out of here, so this is really for people to come, and that lake, if you look at the other lakes, like the other lake in my community which borders on Portofino Lakes, it has the beautiful bourgenvilla and there's some nice vegetation out there. I also considered some bourgenvilla to put some color into it, but we would give you guys the design, we'd say this is what we'd like to do and then you guys would approve it, but before I go to all of that effort I wanted to maybe get a yes, this is possible, yes this is legal, yes we're going to let you do it, and then I'll go through the hoops that I jumped through 2 years ago, I'd be willing to do that.

Ms. Castro: Can they install the pump in the lake?

Mr. Winkeljohn: You can do all kinds of things, I just can't speak because I don't have a microphone. Ok, yes, I think that's really where you should go and the board has determined the planting will work, there's land to do it, we own the land and it's no big deal. The main issue after we deal with the water and stuff like that is just to make sure that we're not adding a place for people to hide and seek in and do the very thing that we're going to spend a ton of money on surveillance and I don't want to go any further on the surveillance, if I get your design and the plant type material, I can look at the site angles and see if we're creating a hiding space or if I could still pick it up. If I can pick it up from the camera, if you know what I mean, so nobody can get where they want to go without being caught on camera, so I just need to see the design.

Mr. Villate: So from the onset do you see it as a possibility?

Mr. Winkeljohn: The only concern I believe the board has, and correct me if I'm wrong, and staff has, and correct me if I'm wrong, is security.

Mr. Villate: But wouldn't that be the same concern in any other lake that has vegetation around it?

Mr. Winkeljohn: Well sometimes the vegetation is to block and it's advantageous to put it in. In that situation because we know where the traffic is coming from, I just need to see it.

Mr. Villate: No recall this is going on that lake, it's going on the east side of the lake, not the west side.

Mr. Winkeljohn: Let me look at it and there are techniques and design where you can put little breaks in it at an angle.

Mr. Villate: Well do you want to talk to me privately about how that is?

Mr. Winkeljohn: Yes, I like the way you worded that.

Mr. Villate: So then I can suggest to the landscapers that this is what we need.

Mr. Winkeljohn: Right.

Mr. Pawelczyk: I think the question really is for the board, does the board have any objection to this in principle?

Ms. Castro: If there are no security issues.

Mr. Winkeljohn: It's a grey area for screen, if you live in that area and you're looking across, in both directions actually, no offense to your side of the lake, and looking at anyone's back yard is never ideal, so both sides would benefit, and I can see that. We just have to be really careful and the good news is the design of the security system is flexible and maybe I can pick it up and incorporate with your layout.

Ms. Castro: Yes, Dennis?

Mr. Villate: Wouldn't trees work better than bushes?

Mr. Winkeljohn: Let's not design it today.

Mr. Villate: Ok, so let's talk privately then, can we?

Mr. Winkeljohn: Yes.

Ms. Castro: Dennis wants to say something.



Mr. Baldis: Just when you're doing that you have to remember that's South Florida Water Management's easement there, our easement is the slope and I have no problem with what you want to do, I just dealt with them before.

Mr. Villate: No, they've already marked it.

Mr. Baldis: Then that's fine.

Mr. Villate: Yes, they've already marked it and the first hedge that we put along the black fence that has the gate that I wanted 7 years ago, we actually put a hedge on their property, unbeknownst to us, and then they came out and said, no more, and they've marked clearly where their property is so we know where the CDD begins and we'll keep it as close to that as possible so there's plenty of room between that and the lake to still do what we want.

Mr. Baldis: And if you've dealt with them already then you are ok.

Mr. Cooper: I know we've had this come up and I'm glad we're getting this back out and talking about it, and I'm just throwing this out there, and I know you keep saying as far as all the other lakes have improvements and whatnot and for the most part, like say the bourgenvilla like along the fence, that's to prevent people from hopping over the fence, so we haven't really like put trees. I think the only other lake really that we did, and it's along Waterstone Way and those lakes are just where they're at, and everybody's seeing them and everybody is going through that community as far as a visual aspect, the Friendship Park one we added trees.

Mr. Villate: Ok, so you're missing the point, I'm not here to say that you guys have something and not on my lake, I'm saying, whoever did it, whether it's the developer.

Mr. Cooper: Well I'm just saying you were saying about the beautification of it, pretty much what we've done, aside from the Waterstone Way which is what everybody gets to see when they're driving through the community is ways for the security, so putting the bourgenvillas around by the Turnpike that's to prevent people from hopping over in that location, not to beautify that area just for the people that are

over by that lake because when we look at our dollars we have to look at the community as a whole.

Mr. Villate: But again, these won't be your dollars.

Mr. Cooper: Right and now going back to what you're saying, now if you guys are willing to maybe front the cost of the plants, I was just stating initially to correct not the misconception that we were beautifying other lakes and yours is one that we haven't done.

Mr. Villate: No, I don't think I said, that you guys were beautifying, I simply said, that other lakes are beautified for whatever reason.

Mr. Cooper: Well there are enhancements to it for whatever reason.

Mr. Villate: When I go to our other lake and I don't know what lake number it is, but it's on the east side of our community, it's a beautiful view, they have the bourgenvillas, it's very pleasant. You look at our lake there's nothing but rock, overgrown grass, you've got the canal, and then to add insult to injury you've got Pebblebrook to add insult to injury.

Mr. Winkeljohn: Ok, well I think you've got the argument won, so don't talk yourself out of it, you're in good shape, let's move on.

Ms. Castro: Manny I have a question because you're the one in the best position to answer it. Do you notice the influx of people coming in from the Turnpike, has it stopped?

Mr. Villate: Yes, it's gotten a lot better, initially there was one gate put on the east side of the Turnpike which that wasn't very good, because it left like 2' on each side, and I don't know if you guys did that or not, I think you did.

Mr. Baldis: The chain link fence?

Mr. Villate: On the west side of the Turnpike.

Mr. Baldis: That was South Florida Water Management.

Mr. Villate: Ok, so somebody did that, but then you guys did the one on the east side, great job, applauded you guys years ago when you put it up, you have the barbed wire, however, these young people are very adept at climbing over these fences and

putting their foot right on top of that barbed wire, I don't know how they do it, and they just hop right over. So definitely it's gone down tremendously, but it's a lot better, it's a lot better but it still happens, you still have people jumping over the fence, we've put up signs, you guys let us put up signs that say, no trespassing, we have the crime watch now, if we see anybody fishing, we tell them they can't fish because that's how they've been scoping out the houses, because they come out, they fish and then they look at the houses.

Ms. Castro: I suggested electrifying the fences but they turned it down.

Mr. Villate: So I think this other plan is going to be good. I just suggested to Curtis when he came over to talk to us, and thank you very much, when both of you guys came over Mike and Curtis, like he says whether the infrared light goes off or something there's a signal at the guardhouse and then he calls the roving police.

Mr. Winkeljohn: We can talk privately about that if you want.

Mr. Villate: Ok, we'll do that and I can share with an idea I had for that.

Mr. Winkeljohn: Anytime.

Mr. Villate: So anyway, before I put my foot in my mouth, I'm going to stop.

Mr. Cooper: Manny also just to give you a heads up on a transition note, with that concern with pulling out of the clubhouse has been addressed and I believe by today it should be lowered so the visual is better.

Mr. Villate: It's a beautiful hedge, I also looked when you cut it, but did you guys agree that it does block a little bit of the visibility?

Mr. Baldis: Coming out of the clubhouse?

Mr. Villate: Yes, those are great hedges.

Mr. Baldis: On your way home you look it's cut.

Mr. Villate: Ok.

Mr. Baldis: It was a good point, I'm glad you helped us. I look at things like that all the time and it needed done and it was done within the hour after you suggested it.

Ms. Castro: Thank you.

Mr. Villate: Thank you guys.

Mr. Winklejohn: Keep going Dennis.

Mr. Baldis: I'm sorry, where was I? The other item I have are the monument lights the decorative lights that change colors, they will be repaired by Monday, I apologize for the length of time that it's taking. I could go into a very long story explaining why it's taking so long, it just has and we apologize and hopefully I'm confident that Monday they should be up and operating.

Mr. Lopez: Great.

Mr. Baldis: That's all I have.

Ms. Castro: All in the same color?

Mr. Baldis: You'll have control to change the color.

Ms. Castro: Yes, but all the light bulbs will be the same color?

Mr. Baldis: Yes, the light bulbs should be the same colors, and the part of the trouble we've had is the remotes. The people we bought the signs off of, they're still in business but they sold the business and it's a story that's not worth your time hearing unless you want to talk to me after the meeting, and again I'm sorry it's taken so long.

Ms. Castro: Do you have an update on the golf cart?

Mr. Baldis: The golf cart has been working fine. Vince noticed it, he took it out once and there was some staining on the plywood, but we may have had a leak, we've called the golf cart people and told them what we had, and they said well it could be a battery or this, and we said we just bought new batteries and a new charger, you need to come out because I'm not buying it this time. So they came out checked the cart and gave it the ok and we're just monitoring it. Jeff's here on Tuesdays now, every Tuesday, we're both here on Thursday and we're keeping a close eye on it, and I know some other folks have been using the golf cart and so far it's been operating fine.

Mr. Aponte: Yes, I took it out a couple of weeks ago and it was running perfect.

Mr. Baldis: That's all I have unless you have anything for me.

Mr. Winklejohn: Thank you Dennis. Any questions?

Mr. Lopez: I have one observation. The sheds that are there, is there a way we can do something to cover all that trash that we can see when you drive by, there are some old arm lifts or gate material?

Mr. Winkeljohn: Normally you couldn't see that but we trimmed our hedges, in hindsight I wouldn't have trimmed ours, I would have just replaced them.

Mr. Lopez: Well even with the screening affect you could see a little bit of it. Is there anything that you know of that other communities have done because it looks really bad when you drive by and you see all of that?

Mr. Baldis: Well what I would like to do personally is have the HOAs who brought that stuff over dispose of it.

Mr. Lopez: Oh that's HOA stuff.

Mr. Baldis: It's not our stuff.

Mr. Winkeljohn: We'll take care of that then.

Mr. Aponte: That's a good idea, send an email out to all the communities saying come get your stuff.

Mr. Winkeljohn: Very good, any other questions for Dennis? Hearing none, and Curtis had to take a call real quick.

Ms. Castro: What annuals are we going to install now for the 4th of July?

Mr. Winkeljohn: Curtis is in charge of annuals and he and Dennis have spent several weeks reviewing material. They went to nurseries, they identified a flower they want to try, and a design they want to try and so the horse is out of the barn, so we'll see next week what we end up with, right Dennis?

Mr. Baldis: We've picked the flowers, the colors that were selected aren't all available and they're trying to find those colors, but I was assured that it will all be done by July 3rd.

Ms. Castro: What color is it that we're installing? What was chosen to be installed?

Mr. Baldis: White and purple.

Ms. Castro: Ok.

Mr. Winkeljohn: Ok.

**D. Manager**

- Clubhouse
- Gates
- Number of Registered Voters in the District - 2,894
- Discussion of Financial Disclosure Report from the Commission on Ethics

Mr. Winkeljohn: Under manager's report, I have in front of you the 2012 audit that came in just after we finished today's books, so I hand carried it here. It's a good clean audit. I will tell you that the meat of our audits is on page 25, and the most important lines on page 25 are items #1 and #2. Basically they're saying currently your findings and recommendations and prior year's findings and recommendations, and in that space where it says none, would be a list of things that were discovered during the audit process which would be out of compliance with the District's rules, either financial rules or internal rules from an accounting principal standpoint. So the reason I put it before you is the deadline is now to accept it as a record of the District. You're not auditors, you're not saying it's correct, it's good, it's bad, or otherwise, we know it's a clean audit and you're accepting it as record by motion and so I'd like to take up that motion now.

On MOTION by Mr. Aponte seconded by Mr. Lopez with all in favor, accepting the audit for Fiscal Year ending September 30, 2012 was approved.

Mr. Winkeljohn: Moving on to the next item, I've already basically covered with the refinancing a lot of the things that are going on with the clubhouse and with the gates and a lot of that will improve with next year's budget. I've been trying to keep the costs as low as possible so that we have a carry forward to get through the lean months of the fall which you've heard before, and I haven't had anything interesting or unusual happen. I will warn you that the PCs at all three gates have found their end, their speed and their ability is behind the technology that we are using now, so probably next year I'm going to spend at least half of the refinance money to update all the PCs, there's just no way with the tag ID system being so much bigger and stronger, the computers can't

handle it very well, so just an alert there. The rest of the gate situation is pretty much status quo, we've had a few, and we're going to look a little bit closer at some of those speed bumps spacing and things like that. We had what looks like a small data problem at gate #1 again but the team basically knows how to solve it and get it back up so we're getting good reads again. Staff from our contractor has been spending a day at the gates, basically once a month, because they're out here a lot now and they've picked up a lot of business from the HOA side, and they really have a better overall picture, and there's nothing like watching to learn how they function and they've had some good recommendations and they're working towards implementing them. The other item under manager's report which our District counsel already mentioned the financial disclosure forms so I don't have to go through that. We always put on the agenda and the record the number of registered voters in your District, and you can see that you have almost 3,000 registered voters living amongst you in the District. Mike and I had lunch today to go over a couple of these topics and one of them that came up was the possibility and the probability of a Super Walmart being built across the street, and today is the first I've heard of it. So what I usually do on behalf of the District is serve as your manager and your lobbyist and what I'll do is have all re-register with the City of Homestead, and I haven't done it since the gates, I haven't had an issue really, and I'll get involved and I'll be the contact person and we have our own entity represented at the table and we'll see what's what and I'll keep you informed, unless you object.

Ms. Castro: No, please go do it.

Mr. Aponte: I believe the land has already been purchased.

Mr. Winkeljohn: Right and I'm not afraid to divulge the reality of it. When Walmart buys a piece of land, they've already done their due diligence and they know the capacity and the legal rights and use of that land typically, they don't buy something and then find out the homeowners are going to shoot you down, but it doesn't mean that there are concessions and adjustment to site plans and things like that, so that's all part of the process no matter what. So we need to play as an integral player in that because we do represent both Waterstone I and II and we are the one collected entity for all of

Waterstone so that's you, and I'll take the lead as staff to go through that with them and bring back to you what I think is going to happen and what we might try to make happen. So there's land around you that's undeveloped so you have to be prepared for all contingencies, and that's all I have to report.

Mr. Pawelczyk: Financial disclosure, Mike and Miguel are in compliance, I just checked that online.

Mr. Winkeljohn: Curtis, we're under item No. 5 now.

Mr. Cooper: Ok.

## **FIFTH ORDER OF BUSINESS**

### **Supervisors Requests and Audience Comments**

Mr. Cooper: Moving on to Supervisors Requests and Audience Comments. We had all the audience comments earlier, and now there is no audience left, so we can move on to our supervisors, Mr. Lopez, anything further that you have on your to do list for the community?

Mr. Lopez: Let me see. I think we discussed already the easements and Portofino Lakes. Also Portofino Lakes had a question on the refinancing of the bonds, they wanted me to put it on the record again, they want to make sure that their savings is going to be applied to them on the decreased tax assessments, am I correct?

Mr. Winkeljohn: Yes, unless they want to spend it on something.

Mr. Lopez: Ok. I also wanted to ask and see if the board would be willing to consider for the next time we ever do a big project that we just did with the hard pruning, if we were to consider getting an independent person to bring us a report to the table. I don't know it might cost \$50 or \$100 to do and sometimes that's a procedure that can be applied just to not have the company that's under contract with us be the only source of information being provided to the board. The Waterstone Living magazine I believe it's going to get printed soon.

Mr. Aponte: Can I stop you there for a moment? What do you mean by, you mean a second opinion, is that what you mean?



Mr. Lopez: Right, an independent contractor, anyone you guys want to choose, I don't even want to be involved, anyone you guys want, it doesn't matter to me. I feel that it's a process that we should adopt, it helps because if you could spend maybe \$100 to get another opinion and at the same time maybe save something. I just feel that's something we should consider for any future huge project.

Mr. Cooper: Mike, you're saying as far as a cost, or as far as whether or not we go through with it or not, or both?

Mr. Lopez: Both, I think that's something in the future we need to look into.

Mr. Cooper: Ok.

Mr. Aponte: I agree, if the solution that is being presented, is that the correct solution.

Mr. Lopez: Right, if we're going to spend \$45,000 to prune trees, the company that's under contract with us, and maybe we can get an independent objective report.

Mr. Winkeljohn: Yes, that's a good idea, in fact, on landscaping topics, in landscaping the best model I've ever used was an independent person overseeing the landscaping. You may remember during the budget I would ask ValleyCrest to basically do that, but should we get in a position where we can afford that I totally agree with you. In fact I used a professional horticulturist, who would spend an entire day and look at every plant and every leaf and every bed, and every inch of our common area and write up a full report on maintenance procedures, on short and long term procedures and material condition and things like that and I believe fully, and it's somebody that eliminates all questions and doubt and it's absolutely a great approach.

Mr. Lopez: And I also want to put on the record that I'm not saying this because I feel that we made mistakes, or we didn't get a good value for what we did. I think ValleyCrest gave us a tremendous service at a great price because it would have been a whole lot more expensive if other companies would have done the same work, so we had it, and I think it's something that we need to start adopting and doing as a norm so we get used to it.

Ms. Castro: I understand and not only that maybe that would expand business here and we don't have a monopoly, or ValleyCrest doesn't have a monopoly here, we can bring other vendors that can assist with smaller projects or special things that we have around here.

Mr. Cooper: Mr. Lopez, anything else?

Mr. Lopez: Yes, two more things and I'm done and that's it. I think that in order to avoid things from becoming the past and leaving the past behind and moving ahead, it's like when you drive a vehicle, you look in the rear view mirror but if you stay looking at the rear view mirror, you're going to hit something in front of you, so you tend to look at the rear view mirror but then you have no other choice but to look forward again, and I think that our central philosophy should be to just look forward and I believe from today going forward, we need to start meeting with the boards again, each of us, if we could take 3 communities and meet with them twice a year, make lists, hand this over to our District management, it would help us to achieve that desired feeling of closeness that I know you all want and I want, and I think that's the only way to do it, we have to meet at least twice a year with at least 3 of the communities and that's going to work, I'm willing to take up 3 in Waterstone I, even Waterstone II which I've already approached Maria about meeting with the boards and they're looking into allowing me to meet with some of the Waterstone boards if not all of them and I just feel that's the way for us to move on. Thank you.

Mr. Cooper: Thank you Mr. Lopez. Mr. Aponte?

Mr. Aponte: No, I don't have anything.

Mr. Cooper: Ok. Ms. Castro?

Ms. Castro: No, I addressed everything totally.

Mr. Cooper: Alright, I just have a few things of course. First of all, I'm trying to remember because I remember seeing pictures in my head, it is just that things have been so crazy over the past year or two with regards to the District and how we've been so progressively moving forward. Mr. Baldis, is there a flag pole, not a flag pole but on the

street lights did we have 4th of July banners made up at one point, or we had a discussion about doing something for the 4th of July?

Mr. Winkeljohn: He mentioned it while you were out, he already bought it.

Mr. Cooper: Oh, not the bunting for the guardhouses.

Mr. Aponte: Yes, we did.

Ms. Castro: Oh, yes I do have something else.

Mr. Aponte: Dennis we have those, I believe it was probably 4 on each exit or entrance.

Mr. Baldis: Alright, I'll take care of it.

Mr. Cooper: Ok. Another thing, now that I guess there's a few of the master board members here so maybe you can pass this along to the board in making a decision, and I don't know if that's the proper route or what we have to do but in coming to the clubhouse, with regards to knowing the people that are here, and keeping more of an eye on them and making it easier for people. My recommendation that I've seen in another facility that seems to work for them, and it might be something for us to consider, would be going and I know we've tried to go with these cards and give people all this access but with that comes a little bit more freedom that maybe we should say again the CDD has a responsibility now for the safety and knowing who is here so they utilize a band system, a color band system that somebody passes out each day, a specific band to individuals using the pool, and also a different colored band that would represent somebody being able to be old enough to utilize the gym which would also work for the pool as well. This way that visual would be able to give the guard or clubhouse staff an opportunity to see that the people that are supposed to be here are here and there's nobody actually that should be here. I don't know, and obviously there's some things to work out as far as how that would look and what that would entail but I just wanted to bring that to the record so that we can go ahead and move towards that and working with the master association to basically facilitate that hopefully for maybe this summer, or if not for future usage of the facilities.

Mr. Lopez: Can I add to that because I've seen it myself, I've done a couple of inspections myself and used the pool myself a couple of times, and yes, I agree with you Curtis, there is a lot more traffic in the pool and probably 25% doesn't belong, I did see that. The only way I think to eliminate it because once you're in the water how are you going to see the color band?

Mr. Cooper: It's noticeable, you see it.

Mr. Lopez: Yes but you have to have the guard staring at everyone, so what I'm thinking is and I don't have a problem and we can all vote for it but what I'm thinking is, and I already mentioned it to Maria is, there should be only one way in, and one way out, unless there's an emergency and the way in, just do the same thing that we do with the gym, what's your name, let me see your card, how many people are with you, write it down, and come in because you're still going to get people in, it's going to be hard and it's almost impossible for the guard to know who is who.

Ms. Cooper: Well what they also do is, when you approach the window so that may mean retrofitting the window where one of the workers is there that is in the walkway through there, that all those other little small details could be figured out.

Ms. Castro: Yes, but I think that we've grown past that point. I think that we're now in the spot where we have a lot of people visiting the pool and we're at a point where we have to hire that person that should be the attendant for the pool and should be in charge because we're asking a lot of one guard that is doing the parameter, the pool, here, and so something is just not going to happen, the person cannot do so many things at so many times, so maybe we should have a designated person tending just to the pool.

Mr. Cooper: Well I agree that we definitely do need to get somebody additional, but also too to help that individual and all the individuals that are part of the whole thing adding a visual. They also would leave their ID card with them when they get the band, they leave their card, and when they leave they have to pick up their card and if you are a guest visiting you have to leave a driver's license as well so that you have to come back also, so that would facilitate coming in one way and coming out one way, but you have to obviously have that person to be able to do that.

Mr. Aponte: Well you have 5 residents per card I think is what it is. You have somebody come in, they take your card, when they leave, who's counting, and I've noticed that, there's kids being left in the pool, so who's counting? So that's why I'm thinking create a log, you have your log, this person comes in, you check them out, then circle it, and then just visually count 5 people and then just mark it off. That's probably the easiest and cost effective way, we don't have to wear our bands, unless we're going to personalize the bands, you can go to Party City and buy 500 bands in 20 different colors for \$30.

Ms. Castro: I don't know, I think we need to look at the bigger picture, I think it's about time we start discussing one person for now.

Mr. Winkeljohn: Let me start a dialogue with Maria, get her input and we'll go from there.

Ms. Castro: Ok.

Mr. Aponte: But absolutely I agree with you Curtis, we have to have some control, definitely control.

Mr. Cooper: Yes.

Ms. Castro: And we actually need more than just one person coming in Saturday and Sunday to clean for a little bit, we need somebody here cleaning the bathrooms because they get really bad.

Mr. Winkeljohn: Yes, she's added that already. Thanks Mike.

Mr. Lopez: Thank you guys very much.

Mr. Cooper: Thank you. That's pretty much all that I have. I'm still working on the website trying to get some dialogue situated so I can bring something to the table so you guys can have a look at possibly something, and then hopefully by the next meeting we'll have some type of a page for you guys to see to give a go ahead on updating the website.

Mr. Winkeljohn: Ok, very good.

Ms. Castro: What I was going to try and bring up was about Christmas decorations that I love that project and I'd like to see it grow every year more and more,

and a while back the president of Stonebrook I approached me because we always light up the Waterstone Way roundabout and the Boulevard, he once asked me to try to bring lighting to his roundabout and so I would like to see a proposal.

Mr. Winkeljohn: Which roundabout is that?

Ms. Castro: In front of Stonebrook I, the one with the encroachment problem, so see if we can bring Christmas decorations into there and maybe wrap into the Boulevard the palm trees that are right adjacent to the nursery.

Mr. Cooper: Pretty much attend all the roundabouts that are here with some type of festive lighting.

Ms. Castro: Yes, something, just maybe lights or something that is not that costly.

Mr. Winkeljohn: Dennis can have them priced.

Ms. Castro: Ok, that would be nice.

Mr. Cooper: Ok, no audience comments, all supervisors requests are attended to.

## SIXTH ORDER OF BUSINESS

### Financial Reports

A. Approval of Check Run Summary

B. Balance Sheet and Income Statement

Mr. Cooper: Moving on to Financial Reports, approval of the check run summary and also the balance sheet and income statement.


On MOTION by Ms. Castro seconded by Mr. Aponte with all in favor, the Check Run Summary and Balance Sheet and Income Statement were approved.

## SEVENTH ORDER OF BUSINESS

### Adjournment

Mr. Cooper: Moving on to item No. 7 which is adjournment.

On MOTION by Ms. Castro seconded by Mr. Aponte with all in favor, the Meeting was recessed to reconvene at 6:30 p.m. for the Town Hall meeting.

  
Secretary / Assistant Secretary

  
Chairman / Vice Chairman