

**MINUTES OF MEETING
LAKE POWELL RESIDENTIAL GOLF
COMMUNITY DEVELOPMENT DISTRICT**

A Regular Meeting of the Lake Powell Residential Golf Community Development District's Board of Supervisors was held on Monday, October 30, 2017, at 2:00 p.m., Central Time, at the Shark's Tooth Golf Club, Main Dining Room, 2003 Wild Heron Way, Panama City Beach, Florida 32413.

Present and constituting a quorum were:

Thomas Balduf	Chair
John Ellis	Vice Chair
John Grueter (<i>via telephone</i>)	Assistant Secretary
Gary Lorenz	Assistant Secretary

Also present were:

Howard McGaffney	District Manager
Mike Burke	District Counsel
Mike Carroll	District Engineer
Paula Greer	Seat 2, Board Nominee
Ken Buchholz	Resident, POA President
Ron Crowson	Burg Management Company

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. McGaffney called the meeting to order at 2:01 p.m. Supervisors Ellis, Balduf and Lorenz were present, in person. Supervisor Grueter was attending via telephone. Supervisor Orfinik was not present.

SECOND ORDER OF BUSINESS

**Acceptance of Resignation of Supervisor
Michael Orfinik [SEAT 2]**

Mr. McGaffney presented the email resignation received from Mr. Orfinik and read into the record:

"September 26, 2017

Gentlemen,

I am moving out of the state within the next few weeks and am, therefore, tendering my resignation from my position on the Lake Powell Golf Community CDD. Over the past 6 years I have enjoyed the honor of working very closely with your organization and my fellow supervisors.

I believe our current supervisors, along with Mac McGaffney, have made substantial progress in the past and I fully expect this will continue.

I definitely will miss Supervisor Lorenz' favorite motion.

Best of luck to all.

Sincerely,

Mike Orfinik"

On MOTION by Mr. Lorenz and seconded by Mr. Ellis, with all in favor, the resignation of Supervisor Michael Orfinik, dated September 26, 2017, was accepted.

THIRD ORDER OF BUSINESS

Consideration of Appointment to Fill Unexpired Term of Seat 2

Mr. McGaffney stated that it was necessary to appoint someone to fill the unexpired term of Seat 2, which would expire in November 2018. Mr. Bob Flescher and Ms. Paula Greer notified Mr. Gaffney of their interest, which he forwarded to the Board. Prior, the Board received other emails regarding potential nominees.

Mr. Balduf nominated Ms. Paula Greer to fill Seat 2.

Mr. McGaffney asked if there were any other nominations. No other nominations were made.

On MOTION by Mr. Balduf and seconded by Mr. Lorenz, with all in favor, the appointment of Ms. Paula Greer to fill the unexpired term of Seat 2, term expires November 2018, was approved.

- A. **Administration of Oath of Office to Newly Appointed Supervisor *(the following will be provided in a separate package)***

Mr. McGaffney, a Notary of the State of Florida and duly authorized, administered the Oath of Office to Ms. Greer and briefly explained the following items:

- i. Guide to Sunshine Amendment and Code of Ethics for Public Officers and Employees**
- ii. Membership, Obligations and Responsibilities**
- iii. Financial Disclosure Forms**
 - a. Form 1: Statement of Financial Interests**
 - b. Form 1X: Amendment to Form 1, Statement of Financial Interests**
 - c. Form 1F: Final Statement of Financial Interests**
- iv. Form 8B – Memorandum of Voting Conflict**

Ms. Greer elected to receive Supervisor compensation of \$200 per meeting, up to a maximum of \$4,800 per, which included today’s meeting.

Mr. Burke gave a brief overview of the Sunshine Law and would further explain the Sunshine Law and Supervisor duties, post meeting.

Mr. McGaffney stated that Form 1 must be submitted to the Supervisor of Elections for the County in which Ms. Greer resided.

B. Consideration of Resolution 2018-01, Electing Officers

Mr. McGaffney presented Resolution 2018-01. Mr. Lorenz nominated the following slate of officers:

Chair	Thomas Balduf	Term Expires: 11/2020
Vice Chair	John Ellis	Term Expires: 11/2020
Secretary	Craig Wrathell	
Treasurer	Craig Wrathell	
Assistant Treasurer	Jeff Pinder`	
Assistant Secretary	John Grueter	Term Expires: 11/2020
Assistant Secretary	Gary Lorenz	Term Expires: 11/2018
Assistant Secretary	Paula Greer	Term Expires: 11/2018
Assistant Secretary	Howard McGaffney	

A Board Member inquired about the expiration of terms. Mr. McGaffney stated that Supervisor Grueter was Landowner-Elected and his term would expire in November 2020.

Landowner-Elected Seats 2, 4 and 5 would expire in November 2018 and transition to the General Election process. Candidates must be a qualified elector and reside within the District.

On MOTION by Mr. Grueter and seconded by Mr. Lorenz, with all in favor, Resolution 2018-01, Electing Officers, as nominated and stated, was adopted.

FOURTH ORDER OF BUSINESS

Consent Agenda Items

A. Approval of Unaudited Financial Statements as of September 30, 2017

Mr. McGaffney presented the Unaudited Financial Statements as of September 30, 2017. Assessment revenue collections were at 102% and expenditures were at 78%. Expenses were under budget because the District budgeted for the entire year’s worth of expenses not knowing when the District would convey the water and sewer; therefore, some things related to payroll, etc., were not expended. There were some operational changes, as well, which were contributing factors.

B. Approval of September 25, 2017 Rescheduled Public Hearing and Special Meeting Minutes

Mr. McGaffney presented the September 25, 2017 Rescheduled Public Hearing and Special Meeting Minutes and asked for any additions, deletions or corrections. The following changes were made:

Line 72: Change “that the new Board Member be qualified elector of the District and be able to vote in Florida” to “that the new Board Member must be a qualified elector and reside in the District and able to vote in Florida”

Line 175: Change “Lorenzo” to “Lorenz”

On MOTION by Ms. Greer and seconded by Mr. Balduf, with all in favor, the September 25, 2017 Rescheduled Public Hearing and Special Meeting Minutes, as amended, were approved.

FIFTH ORDER OF BUSINESS

Staff Reports

A. Ecologist: *Cypress Environmental of Bay County, LLC*

i. Status Reports: September

Mr. McGaffney presented the Ecologist Report and stated that Ms. Womack was still seeking to reduce the water quality reporting to one event per year. Tentatively, the next was scheduled for November 7. Regarding Marsh Rabbit Run, Ms. Womack would continue to follow up with Mr. Lee, who needed additional time. There was some type of data loss with the 2017 mitigation work and Ms. Womack worked with the Army Corps of Engineers (COE) and the Florida Department of Environmental Protection (FDEP) and planned to submit it. Ms. Womack's update was not received yet but it would be included on her next report.

Mr. Lorenz stated that the Marsh Rabbit issue had been ongoing for a year and requested that Ms. Womack put a final date of December 31, 2017, as to when everything must be completed. Mr. McGaffney would notify Ms. Womack. The Board had no objections.

B. District Counsel: *Burke Blue***i. Update: Panhandle Engineering Mediation**

Mr. Burke stated that he and Mr. Lorenz met in a Court Ordered Mediation with Panhandle Engineering. The mediation was brief and both sides were still pretty far apart from what he and the Board thought was the value of the case. A settlement offer was made but it was rejected; however, it opened a line of communication leading him to believe this matter could probably be resolved in the near future. The benefit or services of a Mediator would not necessarily be needed, as he hoped that he could resolve it between the parties.

Mr. Balduf asked Mr. Burke to could give the background of the mediation.

Mr. Burke stated that the former District Engineer voluntarily terminated his contract in November, 2013 or 2014 and sent the District an invoice for about \$400,000 stating that he was owed back insurance premiums for the prior 13 years, which the contract gave him the right to charge. Over the course of 13 years, he never sent an invoice for an insurance premium; he waited until he terminated his contract with the District and then sent a bill for all 13 years. Under the contract, the former District Engineer was entitled to charge a 10% surcharge for managing sub-consultants, which was approximately \$60,000, plus miscellaneous finance charges of about \$400 to \$500. On behalf of the District, Mr. Burke filed Affirmative Defenses to the lawsuit. There is a five-year statute of limitations on a written agreement; therefore, the District could not be sued for anything prior to 2009. If a bill was not submitted in 13 years for something that the former District Engineer had the right to bill and collect on each month, then

the contract was changed by his actions and he waived the right to collect. That also applies to the insurance premiums and the 10% consultant surcharge. The District is the Defendant in the case, thus it is not the District's job to push this case along; therefore, the District has not, and it has been lingering for three years. The only thing that happened was that the former District Engineer filed a Complaint and the District filed its Affirmative Defenses. The Plaintiff sought Discovery and the Court threatened to dismiss the case once but the Plaintiff met the threshold to keep the case alive. Most recently, the District was ordered to the mediation.

Mr. Lorenz moved that the Board suggest to District Counsel to continue with a defensive posture. Since this case has been pending for a long time and not moved forward, he felt that the Judge might finally dismiss it. Mr. Burke concurred with the approach.

On MOTION by Mr. Lorenz and seconded by Mr. Ellis, directing Mr. Burke, as District Counsel, to continue with a defensive posture regarding the case with Panhandle Engineering, was approved.

Mr. Lorenz stated that this was unlike any mediation he had ever seen. The Mediator advised him and Mr. Burke that "he was going to bow out and ask the Plaintiff and Mr. Lorenz to have some conversation if that is okay with you, Mr. Burke". Mr. Lorenz discussed the mediation and noted that an offer to settle was made but not accepted; he agreed with Mr. Burke on some instances and that they had opened a line of communication and that the Plaintiff may take the District's offer, or not. Mr. Lorenz asked if it would be okay to communicate or meet with the Plaintiff if he was contacted and provided he did not commit the District to anything.

Mr. Burke replied that it would be good for the Board to confirm Mr. Lorenz as the appointed Board representative, for the purpose of this litigation. If Mr. Lorenz received a phone call, it would be good for Mr. Lorenz to take that call to determine if the District could resolve this matter. Mr. Lorenz could not make any decisions for the Board; it must be considered by the Board.

In response to a question of the District's liability, Mr. Burke replied that, from the Plaintiff's side, it was about \$500,000; \$300,000 plus charges and \$200,000 in interest at 18%, over the last four or five years. Mr. Burke's position was that the best the Plaintiff could do would be about \$100,000, not including any potential interest charges.

Mr. Lorenz stated that the District had the potential for an offset because it was necessary to have new surveys, since the Panhandle Engineering would not turn them over to the District. That cost was \$40,000 to \$50,000.

On MOTION by Mr. Ellis and seconded by Mr. Balduf, allowing Mr. Lorenz to continue as the Board appointed liaison to this medication, including permitting him authority to continue discussions regarding settlement offers he may receive, was approved.

C. District Engineer: *McNeil Carroll Engineering, Inc.*

Mr. Carroll hoped to provide the Stormwater Report; however, a couple of inlets were not on the master sheet so he must finish those. The report would be finished this week and provided to the Board.

In response to a question regarding whether he found out anything out about the bridges and the prior inspections, Mr. Carroll replied that he had not but still had calls to make.

Mr. McGaffney asked Mr. Lorenz to request drawings of the bridges during the next conversation instigated with the former District Engineer.

D. District Manager: *Wrathell, Hunt and Associates, LLC*

In response to a question regarding whether there was a second exit from the community, Mr. McGaffney replied down Pinfish and through that gate.

Discussion ensued regarding traveling all the way through the community, a dirt road, development of the next phase to be completed next year and the gate access reopening, opening the bike path to be used as an egress, the conservation park and sandy roads, rebuilding a section to give it a better base, potentially partnering with the POA, etc. Mr. McGaffney stated that an update on this item would be added to the next agenda.

i. NEXT MEETING DATE: January 8, 2018 at 2:00 P.M. Central Time

The next meeting will be held on January 8, 2018 at 2:00 p.m., Central Time, at this location.

SIXTH ORDER OF BUSINESS

Business Items

A. Consideration of Landscape Proposals from RFP/Ranking

Mr. McGaffney stated that this was a continuation of a discussion that the Board tabled at the last meeting. It was a discussion regarding ranking the landscaping proposals received from the Request for Proposals (RFP). It appeared that the Board was at a mutually agreeable point with the POA; that the POA would do what it wanted with its landscaping company and the District might want to stay with BrightView Landscapes, LLC (BrightView).

Mr. Balduf inquired if the POA was currently looking to hold off on any change. Mr. Buchholz replied that the District was in a contract with its current contractor through December. There was an upcoming POA Meeting and there were three bids for the Board to review.

Mr. Balduf asked for the District to defer its decision to the next Board Meeting, on January 8, 2018, to know what the POA planned to do. If it did not coincide, the District would retain its current contract.

Discussion ensued regarding the contract expiration and a 60-day termination clause, additional work on the addendum, clarification of the addendums and tabling this item to the next meeting.

Mr. McGaffney stated that this item would be included on the January 8, 2018 agenda and the proposals would be included again.

A Board Member wanted confirmation from Burg Management Company (Burg) that all landscaping for both the CDD and POA was being managed through them. Mr. Crowson replied that that was his understanding.

Mr. McGaffney stated that he had extensive emails communications and he believed that Mr. Richard Lowery, of BrightView, finally understood, since he clearly stated that BrightView needed to work through Mr. Crowson.

Discussion ensued regarding meeting with Mr. Lowery, the District still not receiving invoices, Mr. Lowery determining a schedule of items, such as annual flowers and mulching, cutting the ponds, etc. Since those were all Addendums to the contract, BrightView was falling a bit behind. Further discussion ensued regarding the new bids changing to quarterly, a single point of contact, recommendations and enhancement projects without the Board's approval and an e-blast system or mailing.

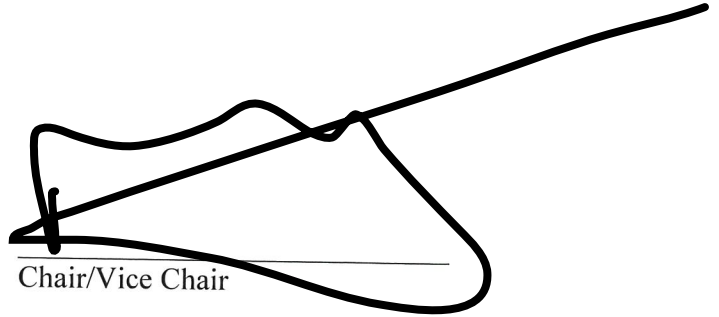
SEVENTH ORDER OF BUSINESS

Open Items

Mr. McGaffney pointed out the new "Notes" section in the agenda book.



Secretary/Assistant Secretary



Chair/Vice Chair