

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

The Board of Supervisors of the Lake Powell Residential Golf Community Development District held a Public Hearing and a Regular Meeting on Monday, August 27, 2018, at 10:00 a.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
Paula Greer (via telephone)	Assistant Secretary
Gary Lorenz	Assistant Secretary
Bruce Sova	Assistant Secretary

Also present were:

Howard McGaffney	District Manager
Mike Burke	District Counsel
Robert Carroll	District Engineer
Bethany Womack	Ecologist
Ken Buchholz	Resident and POA President
Becky Ferris	Resident, Architectural Review Board Chair
Robert Fletcher	Resident
David Dean	Resident

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. McGaffney called to order at 10:03 a.m. Supervisors Balduf, Ellis, Sova and Lorenz were present in person. Supervisor Greer was attending via telephone.

SECOND ORDER OF BUSINESS

Consent Agenda Items

Mr. McGaffney stated that the agenda was revised to include the Fiscal Year 2017 audit, which was received late. It was subsequently circulated and posted on the CDD's website.

A. Approval of Unaudited Financial Statements as of July 31, 2018

Mr. McGaffney presented the Unaudited Financial Statements as of July 31, 2018. Assessment revenue collections were at 94%. On Page 3, although the "Tax collector" line item was budgeted, the "Property appraiser" line item is reflected as an actual expense, even though it was not budgeted, and will be included, going forward, including in the adoption of the Fiscal Year 2019 budget.

B. Approval of May 21, 2018 Regular Meeting Minutes

Mr. McGaffney presented the May 21, 2018 Regular Meeting Minutes.

On MOTION by Mr. Lorenz and seconded by Mr. Sova, with all in favor, the Consent Agenda Items, as presented, were approved.

THIRD ORDER OF BUSINESS

Staff Reports

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

i. Status Report

Ms. Womack reported the following:

- The cutting from the Mitigation Work Plan, for the year, is nearly completed.
- There is another dead tree northwest of the roundabout and the Board should consider removal, while the contractors are still on site. The tree is in a conservation area and Staff previously obtained permission to remove it.
- A few dead sand pines in various locations that require removal. Sand pines are notorious for short life spans. Mr. McGaffney asked Ms. Womack obtain and submit a proposal for the work and he will approve it.
- Cogon grass was uncovered in two locations; Meadowlark Way and the back of Water Road Bend. The CDD was treated in 2014 and, although it was contained for a while, the weeds have returned and it would be in the CDD's best interest to resume treatments to control it. A third location that is part of the golf course also has a cogon issue and, although it is not a CDD responsibility, it should be reported because it is already starting to displace the native vegetation. Mr. McGaffney would email the golf course.

- The Annual Monitoring Report to the Department of Environmental Protection (DEP) is due in September and Staff will commence working on it after the cutting is completed.
- Everything is running smoothly and the maintenance is lessening.
- Salamander Trail area looks good despite not being trimmed due to the rains. It would be a beneficial to cut the Firewise area in the winter.
- Grass carp permit application was submitted to the Florida Fish & Wildlife Conservation Commission (FFWCC). Ms. Womack will follow up this afternoon.

B. District Counsel: *Burke Blue*

i. Litigation – Panhandle Engineering

Mr. Burke thanked Mr. Lorenz for assistance in the Panhandle Engineering litigation. The matter was finally settled and could be removed from the Open Items List.

ii. Conveyance of Water and Sewer Deeds - PCB

Mr. Burke is continuing work on completing the title searches for a few of the easements that he had questions on with regard to the water and sewer conveyance.

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

Mr. Carroll reported the following:

- Most of the geotech work on the bridges was completed with assistance from Nova Engineering and Environmental, LLC (Nova).
- There are rotting issues on the Covington Bridge; repair options are being considered.

A Board Member stated that one or both bridges on Shark Tooth's Trail with rotting issues were restored by replacing the wood with a concrete substitute to fill in the holes and repainted with top-quality paint. He asked if similar repairs would work on the Covington Bridge. Mr. Carroll replied affirmatively. Discussion ensued regarding bridge materials and the aesthetics. Mr. Carroll would obtain proposals to replace the wood and plastic on the bridges.
- Several inlets need to be cleaned out; a contractor was contacted to clean them.
- A number of gates are damaged and are in need of repair or replacement. The Board and Staff discussed gate repair costs and options; PVC-fencing, chain link fencing, adding turn buckles, bi-fold gates and consulting with an architect.

Mr. McGaffney urged District Staff to coordinate with contractors and obtain proposals to resolve the gate issues, the Covington Bridge repairs and the culvert, by the December meeting. All invoices and expenses would be ratified at that time. Mr. McGaffney recommended that the Board authorize District Staff to draft a Request for Proposals (RFP) with a specific project scope, with assistance from Mr. Carroll and Nova and allow the publication of the RPF for the infrastructure repairs on the bridge and the culvert work. All bids will be considered at the December meeting.

On MOTION by Mr. Balduf and seconded by Mr. Ellis, with all in favor, authorizing District Staff to draft a Request for Proposals (RFP) and advertise for bridge culvert and infrastructure repairs, with assistance from Nova, was approved.

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

i. Consideration of ADA Site Compliance Proposal for Website Compliance Shield, Accessibility Policy and One (1) Annual Technological Audit

Mr. McGaffney stated that claims were recently filed against a number of CDDs and entities alleging that their websites were not compliant with the Americans with Disabilities Act (ADA) requirements for websites. Although the CDD was not sued, the insurance carrier recommended that all websites be brought into compliance. Management proactively engaged ADA Site Compliance (ADASC) to conduct a technological audit on all of its client websites and affix a compliance shield on the homepage with a link to the District's accessibility policy and who to contact for information or assistance. The annual cost to modify and maintain the website is \$199. All documents that are not legally-required will be removed, leaving only legally-required documents on the website.

On MOTION by Mr. Lorenz and seconded by Mr. Balduf, with all in favor, the ADA Site Compliance Proposal for Website Compliance Shield, Accessibility Policy and One (1) Annual Technological Audit, and ratification of \$199 for the service, was approved.

- **Discussion/Consideration: Transfer of Landscape Maintenance to WHPOA**

This item, previously the Sixth Order of Business, was presented out of order.

Mr. McGaffney stated that landscaping items will or will not impact the budget depending on the Board's actions. Prior to today's meeting he had numerous conversations with the Chair, Ms. Fleet, the POA President and attorney's of both entities. The Maintenance Agreement outlines that the CDD will defer landscaping responsibilities to the POA and they will charge their homeowners a fee equal to the amount that the CDD would charge. The CDD will remove all landscaping and pond maintenance line items from its budget and provide the HOA with the funding to manage those items. The reason for the transfer is the lack of on-site Staff, on the CDD side, to manage contractors. With Ms. Ferris' diligence, attention-to-detail and passion in enhancing the landscaping by coordinating with and engaging the contractors, Mr. McGaffney believes that the transfer is in the best interest of the District and it will bring synergy between the two entities.

FOURTH ORDER OF BUSINESS

Public Hearing to Hear Comments and Objections on the Adoption of the District's Final Budget for Fiscal Year 2018/2019, Pursuant to Florida Law

A. Affidavit/Proof of Publication

The proof of publication was provided for informational purposes.

B. Consideration of Resolution 2018-05, Relating to the Annual Appropriations and Adopting the Budget for the Fiscal Year Beginning October 1, 2018, and Ending September 30, 2019; Authorizing Budget Amendments; and Providing an Effective Date

Mr. McGaffney presented Resolution 2018-05. He proposed the following changes to the proposed Fiscal Year 2019 budget:

On Page 2: Remove "Lake & pond maintenance", "Landscape repairs", "Landscape maint., Wild Heron Way-onsite" and "Mulch & seasonal color" line items.

Mr. McGaffney recommended that the CDD complete tree maintenance work on the POD roads prior to executing any documents requested by the POA. In response to a question,

Mr. McGaffney stated that the \$10,000 budgeted for lake and pond maintenance, in Fiscal Year 2018 was increased to \$44,200 but, with the new Agreement, that amount would be transferred to the POA and the assessment will be decreased. Discussion ensued regarding deferred maintenance that requires completion, the HOA's position, and the ARC. Mr. McGaffney stated that the two entities are at an impasse and, if the POA is requiring the CDD to complete \$50,000 of work, at the 11th hour, before the maintenance transfer, the deal is off. He expressed frustration that, after the POA previously agreed to the Maintenance Agreement, they are now changing their position and asking the CDD to pay a deferred maintenance fee. Discussion ensued regarding the budget, the deferred maintenance, mulch and pond maintenance. Mr. McGaffney stated that the fundamental disconnect is the incorrect notion that the CDD failed to maintain the community and he was not informed of the ponds' oxygen levels and the need for aerators prior to the meeting. Mr. Balduf stated that, if the CDD is going to enhance the ponds, there should be an agreement to make sure that the minimal stormwater requirements are met. Mr. Ellis stated that, since the CDD Chair and the POA Chair coordinated on the agreement for an extensive amount of time and have acquired everyone's input, the Board should either sign the agreement, as presented, or walk away and the District will budget for the minimum amount for the ponds to meet the DEP requirements. The consensus was to proceed with the Maintenance Agreement. Mr. McGaffney stated that he could go along with Ms. Ferris' vision of what the scope should be and the CDD will still be within budget but he would require Board approval to coordinate with the CDD Chair and Ms. Ferris for a set amount to expend. In response to a question regarding which line item the \$50,000 will be drawn from, Mr. McGaffney stated that, under the current financials, the CDD is at 62% of the expenditures and, although funds will be expended, the CDD will be significantly under budget, and, if not, a budget amendment can be adopted at the end of October. The CDD has sufficient fund balance and was under expenditures in the prior year and increased its revenues that will pay for the \$50,000. As to how the District would handle a major road issue involving the culverts, Mr. McGaffney stated that is a valid concern but there is sufficient fund balance to cover those repairs, as well, and fund balances are reserved for those items. As to what happens when fund balance is depleted, Mr. McGaffney stated that Management will

make sure that fund balance is restored, continue monitoring expenses and try to be under budget every year. He recommended conceding to some of Ms. Ferris' requests, Board approval of the agreement in a not-to-exceed amount and to forward the Agreement to the POA and await their response.

Mr. Robert Fletcher, a resident, stated that the POA Board previously refused to join in the joint RFP with the District for pond maintenance and the CDD should not provide too much funding over what is budgeted, as the POA missed its chance. Ms. Ferris stated that, according to Lake Doctors, there are insects, algae and sedimentation at the bottom of the lakes that really need aeration to combat toxins from the algae blooms. Mr. Balduf stated, even though he wants to improve the ponds and wants the community to be well-maintained, he is not in favor of amending the Agreement; the CDD is on a budget for Fiscal Year 2018 and has already approved the Fiscal Year 2019 budget. Mr. McGaffney stated that he would be comfortable if the Board approved granting the POA \$55,000 for the maintenance transfer but all work must be completed by a contractor by September 30.

On MOTION by Mr. Ellis and seconded by Mr. Lorenz, with all in favor, the Public Hearing was opened at 11:25 a.m.

Mr. David Dean, a resident and future Board Member, stated that all Board Members should read the environmental permit, as it outlines how the ponds should be maintained.

Mr. McGaffney asked Mr. Buchholz: Do you find any objection to the budget based on what was discussed? Although you have not met with your Board, do you, personally, have an objection with the District removing the maintenance items out of the budget based on the other items that were previously discussed before the public hearing?

Mr. Buchholz: No.

Mr. McGaffney closed the Public Hearing.

Mr. McGaffney presented Resolution 2018-05 and read the title.

In response to a Board Member's question regarding the Maintenance Agreement, assessments and budget, Mr. McGaffney stated, in essence, based off the previous discussion,

the CDD would fund only the first quarter of expenses and the assessments would be reduced immediately on the November tax bill. It would then be incumbent upon the POA to agree to maintain the community and provide for it by charging the homeowners the remaining 75% of the amount. If the POA increases the scope to include aerators, those expenses could be passed on to the residents. As to what items the CDD would maintain, Mr. McGaffney replied bridges, roads and water quality. In response to Mr. Buchholz' question, Mr. McGaffney confirmed that the POA is responsible for the landscaping from the Welcome Center to the Covington Bridge.

On MOTION by Mr. Balduf and seconded by Mr. Lorenz, with all in favor, Resolution 2018-05, Relating to the Annual Appropriations and Adopting the Budget for the Fiscal Year Beginning October 1, 2018, and Ending September 30, 2019; as amended to remove three-quarters of the budget amount for "Lake and pond management" and "Landscape repairs", budget \$60,000 for "Landscape management" and remove the "Mulch & seasonal color" line item, Authorizing Budget Amendments; and Providing an Effective Date, was adopted.

FIFTH ORDER OF BUSINESS

Consideration of Resolution 2018-06, Making a Determination of Benefit and Imposing Special Assessments for 2018/2019; Providing for the Collection and Enforcement of Special Assessments; Certifying an Assessment Roll; Providing for Amendments to the Assessment Roll; Providing a Severability clause; and Providing an Effective Date

Mr. McGaffney presented Resolution 2018-06.

On MOTION by Mr. Sova and seconded by Mr. Ellis, with all in favor, Resolution 2018-06, Making a Determination of Benefit and Imposing Special Assessments for 2018/2019; Providing for the Collection and Enforcement of Special Assessments; Certifying an Assessment Roll; Providing for Amendments to the Assessment Roll; Providing a Severability clause; and Providing an Effective Date, was adopted.

SIXTH ORDER OF BUSINESS

Discussion/Consideration: Transfer of Landscape Maintenance to WHPOA

Mr. Balduf stated that the purpose and goal of the Maintenance Agreement is to allow the POA to take care of maintaining a level of standard in the community and continue to handle the ARC, maintenance and enhancements to the community. The objectionable part of the Maintenance Agreement had to do with the remedies in case of default. He recommended approval, as presented, to submit as a proposal to the POA to assume all the maintenance requirements.

Mr. McGaffney stated that it is useful that the Maintenance Agreement is drafted in black and white and the related discussion memorialized on audio and by District Counsel coordinating with the POA Chair to produce the Agreement, future Boards could have answers to how the community has evolved and the Agreement, along with the audio, would explain it in detail.

Mr. Balduf stated that the Agreement is a new development and he wished it was contemplated as early as 2003. Whatever sections do not fit or apply to the CDD will be adjusted and there is a legitimate request for the POA Chair to do that.

On MOTION by Mr. Ellis and seconded by Mr. Sova, with all in favor, the Transfer of Landscape Maintenance to WHPOA, was approved.

SEVENTH ORDER OF BUSINESS

Consideration of Resolution 2018-07, Adopting the Annual Meeting Schedule for Fiscal Year 2019

Mr. McGaffney presented Resolution 2018-06. The following change was made:

TIME: Change "11:00 a.m." to "10:00 a.m."

On MOTION by Mr. Lorenz and seconded by Mr. Balduf, with all in favor, Resolution 2018-07, Adopting the Annual Meeting Schedule for Fiscal Year 2019, as amended, was adopted.

EIGHTH ORDER OF BUSINESS

Presentation of the Audited Financial Statements for Fiscal Year Ended September 30, 2017, Prepared by Carr, Riggs & Ingram, LLC

Mr. McGaffney presented the Audited Financial Report for Fiscal Year 2017 and reviewed the information found on each page. There were no deficiencies in internal control, instances of noncompliance, recommendations or findings. Excess revenues over expenditures were \$169,846. It was a clean audit.

NINTH ORDER OF BUSINESS

Consideration of resolution 2018-08, Accepting the Audited Financial Statements for the Fiscal Year Ended September 30, 2017

Mr. McGaffney presented Resolution 2018-08.

On MOTION by Mr. Balduf and seconded by Mr. Lorenz, with all in favor, Resolution 2018-08, Accepting the Audited Financials for Fiscal Year Ended September 30, 2017, was adopted.

TENTH ORDER OF BUSINESS

Open Items

A Board Member asked if the reduction in assessments will be communicated to homeowners. Mr. McGaffney stated that Management could circulate a letter to residents in cooperation with the POA. In response to Mr. Fletcher’s suggestion, Mr. McGaffney stated that Management’s letter to residents will be very specific and detailed.

ELEVENTH ORDER OF BUSINESS

Public Comments

There being no public comments, the next item followed.

TWELFTH ORDER OF BUSINESS

Supervisors’ Requests

There being no Supervisors’ requests, the next item followed.

THIRTEENTH ORDER OF BUSINESS

**NEXT MEETING DATE: December 3, 2018 at
11:00 A.M. Central Time**

The next meeting will be held on December 3, 2018 at 10:00 a.m., Central Time.

FOURTEENTH ORDER OF BUSINESS

Adjournment

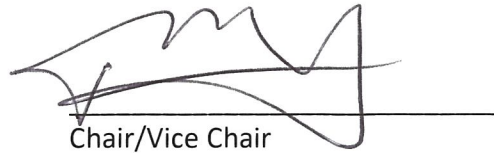
There being nothing further to discuss, the meeting adjourned.

On MOTION by Mr. Lorenz and seconded by Mr. Balduf, with all in favor, the meeting adjourned at 11:47 a.m.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

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Secretary/Assistant Secretary

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Chair/Vice Chair