

MINUTES OF MEETING
POINCIANA WEST
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Poinciana West Community Development District was held on Wednesday, August 15, 2018 at 12:30 p.m. in the Starlite Ballroom, 384 Village Drive, Poinciana, Florida.

Present and constituting a quorum were:

Shirley Bzdweka	Assistant Secretary
Joseph Gecewicz	Assistant Secretary
Bill Brown	Assistant Secretary

Also present were:

George Flint	District Manager
Michael Eckert	District Counsel
Kathy Leo	District Engineer
Vijaysimha Seelam	GAI Consultants
Alan Scheerer	Field Manager
Pete Deglomine	Clarke Environmental
Chris Reed	Clarke Environmental
Residents	

The following is a summary of the discussions and actions taken at the August 15, 2018 Poinciana West Community Development District's Board of Supervisors Meeting.

FIRST ORDER OF BUSINESS

Roll Call

Mr. Brown called the meeting to order and all Board Members introduced themselves. A quorum was established.

SECOND ORDER OF BUSINESS

Pledge of Allegiance

The Pledge of Allegiance was recited.

THIRD ORDER OF BUSINESS

Public Comment Period

Mr. Brown asked if there were any residents that had any comments on agenda items. A resident had a comment about the litigation update and suggested that a public hearing be

conducted at the next scheduled meeting and defer the votes until Taylor Morrison was able to provide further information. Mr. Brown thanked him for his comments and asked for additional comments.

Another resident made a comment about the budget hearing and asked how costs were divided up between the two Districts because Poinciana West costs more than Poinciana. Mr. Flint explained that the expenses are exclusive and that there aren't any shared costs between the two Districts and that the billing was separate between the two. He also explained that both Districts had separate contracts and had the choice of contracting with different vendors. The resident also questioned why the administration costs were higher than the O&M costs. Mr. Flint explained that the CDD is a governmental entity with fixed costs to operate the CDD itself, such as the management fee. He said that the administrative costs are workload driven because they bill hourly, expenses can increase and decrease from one year to the next. The resident then asked why the Poinciana and Poinciana West Boards couldn't be combined. Mr. Brown explained to him that they had a proposal to do that in the past, but there was an opposition to the Districts being unevenly dispersed (3 to 2, or 2 to 3) because of the limit of 5 seats on the Board. They tried it again and had a plan to change, but elections were coming and they could not tell someone that was elected that they couldn't sit on the Board. Mr. Brown did say that the idea could be revisited after the election. Mr. Flint also added that there was also a legal process to combine the Boards. The resident thanked Mr. Brown and Mr. Flint for their patience.

Another resident complained about the condition of the lakes with debris and substances floating at the bottom of the lakes and mentioned that she had complained in prior meetings, but that the issue was never fully resolved; she asked what would be done next. She contacted the companies responsible for maintaining the lakes individually, and they told her that there would be a cost involved with the cleaning, but she explained that something needed to be done. Mr. Brown told her that the issue was an agenda item that would be discussed later.

Mr. Brown closed the Public comment period, hearing no more comments.

FOURTH ORDER OF BUSINESS

Approval of Minutes of the July 18, 2018 Meeting

Mr. Brown asked for any comments on the minutes from the July 18, 2018 meeting, and hearing none,

On MOTION by Ms. Bzdweka, seconded by Mr. Gecewicz, with all in favor, the Minutes of the July 18, 2018 Meeting, were approved, as presented.

FIFTH ORDER OF BUSINESS

Consideration of Proposal form Clarke for Aquatic Pond Maintenance

Mr. Flint explained that at a prior meeting, there was an authorization to terminate American Ecosystems as the lake maintenance contractor, and hire Clarke in replacement of that company. There was an agreement that Clarke would do it at the same cost as provided by American Ecosystems for 3 months, and then the agreement would convert to a month-to-month basis. Mr. Flint summarized that there were performance issues with the prior company and that was the reason for the termination and that one of the main issues was with the hydrilla treatments. He explained that there had been a slight spread of the hydrilla because they weren't applying it systematically. Mr. Flint also discussed that the agreement that Clarke has with Poinciana CDD includes a systemic hydrilla treatment. He then explained what was included in the agenda packet, which was a proposed revised contract with Clarke that included a more thorough scope as it pertained to the hydrilla. Mr. Flint introduced Pete Deglomine from Clarke to speak about the contract.

Mr. Deglomine addressed the Board and stated that Clarke put a proposal to treat the algae and the grasses within the lakes, and said that because of the Hydrilla, the algae would get tangled up in the roots of the hydrilla and continue to look bad for a long time before it dissipated. The new revised proposal would entail both the grasses, algae, and the submergent treatment for the ponds. He noted that Clarke had an outstanding submergent plan with the Poinciana CDD, and that one of the staff members' jobs is especially concentrated in hydrilla treatment, and that is where the submergent treatment came from that he was offering to the Board. Mr. Deglomine also stated that they were hoping to treat the water by October 1st because the longer it stayed like that, the worse it would continue to look. He pointed out that even though the plan was more expensive, their work would end up matching that price.

Mr. Brown said that the hydrilla issue has been a problem all over Florida and asked if Mr. Deglomine had ever heard of a lake bottom blanket concept to treat the lakes and said that he learned of the concept over the news. Mr. Deglomine was not aware of the concept, but that a lot of lakes are lined and he would look into this new concept.

Mr. Brown then asked about the irrigation of the ponds and the spraying of the systemic herbicides. He asked how many ponds were irrigated. Mr. Deglomine responded that they always have to ask that when they are treating ponds within a CDD or an HOA because so many people pump out of their ponds and irrigate the grass. He explained that there is a lot of coordination that takes place between Clarke and their contact people to make sure that ponds are not being irrigated if they are labeled as so. Mr. Brown asked if there were any within the CDD that were irrigated, and Mr. Deglomine said that he would have to check, but that he only thought that the main one was the one that was irrigated.

Mr. Brown also asked if they had a number of places that were fully treated where infestations were greater than 15% and spot treatment that was a 10%. Mr. Deglomine referred to Chris Reed with Clarke for that answer, and Mr. Reed responded that there were around 6 to 9 ponds that were at 15% or greater, and they would go in and do the systemic treatment in October, if possible, because that is when the hydrilla starts to become dormant. He also pointed out that the treatment will make the water look worse at first because of the decaying matter, but after the matter has decomposed, it would look much better within a few months.

Mr. Brown asked if there were any more questions, and Ms. Bzdweka wanted to point out that there has been a drastic change in the Poinciana side compared to the West side because the ponds in Poinciana look wonderful from treatment. Mr. Brown asked if Mr. Deglomine could address Mr. Sherman's concern about the debris.

A resident interrupted and said that she had been told that there is a fish that eats the debris underneath, and that they have been working at Universities on this particular study; she asked if there was any truth to that statement. Mr. Deglomine said that it was true and that the fish was called "grass carp," and referred to Mr. Reed for a more elaborate explanation.

Mr. Reed explained that the problem with the grass carp is that they are limited to so many per acre and the alligators would become an issue with reducing the number of fish by almost half. He also mentioned that you have to buy them from breeders so that they are sterile, and it is a whole process that wouldn't be worth much in the long run. The resident that mentioned the grass carp also asked when Clarke thought the treatment would start to work, and Mr. Reed said that it would be around 2 to 3 weeks before there would be a noticeable reduction in the amount of hydrilla. She asked if having the circle fountains made a difference at all, and

Mr. Reed said that it was more of an enhancement than a factor, but that with the plan in place everyone would be pleased in a short amount of time.

On MOTION by Ms. Bzdweka, seconded by Mr. Gecewicz, with all in favor, the Proposal from Clarke for Aquatic Pond Maintenance, was approved.

SIXTH ORDER OF BUSINESS

Public Hearing

A. Consideration of Resolution 2018-11 Adopting Fiscal Year 2019 Budget and Relating to the Annual Appropriations

B. Consideration of Resolution 2018-12 Imposing Special Assessments and Certifying an Assessment Roll

Mr. Brown opened the public hearing and referred to Mr. Flint for the discussion. Mr. Flint announced the budget adoption resolution, stating that it would start on October 1, 2018. He explained that the budget does contemplate that there would be no increased cost in the per unit assessments for O&M, and that if there was one, there would have been a mailed notice as well as some other steps, so the Board was not proposing an increase. He mentioned that during the next year, there would need to be a re-evaluation of the increase, but that it would not be an issue for the current year because they were using carry forward surplus to balance the budget.

Mr. Gecewicz asked if they had taken into consideration the impact or possibility of impact of changing over to the Clarke contract. Mr. Flint responded that the ‘Total Thru 9/30/18’ amount listed in the budget for aquatic control maintenance was listed at \$42,430 based on the American Ecosystems contract, but it would remain essentially the same because of the month-to-month contract they have with Clarke until the additional treatment kicked in. That would increase the contracted amount by \$14,570, so the budgeted amount went up to \$57,000.

Mr. Brown asked if there was any upward pressure on the budget for the new attorney. Mr. Flint said that most of those expenses would be subject to the funding agreement with AV Homes. Mr. Gecewicz added that luckily, even though the increase in the contract amount took a good chunk out of the surplus, they were still in good standing. Mr. Flint agreed and said that there was about \$625,000 in fund balance. He stated that even by using the amount of the fund balance, there is still sufficient reserves. Mr. Brown asked what day the budget would be approved, and Mr. Flint responded that it was the current meeting, and said that the meeting on the 5th was an assessment hearing. He then referred to Mr. Eckert to address that topic.

Mr. Eckert explained that the meeting on September 5th relates to the amenity assessments, and that it is a reallocation of some of the assessments that were on undeveloped land. He also said that it would not affect any of the land within Poinciana West because all of their land was completely platted.

On MOTION by Ms. Bzdweka, seconded by Mr. Brown, with all in favor, the public hearing was opened.

Mr. Eckert clarified the fact that the purpose of this period was for public comment on both the budget and the corresponding special assessments that would fund the budget.

One resident asked if there was a place that the residents could look at the financials separate from the budget. He wanted to look at the reserve fund under accounts. Mr. Flint told him that he can find it online at poincianawestcdd.org in the agenda section.

On MOTION by Ms. Bzdweka, seconded by Mr. Gecewicz, with all in favor, the public hearing was closed.

On MOTION by Ms. Bzdweka, seconded by Mr. Gecewicz, with all in favor, the Resolution 2018-11 Adopting the Fiscal Year 2019 Budget relating to Annual Appropriations, was approved.

On MOTION by Ms. Bzdweka, seconded by Mr. Gecewicz, with all in favor, the Resolution 2018-12 Imposing Special Assessments and Certifying an Assessment Role, was approved.

SEVENTH ORDER OF BUSINESS

Discussion of Proposals for Amenity Real Estate Transaction Legal Services

Mr. Brown asked if someone could advise as to what went on at the previous Board Meeting. Mr. Flint summarized for the audience that the Board directed him to acquire proposals from law firms that would perform services related to the real estate transaction portion of the amenity acquisition. He received proposals from 4 law firms and one of them had a conflict because they were doing work for AV Homes, but he was told the other 3 law firms did not have any conflicts with either AV Homes or Taylor Morrison. He explained the letters of interest that were obtained from Burr Forman, LLP, Shutts & Bowen, LLP, and Latham, Shuker, Eden, & Beaudine, LLP. He told the audience that the list was narrowed down to Shutts & Bowen and

Latham, Shuker, Eden, & Beaudine and asked pending the Board's decision, that he contact them and ask them to be at the September 5th meeting. He said that, at a minimum, they could have both of the last 2 law firms there, but they could also have Burr Forman attend the meeting if requested.

Mr. Gecewicz asked if that was the type of topic that would be better addressed in a workshop or if they were in a situation where they could do everything in a regular meeting in order to decide. Mr. Flint responded that the only difference between a workshop and a regular meeting is that you can't vote in a workshop, but they look and act like a regular meeting. He said that it was still a public meeting, but since they would not be taking a vote, he didn't think that public comment solicited, but that he would defer to Mr. Eckert on that. He did not think that there was a benefit to putting the decision through a workshop. Mr. Gecewicz understood.

Mr. Brown asked for a recap on who would be representing Poinciana West and asked why it was narrowed down to 2. Mr. Flint responded that it was for purposes of coming to the September 5th meeting, and that it was for Shutts & Bowen and Latham, Shuker, Eden, and Beaudine. Mr. Brown was curious as to why Burr Forman put a comment in their proposal about their experience in low-income housing. He also wanted to mention that Shutts & Bowen did say that they do a lot of contracting and building type of work, which would come in very handy. He proposed that they refer to Poinciana to see what they do in these situations.

Mr. Gecewicz and Ms. Bzdweka both agreed that they should voice their opinions. Mr. Gecewicz also agreed with the conclusion that was drawn at the previous meeting in terms of inviting and interviewing the two different firms that they had it narrowed down to. He had no problem with the size of the firms, and he thought that the skill sets and experience were more important. Mr. Gecewicz wanted to participate in the process at the next meeting with the two remaining law firms.

Ms. Bzdweka stated that she agreed with Mr. Gecewicz. She said that she was leaning more towards Shutts & Bowen, but she would like them to come and present their proposals, even though she will not be at the next meeting.

Mr. Brown agreed. Mr. Flint then said that the direction would then be to go along with the Poinciana direction and invite representatives from Shutts & Bowen and Latham, Shuker, Eden & Beaudine to the September 5th meeting.

EIGHTH ORDER OF BUSINESS**Staff Reports****A. Attorney****i. Litigation Update**

Mr. Eckert explained that, in terms of the validation, which is the only litigation that the District is a party to, there are two current validation cases. The first one is over from the District's perspective. He did note that there is a hearing on August 20th regarding a dispute between AV Homes, Avatar, and Legal Counsel for the residents that opposed the validation and that there is a hearing to determine entitlement and amount to some sanctions. He explained that the District does not have an interest, so they are sitting on the sidelines waiting for that to play out, but it should have no impact on the District. He then said that the second hearing that is set is for October 23, 2018. He also noted that they did not have a trial date yet and that they were trying to get the earliest date possible. He asked if anyone had any questions on the litigation update.

Mr. Brown asked what the sanctions actually do, and Mr. Eckert responded that if AV Homes is pursuing an award of attorney's fees against counsel Taylor & Mann for sending multiple subpoenas and trying to get discovery from AV Homes, their attorney believes that they acted appropriately and that the judge did not find that they acted inappropriately, and that sanctions should be awarded. Mr. Eckert noted that it seemed like—based on the motions he saw in their file—that the dispute between AV Homes and Counsel for Taylor & Mann, in terms of entitlement to sanctions as well as the amount of sanctions. He said he had no comment and had no desire to get into it. He had one other issue that he wanted to bring to the Board's attention is that he was having a meeting on Friday with Jason Good, the District Engineer and District Manager regarding the pond conveyances because of ponds 19A and 19B that are yet to be conveyed to the District, and that they were waiting on some additional documentation from the developer before they would be able to formally accept the deed to those ponds. He explained that they had two people that were involved with conveyances who were either no longer with AV Homes or with the District, so they needed new people to be brought on board and that their goal would be to get that information by the fourth quarter of this year, and that the Board would formally take over the two ponds, therefore owning all of the ponds within Poinciana West CDD. Mr. Brown thanked him for his explanation.

B. Engineer

Ms. Leo left the meeting at this time, Mr. Seelam took over for Ms. Leo.

Mr. Seelam explained that he had been working with Ms. Leo on CDD projects, and that they did not have anything to add.

C. District Manager

i. Action Items List

Mr. Flint told the Board that, as noted, they completed the repairs on the storm water drains P3, 4, 5, and 6, and that the remaining repairs were anticipated to be done in July or August, but that there has been a delay due to the transitions in field management.

ii. Approval of the Check Register

Mr. Flint presented the check register for the month of July, totaling \$22,300.68, and showed the detailed summary was located behind it. He then asked for any questions on the check register.

Hearing none,

On MOTION by Ms. Bzdweka, seconded by Mr. Gecewicz, with all in favor, the Check Register for July, totaling \$22,300.68, was approved.

iii. Balance Sheet and Income Statement

Mr. Flint presented the unaudited financial statements through July 31st and showed that for revenue, they collected \$292,000 of the on-roll assessments, and they certified \$291,000. He explained that the difference between the two was that they have to account for early payment discounts. He then went on to say that the interest earnings exceeded what their budget was, and that it tied back to the discussion on the healthy fund balance. He noted that the actual costs were \$251,000 on a prorated budget of \$243,000.

iv. Approval of Fiscal Year 2019 Meeting Schedule

Mr. Flint noted that Poinciana changed their meeting date from November 21st to the 28th because it is the day before Thanksgiving. He then went on to say that it was assumed that the monthly meetings are the third Wednesday of each month at 12:30 p.m. in the same location, and that if they wanted to, they could adopt a different schedule, or they could cancel that meeting. Mr. Brown asked if they still had the flexibility later on even though they announce the meetings, and Mr. Flint told him yes and to confirm with the Chairman 10 days before the meeting, and if

there are no business items pressing that would require a meeting, then they would typically authorize that it be cancelled. Mr. Brown said that he just wanted to make sure because Charlie is fiscally responsible for those meetings and he was not there during the discussion, so he would leave that decision to him and the rest of the Board.

Mr. Gecewicz asked Mr. Flint why there was no notice requirement for cancelling a meeting. Mr. Flint responded that Mr. Eckert can explain it, but they will update the website. Mr. Eckert responded that the only reason they actually have to notice the meetings in the newspaper is because of the Sunshine Law, which requires that you give an advance notice, but that there is no requirement for a notice of cancellation.

On MOTION by Ms. Bzdweka, seconded by Mr. Gecewicz, with all in favor, approval of Fiscal Year 2019 Meeting Schedule, with the November meeting moved to the 28th, was approved, as amended.

D. Field Manager

i. Field Manager's Report

Mr. Scheerer presented the Field Manager's Report for the last month, which was also included in the agenda packet. He noted that most of the discussion would be on the dry ponds because some of them turned to wet ponds and explained that he would meet with Clarke to put together a plan to take care of some of the growth that is in those ponds that would be normally mowed and come up with a long-term plan to maintain those during the next season and account for the rain season this year. He thanked the Board for their earlier actions for allowing Clarke to provide services for hydrilla treatment. He pointed out that in West, they had a number of issues when he first came on board, but that he has seen a tremendous improvement in the condition of the grasses and the algae, and letting Clarke treat the Hydrilla would only make it better. He asked if the Board had any questions about the field report, and Mr. Brown asked if there was anyone in the future that could document hydrilla in the ponds and which ponds are affected. Mr. Scheerer responded that they could, and that there is a monthly treatment report included in the agenda packet that is listed by pond, and what they are doing to the pond, etc., and he also said that the hydrilla treatment could be added to the Field Manager's Report as well. He said that they could also include pictures of the hydrilla as the treatment begins to take process.

ii. Customer Complaint Log

Mr. Flint presented the customer complaint log, which consisted of 3 complaints, and they were all related to algae in Ponds 20, 6, and 5, which have been treated by Clarke. He also said that the contractor came out and addressed the concerns of the residents. Mr. Scheerer explained that they get those calls in their office, and Clarke is included in the email that goes out, and that Mr. Reed does a great job at responding to those issues within 24 to 48 hours.

Mr. Gecewicz thanked the audience for the small amount of comments, because that meant the CDD was improving. He then asked why there were significant issues with midges in Poinciana, and not Poinciana West, and Mr. Scheerer said that he wasn't really able to educate him on the issue, but he referred to Mr. Reed to answer the question. Mr. Reed said that the best that he could come up with is that the midges like dirty ponds. He also pointed out that midges are not seen as a health risk, so the research and development of products for the treatment of it is not very substantial. He said that they have had ponds that they treated for years and were able to make the midges almost nonexistent, and then there were other ponds that were unfixable. Mr. Gecewicz asked if it was possibly due to age and something that they have to look forward to as the ponds continue to age, and Mr. Reed said he did not believe that was the case because they have had both older and newer ponds. Mr. Gecewicz asked if it should be something that they should factor into the budget this coming year, and Mr. Reed said he did not see the benefit of it because the midges randomly flare up.

NINTH ORDER OF BUSINESS

Supervisor's Request

Mr. Brown did have one comment about one of the resident's comments about the hold-off with Taylor Morrison. He stated that Taylor Morrison turns their amenities over at 92%, and that he thought they should go ahead with the sale because it keeps getting delayed and delayed. He also pointed out that they have a history of turning their assets over, and even if they took the low-ball number that the anti-people agreed to have \$20 million for the assets, they are not going to give it to us just because they're nice, and the stock brokers would be against giving away a valuable asset, and that is why he thinks they should go ahead with it instead of sitting on it.

Ms. Bzdweka agreed with Mr. Brown about not delaying. Mr. Gecewicz commented that, if he understood, one of the issues was spending money, and the cost of going forward is in the agreement between the CDD and AV Homes, and it is a reimbursement type process. He said if the deal does fall apart, AV Homes would take the brunt of the cost, and as far as waiting to see

what Taylor Morrison has to say, they can't come out and say anything prior to closing because that would be inappropriate. He added that however, they have recently witnessed AV Homes' attorney appearing and also put out in writing AV's position going forward, and he could not imagine that the purchaser would allow the seller to put that out in writing without them knowing about it and agreeing to it ahead of time. He also said that was done after the Taylor Morrison and AV Homes agreement was signed, so he thought they did have a message from Taylor Morrison, but he interpreted that in a matter that gives him comfort in also recommending that they go forward.

TENTH ORDER OF BUSINESS

General Audience Comments

A resident residing at 658 Irvine Ranch Road asked if the September 5th meeting would be a combined Board meeting, and Ms. Bzdweka answered yes. The resident then suggested that the Board consider utilizing the Solivita HOA email system for notice of meeting cancellations, and that Mr. Flint would have to notify the communications coordinator of the Solivita HOA, and she would put one out for everyone. Mr. Brown thanked her for her comment.

ELEVENTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.

TWELFTH ORDER OF BUSINESS

**Next Meeting Date – September 5, 2018
@ 11:00 A.M.**

Mr. Brown noted that the next meeting date is September 5, 2018, and then adjourned the meeting.

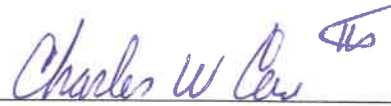
THIRTEENTH ORDER OF BUSINESS

Adjournment

On MOTION by Ms. Bzdweka, seconded by and Mr. Gecewicz, with all in favor, the meeting was adjourned at 1:51 p.m.



Secretary/Assistant Secretary



Chairman/Vice Chairman