

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, May 20, 2020 at 9:30 a.m. via Zoom video conferencing, due to the COVID-19 virus.

Present and constituting a quorum were:

Roy LaRue	Vice Chairman
Charles W. Case	Assistant Secretary
Maneck Master	Assistant Secretary
Joseph Clark	Assistant Secretary

Also present were:

George Flint	District Manager
Tricia Adams	GMS
Scott Clark	District Counsel
Kathy Leo	District Engineer
Clayton Smith	Field Manager
Tim Gardner	Clarke Environmental
Residents	

The following is a summary of the discussions and actions taken at the May 20, 2020 Poinciana West Community Development District's Board of Supervisors Meeting.

FIRST ORDER OF BUSINESS

Roll Call

Mr. LaRue called the meeting to order and Mr. Flint called the roll. A quorum was established. Ms. Gregory was not present.

SECOND ORDER OF BUSINESS

Pledge of Allegiance

The Pledge of Allegiance was recited.

THIRD ORDER OF BUSINESS

Public Comment Period on Agenda Items

Mr. Flint reported this meeting was being conducted pursuant to the Executive Orders, which were extended, allowing governments to conduct virtual meetings without a physical

quorum of Board Members present to promote social distancing. Mr. Scott Clark provided legal opinions regarding this matter. The Zoom link and contact information were included in the advertisement for this meeting, so the public could provide comments to the District Manager in advance. A notice was posted on the website and in an e-blast sent by the HOA. There were no public comments.

FOURTH ORDER OF BUSINESS**Approval of Minutes of the January 7, 2020 and January 15, 2020 Meetings**

On MOTION by Mr. Joseph Clark seconded by Mr. LaRue with all in favor the Minutes of the January 7, 2020 Meeting as presented were approved.

Mr. Flint noted on Page 1, "Mr. Case" called the meeting to order, not "Ms. Gregory" and Resident Norm Gundel was a "Florida attorney," not a "former attorney."

On MOTION by Mr. Case seconded by Mr. Joseph Clark with all in favor the Minutes of the January 15, 2020 Meeting were approved, as amended.

Mr. LaRue requested the minutes from the joint meeting be included in the next agenda package. Mr. Flint noted typically the joint meeting minutes were included on the next joint meeting agenda; however, there were no joint meetings scheduled.

FIFTH ORDER OF BUSINESS**Consideration of Resolution 2020-03 Designating Registered Agent & Office**

Mr. Flint reported typically the District Manager or District Counsel was designated Registered Agent to serve as a contact point for official communication from the State or in the event of lawsuit. This resolution changes the Registered Agent from Mr. Eckert to Mr. Scott Clark.

On MOTION by Dr. Master seconded by Mr. Joseph Clark with all in favor Resolution 2020-03 Designating Registered Agent and Office was adopted.

SIXTH ORDER OF BUSINESS**Ratification of Settlement Agreement Regarding The Residents' Amended Motion to Tax Costs**

Mr. Flint reported the Settlement Agreement was already approved and executed by the Chairman. This was only a formality.

On MOTION by Mr. LaRue seconded by Mr. Joseph Clark with all in favor the Settlement Agreement for the residents' amended motion to tax costs was approved.

SEVENTH ORDER OF BUSINESS

Consideration of Resolution 2020-04 Approving the Proposed Fiscal Year 2021 Budget and Setting a Public Hearing

Mr. Flint stated the District was required by Statute prior to June 15th of each year to approve the Proposed Budget, attached as Exhibit A, and transmit it to local governments for review and comments; however, the local governments did not have approval authority. This was the start of the budget process and it did not bind the Board from making any changes between now and the public hearing. It contemplates a per unit assessment amount of \$186.57, which was the same as last year. If it increased, there must be additional noticing requirements. The suggested date of the public hearing was July 22, 2020, at 9:30 a.m.

Mr. LaRue voiced concern about the accounting for legal expenses last year because attorney invoices for \$5,000 submitted September and a second for \$10,000 submitted on October 30 which were actually for the previous year's budget. There was also March, April, May, and June legal counsel invoices that were unpaid that were being held. Mr. LaRue requested that the Board is notified if any invoices are being held for review or if any payables are outstanding. Mr. Flint provided some background information for the Board on why the invoices were not promptly paid. In the past, expenses for amenity acquisition were tracked as '*Due from Developer*' in anticipation of Taylor Morrison reimbursing the District; however, there was miscommunication as the invoices for closing out the amenity acquisition were not scheduled to be reimbursed by the Developer. As soon as the District Manager was aware the invoices had been held, they were processed out of the general fund. The current process was for the Chair to review all legal bills prior to payment and Mr. Flint stated he will prepare a revised September 30th Statement of Revenue and Expenditures.

Mr. Flint provided an overview of the proposed budget and the date of the public hearing. He reiterated and that expenses were similar to the current year with slight changes. A spreadsheet on fund balances was presented. There is \$54,000 recognized as carry forward for

the proposed budget. Mr. Flint clarified the amount of fund balance used to balance the budget will be \$13,000. Mr. LaRue requested the fund balance spreadsheet along with the General Fund Budget be sent to the Board.

Ms. Leo clarified the assets the District owned were stormwater ponds and the maintenance was minimal. The Poinciana West CDD was in a better position compared to the Poinciana CDD where there were more repairs as a result of that system being slightly older and catching up on maintenance. With good continued maintenance, there should not be catastrophic failures. Dr. Master noted that assets in the Poinciana West CDD were newer than the Poinciana CDD and there was a higher probability of failures in the Poinciana CDD than Poinciana West. Dr. Master also noted PCDD owns and maintains tunnels including the one under Marigold. Ms. Leo explained the tunnels in the Poinciana CDD were part of the Engineers Report and publicly funded, versus the Poinciana West CDD only owning the stormwater system. Even though the Poinciana CDD had more infrastructure, the risk was no different than the Poinciana West CDD. Mr. Flint anticipated the largest expense was for lake bank restoration for the stormwater systems.

On MOTION by Mr. LaRue seconded by Dr. Master with all in favor Resolution 2020-04 Approving the Proposed Fiscal Year 2021 Budget and Setting a Public Hearing for July 22, 2020, at 9:30 a.m. at this location was adopted.

EIGHTH ORDER OF BUSINESS

Appointment of Audit Committee and Chair

Mr. Flint stated that the District was required to have an annual independent audit. As part of the process of selecting an independent auditor, the Board must designate an Audit Committee to review and rank the audit proposals and provide a recommendation to the CDD Board. Due to a change in the last legislative session, at least one Board Member was required to serve on the Audit Committee. Mr. Flint suggested that the Board appoint itself as the Audit Committee and a Board member as the Chair of the Committee.

On MOTION by Mr. Case seconded by Mr. LaRue appointing the Board as the Audit Committee and Ms. Gregory to serve as Chair was approved.

Mr. Flint announced an Audit Committee meeting would be held after this meeting.

NINTH ORDER OF BUSINESS**Staff Reports****A. Attorney**

Mr. Scott Clark reported that based on direction from the January meeting, he tried to obtain a proposal from Bond Counsel to provide an opinion on whether bondholder approval was necessary to merge the two Districts, but was unsuccessful. In his opinion, the Board made a good decision to delay the merger, due to the current covid situation slowing down government. Mr. Case and other Board Members felt it was unacceptable to not receive a response in three months. Board Members expressed concern about not being notified that there was an issue contacting Bond Counsel. Mr. Flint and Mr. Clark will contact Mr. Bob Gang; if there is no response, they will obtain proposals from other firms for the July meeting. Mr. Clark will inform the Board on the status.

B. Engineer

Ms. Leo has had open communication with District and field staff on maintenance matters.

C. District Manager**i. Approval of Check Register**

Mr. Flint presented the Check Registers from January 9, 2020 through March 9, 2020 totaling \$72,658.05 and March 9, 2020 through May 12, 2020 totaling \$148,870.34.

On MOTION by Mr. Case seconded by Mr. LaRue with all in favor the Check Registers as stated above were approved.

ii. Balance Sheet and Income Statement

Mr. Flint presented the Unaudited Financial Statements through April 30, 2020. The District was 99% collected on the on-roll assessments.

On MOTION by Dr. Master seconded by Mr. Joseph Clark with all in favor the unaudited financial statements through April 30, 2020 were approved.

iii. Presentation of Arbitrage Rebate Calculation Report

Mr. Flint reported AMTEC prepared the Arbitrage Rebate Calculation Report for the Series 2017-1&2 bonds, as required under the Internal Revenue Service Code. There was negative rebate arbitrage of \$264,000.

On MOTION by Mr. Case seconded by Mr. LaRue with all in favor the Arbitrage Rebate Calculation Report was approved.

iv. Presentation of Number of Registered Voters – 2,480

Mr. Flint reported according to the Polk County Supervisor of Elections, as of April 15th, there were 2,480 registered voters within the boundaries of the District. No action was required by the Board.

v. Discussion of Qualifying Period and Procedure

Mr. Flint explained that seats held by Mr. Case, Dr. Master and Mr. Joseph Clark, expired in November. If any qualified electors within the boundaries of the District desired to run for those seats, the process was handled by the Polk County Supervisor of Elections. There was a \$25 filing fee and other qualifying requirements. The qualifying period was set to begin Noon on June 8, 2020 until Noon on June 12, 2020. If only one person qualified, they would be elected unopposed, but if more than one person qualified, they would be placed on the ballot for the November General Election.

D. Field Manager

i. Field Manager's Report

Mr. Smith presented the Field Manager's Report and a proposal from GMS to stabilize Pond 2 with rip-rap and clear debris from the access control grate on Pond 22, which were included in the agenda package. Mr. LaRue asked if Poinciana West CDD ponds had rip-rap. Mr. Smith confirmed no ponds in Poinciana West had rip-rap, but some ponds in Poinciana had rip-rap. GMS had in-house maintenance staff to address these items. Mr. LaRue requested each picture in Mr. Smith's report have a title and description. Mr. Flint felt the price from Mr. Smith was reasonable.

On MOTION by Mr. LaRue seconded by Dr. Master with all in favor the proposal from GMS to stabilize Pond 2 with rip-rap and clear debris from the access control grate on Pond 22 in the amount of \$1957.82 was approved.

Discussion ensued and the Board addressed the following issues:

- Mr. Case questioned how long the algae would last. Mr. Smith stated it depends on the bloom. Once identified, the treatment starts and there were subsequent treatments every two weeks.

Mr. Tim Gardner of Clarke Environmental explained contributing factors to algae blooms. Algae can be worse because of how shallow the ponds have been. Hydrilla took hold early in the year. Hydrilla treatments were more effective when they are at a particular growth stage to get the best results. Twenty-four ponds were treated for hydrilla earlier this month and follow up treatments were now taking place. Over the next few weeks, there should be improvement. Mr. Flint believed the low rainfall levels over the winter and hot temperatures created issues. Mr. Smith was performing spot checks. Once he was notified of a problem in a pond, the pond was checked regularly, and Clarke would treat it every two weeks until the problem was resolved. If residents had a problem with their pond, they should call him.

- Instead of waiting for complaints, Mr. Case wanted Mr. Smith to be more proactive by communicating with Clarke.
- Mr. LaRue reported Pond 9 was in bad shape and voiced concern that if was treated too much it would cause a fish kill. Mr. Gardner stated it could not be treated too much because the application is regulated. They routinely check oxygen levels and if they were not safe enough, they would not treat it.
- Mr. LaRue asked if the PW Monthly Treatment Report could be sorted by sequential pond numbers. Mr. Gardner would look into it.

ii. Customer Complaint Log

Mr. Smith presented the Customer Complaint Log. Mr. LaRue requested customer contact information be removed.

TENTH ORDER OF BUSINESS

Supervisor's Requests

There being none, the next item followed.

ELEVENTH ORDER OF BUSINESS**General Audience Comments**

Mr. Norm Gundel (419 Fountain Valley Ln) believed Mr. Gang was not replying because when Mr. Gang worked on the amenity acquisition transaction, he was not paid because the bond was never issued. Mr. Case stated Mr. Gang agreed to this when he was engaged and if Mr. Gang did not respond, he would not be representing the District. Mr. Gundel recalled the Poinciana CDD had to get bondholder approval and it was easy to secure. Mr. Joseph Clark asked Mr. Scott Clark to verify number of bondholders needed for consent. Mr. Scott Clark stated the Underwriter could say whether the bonds were held by a few entities or many people.

TWELFTH ORDER OF BUSINESS**Other Business**

There being none, the next item followed.

THIRTEENTH ORDER OF BUSINESS**Next Meeting Date – July 22, 2020**

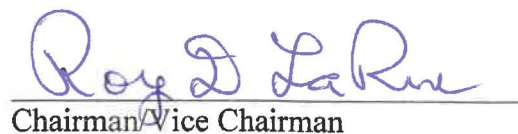
Mr. Flint announced that the next meeting was on July 22, 2020 at 9:30 a.m., a week later than normal.

FOURTEENTH ORDER OF BUSINESS**Adjournment**

On MOTION by Mr. LaRue seconded by Mr. Joseph Clark with all in favor the meeting was adjourned.



Secretary/Assistant Secretary



Chairman/Vice Chairman