

**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, **September 21, 2022** at 9:00 a.m. via Zoom Communication Media Technology and in the Starlite Ballroom, 384 Village Drive, Poinciana, Florida.

Present and constituting a quorum were:

Peggy Gregory (<i>via Zoom</i>)	Chair
Roy LaRue	Vice Chairman
Dr. Maneck Master (<i>via Zoom</i>)	Assistant Secretary
Joseph Clark	Assistant Secretary
Mayra Skeete	Assistant Secretary

Also present were:

Jeremy LeBrun	District Manager
Scott Clark (<i>via Zoom</i>)	District Counsel
Kathy Leo	District Engineer
Clayton Smith	Field Manager
Residents (<i>Present & via Zoom</i>)	

The following is a summary of the discussions and actions taken at the September 21, 2022 Poinciana West Community Development District's Board of Supervisors Meeting.

FIRST ORDER OF BUSINESS

Roll Call

Mr. LeBrun called the meeting to order at 9:00 a.m. and called the roll. Mr. LaRue, Mr. Clark and Ms. Skeete were present in person and Ms. Gregory and Mr. Master were present via Zoom.

SECOND ORDER OF BUSINESS

Pledge of Allegiance

The Pledge of Allegiance was recited.

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THIRD ORDER OF BUSINESS

Public Comment Period on Agenda Items

There were no public comments.

FOURTH ORDER OF BUSINESS

Approval of Minutes of the July 20, 2022 Meeting

The minutes were provided to the Board via email for review and comments or corrections were received. Ms. Gregory questioned on the top of Page 7, the assessment of \$873.15 and if the \$187 for operation and maintenance (O&M) was paid each year to run the CDD, how it was determined and whether the \$687 for debt service was for the reclaimed water lines. Mr. LeBrun explained that the O&M was to maintain CDD infrastructure, including attorney’s and engineering fees and the debt service was used to build the infrastructure of the community, such as roads, streetlights, anything financed for the entire CDD. The Board decided how to allocate the funds when the budget was created, based on the needs of the community. Ms. Gregory questioned on Page 9 why they did not earn much interest on the money in the bank and Ms. Adams was going to find out why.

Dr. Master exchanged emails with Ms. Adams and the first thing that they needed to do was to identify who was responsible for managing the cash, determine the investment vehicle or money market fund and how much it was earning. They could purchase U.S. Treasury bonds, which yielded 3% and were expected to increase in the next few months. Ms. Gregory voiced concern that a large company like GMS did not know who much money the District had, the interest rate and wanted a list of contacts on the management of their funds. Mr. LeBrun stated that the District had an accountant with oversight by a CPA and would have Ms. Adams follow-up with Ms. Gregory. Dr. Master pointed out that the District had to follow the rules of the State on the types of investments.

On MOTION by Mr. Clark seconded by Mr. LaRue with all in favor the Minutes of the July 20, 2022 Meeting as presented were approved.

FIFTH ORDER OF BUSINESS

Consideration of Insurance Proposals for Fiscal Year 2023

Mr. LeBrun presented insurance proposals from Brown & Brown AKA Preferred Governmental Insurance Trust (PGIT) and EGIS, which were included in the agenda package.

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The District's current insurance company was EGIS. Mr. LaRue questioned the costs. Mr. LeBrun stated that PDIT quoted \$5,550 and EGIS quoted \$5,500. Ms. Gregory proposed approving the PGIT quote of \$2,000 for general liability and \$1,650 for public official's coverage. Mr. LaRue agreed.

Dr. Master asked why cyber liability and automobile coverage were included. Ms. Gregory felt that cyber liability coverage was a waste of money and they did not need automobile coverage. Mr. Clark stated that the District Manager had cyber liability coverage and the District did not need automobile coverage. Dr. Master felt that cyber liability should be under the GMS contract since they were accessing the District's accounts. Ms. Gregory questioned whether GMS had offsite computer backups. Mr. LeBrun confirmed that they had backup methods through offsite servers; however, most items were public record. Ms. Skeete requested further information about the cyber liability before eliminating it, but they did not need automobile liability. Ms. Gregory disagreed as their records were public and they paid service charges to protect their bank accounts. Mr. Clark read the cyber liability provisions and felt the coverage was unnecessary as it covered theft of confidential information, which did not affect the District. Mr. LaRue did not want to go back to EGIS as they were ready to increase their premium significantly until there was a competitor and then they increased the premium by \$50. Dr. Master agreed.

On MOTION by Mr. LaRue seconded by Dr. Master with all in favor the PGIT proposal for Fiscal Year 2023 for \$2,000 general liability and \$1,650 for public officials coverage was approved.

SIXTH ORDER OF BUSINESS

Review of HOA Correspondence Regarding Management of Reclaimed Water (Irrigation) System

Mr. LeBrun presented correspondence regarding the agreement between the HOA and CDD for the reclaimed water system, which was included in the agenda package. Mr. Clark stated that the agreement was discussed at the last meeting and shortly after, the CDD received a letter from the HOA dated August 31st, requesting that the agreement be terminated. Upon his review of the agreement, there was a provision that required 180 days' notice, which they did not provide. Based on that, Mr. Clark sent a response to the HOA on September 9th stating that they could not cancel the agreement based on the terms, but there was no response. In his opinion, this

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agreement was beneficial to the CDD and did not know the HOA's motivation to cancel the agreement.

Dr. Master asked if the agreement had a five-year renewal. Ms. Gregory noted under Section 4, there was an automatic renewal for additional five-year periods after September 30, 2022 unless either party provided 180 days written intent to not renew. In her opinion, the HOA wanted to divest themselves of things they did not want to be responsible for and get every expense off of their budget that they felt was unnecessary. Under the agreement, the HOA was responsible for staffing, budgeting, financing, billing, collection of fees, assessments and service charges to perform the inspection operation and maintenance responsibilities of the agreement. If the HOA walked away, the District must find a company to take over this responsibility and preferred keeping the agreement between the Poinciana and Poinciana West CDDs and the HOA and amending the agreement 160 days from today, eliminating the \$10 and having each party be responsible for their own pro-rata share. Ms. Leo noted that the systems were integrated between the irrigation and reclaimed mains and suggested educating the HOA on the purpose of the lines. Mr. LaRue suggested that the Board to schedule a meeting with the HOA to discuss this matter. *There was Board consensus.* Mr. LeBrun would inform Ms. Adams to schedule the meeting.

SEVENTH ORDER OF BUSINESS**Consideration of Property Conveyance Agreement with Avatar**

Mr. Clark presented an Acquisition Agreement between the District and Avatar Properties, Inc. (Avatar), which was included in the agenda package. At the last meeting, a draft was presented to the Board, which was prepared by developer's counsel, Mr. Jere Earlywine; however, there were some issues with it and the Board directed Mr. Clark to have Mr. Earlywine revise the agreement. Mr. Clark did not agree with the revisions and provided edits. Mr. Earlywine included in the agreement that the District would take the property on or before October 1st, but Mr. Clark changed it to 2023, in order to budget for the maintenance costs. There was agreement for Avatar to provide a deposit of \$15,000, but if it exceeded that amount, they had the obligation to pay the balance and the District would hold the turnover hostage until they paid.

Mr. LaRue requested that the markups include the date so the Board could keep track. Ms. Gregory had changes to the agreement, which she would submit to Mr. Clark and requested the following:

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- Taylor Morrison (TM) provide the tract name, legal description, book and page for every individual pond and wetland in Exhibit A. Ms. Leo would be specific about the legal descriptions under the developer items as well as state, *“Anything else deemed required by the District Engineer.”*
- A separate page with all ponds and wetlands. Mr. LaRue requested that it be in a map style format with each pond and wetland marked.
- Correct typos in Exhibits B and C.
- In Exhibit B, change *“Avatar agrees to pay the reasonable attorney’s and engineer’s fees”* to *“Avatar agrees to pay all attorney’s, engineer’s fees and costs of the District.”*
- Change the deposit that Avatar pays from \$15,000 to \$30,000.
- Change, *“At the time of closing on the property conveyance, Avatar shall pay any remaining Fees and Costs,”* to *“At the time of closing on the property conveyance and prior to the District completing the execution and/or deliverance of executed documents, Avatar shall pay any remaining Fees and Costs.”*
- Clarification on the estimated annual maintenance cost.

Discussion ensued regarding the purpose of the ponds. Ms. Leo explained that the District was required by law to treat the water and runoff from yards and roads and the ponds treat stormwater from the community. Mr. LaRue believed that the ponds originally were used to provide backfill to build homes. Dr. Master understood that the ponds were for water management to prevent flooding from occurring in the community. Ms. Gregory questioned the amount to charge TM for maintenance as the District must pay for midge and pond maintenance for the ponds that were turned over. Ms. Leo indicated that the unit owners in these tracts were paying CDD assessments. Dr. Master questioned how many ponds were critical to the water management and how many were in place because the developer needed some backfill. Ms. Leo believed that the ponds had a drainage purpose and would provide a copy of the interconnections that were in the Master Plan. Mr. Clark would inform TM that the agreement was still under consideration, there were additional changes to the agreement and request maps and descriptions of what ponds the parcel corresponds to in advance of the next meeting. Ms. Leo requested one complete turnover package for both the CDDs.

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EIGHTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There being none, the next item followed.

B. Engineer

There being none, the next item followed.

C. District Manager

i. Approval of Check Register

Mr. LeBrun presented the Check Register for July 13, 2022 through September 12, 2022 totaling \$78,383.40, which included the General Fund, payroll, detailed invoices and Check Run summary.

On MOTION by Ms. Gregory seconded by Mr. Clark with all in favor the Check Register as stated above was approved.

ii. Balance Sheet and Income Statement

Mr. LeBrun presented the Unaudited Financial Statement through August 31, 2022. No Board action was required.

D. Field Manager

i. Field Manager's Report

Mr. Smith presented the Field Manager's Report, which was included in the agenda package. They continue to monitor the site to ensure that all contractors were performing at a satisfactory level. The dry ponds were mowed to keep them under 12 inches and the wet ponds were being hand-mowed until the dry season. There were shoreline grasses and filamentous algae that was leftover from some hydraulic treatments performed within the last couple of months. Algae blooms caused by treatment of the hydrilla, were cleared up for the most part. Mr. Smith had the midge reports. Ms. Gregory questioned the status of the fish. Mr. Smith reported that the fish were doing well. The District is getting some midge complaints on Pond 21, which was adjacent to large conservation areas. They continue to treat it. The vendor was going to do presentation about the benefit of pond plannings at the next meeting. Mr. LaRue felt that the vendor was doing a great job with their ponds in comparison to the pond at the corner of Solivita

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Boulevard and Village Drive, which was not being managed. Dr. Master agreed. Ms. Gregory noted this was the area that she continually received complaints about the trash, which she forwarded to TM.

1. Consideration of Proposal for Landscape Maintenance Services Agreement Renewal

Mr. Smith presented a proposal for renewal of the Landscape Maintenance Services Agreement with Floralawn. There were some typos, which would be corrected before it was executed. Floralawn requested a 1.5% increase of \$869 from \$57,982.74 to \$58,852.48, which was fair as they did a good job. A 5% increase was accounted for in the budget. Mr. LaRue suggested that the agreement be subject to any changes in the company that would be hired by the HOA; although he believed that Floralawn would still service the contract. Mr. Smith noted that there was a 30-day termination provision if the CDD wanted to change to the company that the HOA changed to.

On MOTION by Mr. LaRue seconded by Mr. Clark with all in favor the proposal for the renewal of the Landscape Maintenance Services Agreement with Floralawn was approved.

2. Consideration of Proposal for Pond Maintenance Agreement Renewal

Mr. Smith presented a proposal for renewal of the Pond Maintenance Services Agreement with Clarke for a 1.5% increase of \$885, which was fair as they did a good job and were responsive. Other companies were requesting a 63% increase, due to the cost of aquatic maintenance chemicals. This increase was in the budget and there was a contingency. Mr. LaRue requested that the verbiage say, "*Aquatic Maintenance.*"

On MOTION by Mr. LaRue seconded by Ms. Skeete with all in favor the proposal for renewal of the Pond Maintenance Agreement with Clarke was approved.

3. Consideration of Proposal for Midge Agreement Renewal

Mr. Smith presented a proposal for renewal of the Midge Services Agreement with Clarke for a 3% increase, due to chemical costs. The scope did not change, which was a more adaptive approach using foggers and barriers in the pond. It did not include larvicide.

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On MOTION by Mr. Clark seconded by Mr. LaRue with all in favor the proposal for renewal of the m Midge Services Agreement with Clarke was approved.

Ms. Gregory pointed out that what was on Exhibit A of the acquisition agreements, may not be the total amount, based on items that TM was handling and wanted to get everything that they needed from TM in order to proceed so there were not any surprises. Mr. LeBrun understood.

i. Customer Complaint Log

Mr. Smith presented the Customer Complaint Log, which was included in the agenda package. There were a few complaints regarding midges on Ponds 2, 15 and 20. Pond 15 was treated for midges several times and was being monitored. Mr. LaRue believed that Pond 15 was the new pond by Cypress Parkway. Mr. Smith confirmed they had Pond 15 for some time and had major hydrilla issues. It was being sprayed but did not receive larvicide. Mr. LaRue asked it larvicide should be considered. Mr. Smith noted that the complaints were fairly recent but would monitor it and if it continued to be a problem for a period of time, they would consider it.

NINTH ORDER OF BUSINESS

Supervisor's Requests

Ms. Skeete suggested having workshops on the transfer of the ponds. Mr. LaRue agreed. Mr. LeBrun would provide a workshop schedule.

TENTH ORDER OF BUSINESS

General Audience Comments

Mr. LeBrun opened the public comment period. Residents were asked to state their name and limit their comments to three minutes.

- Resident Anthony Cattone (Palm Tree Drive) asked if the retention ponds were interconnected. *Ms. Leo stated some ponds were, but not all ponds. It had a unique routing system.* Mr. Cattone asked if the pond could be lowered to cut back the shore plants. *Ms. Leo stated that the ponds were developed with control elevations as part of the permits and they must operate within those parameters.*

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Any changes would require re-permitting with the Southwest Florida Water Management District.

- Resident George Muller (Jasmine Creek Road) reported that according to the 2021 financials, they had \$630,000 in cash, of which \$562,000 were unassigned funds, but there were expenses of \$247,000 for the year, which seemed high. They were only carrying forward \$36,000 and believed that more could be carried forward to reduce assessments. *Ms. Gregory spoke with Ms. Adams about using cash to lower assessments, but the Board wanted to wait until the final turnover with TM as there were expenses to maintain future property that will be conveyed to the CDD.* Larry Ebbers (Tapatio Lane), a resident of the Poinciana CDD agreed and requested that both CDDs look at the amount of cash in relation to expenses.

There being no further comments, Mr. LeBrun closed the public comment period.

ELEVENTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.

TWELFTH ORDER OF BUSINESS

Next Meeting Date – November 16, 2022

Mr. LeBrun stated that the next meeting was scheduled for November 16, 2022 at 9:00 a.m. There would be a presentation from Clarke on beneficial plants.

THIRTEENTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Clark seconded by Ms. Skeete with all in favor the meeting was adjourned.

Tricia Adams

Secretary / Assistant Secretary

Peggy Gregory

Chairman / Vice Chairman