

MINUTES OF MEETING
POINCIANA
COMMUNITY DEVELOPMENT DISTRICT

The Regular meeting of the Board of Supervisors of the Poinciana Community Development District was held on Wednesday, May 20, 2020 at 11:00 a.m. via Zoom Teleconference.

Present and constituting a quorum were:

Lita Epstein	Chairman
Michael Luddy	Vice Chairman
Robert Zimbardi	Assistant Secretary
Tony Reed	Assistant Secretary
Elizabeth Lambrides	Assistant Secretary

Also, present were:

George Flint	District Manager
Jan Carpenter	District Counsel
Kristen Trucco	District Counsel
Kathy Leo	District Engineer
Clayton Smith	Field Manager
Tricia Adams	GMS
Residents	

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

FIRST ORDER OF BUSINESS

Roll Call

Ms. Epstein called the meeting to order and a quorum was established.

SECOND ORDER OF BUSINESS

Pledge of Allegiance

The Pledge of Allegiance was not conducted due to the Zoom attendance.

THIRD ORDER OF BUSINESS

Public Comment Period on Agenda Items

There were no public comments. Any member of the public that wanted to participate were instructed how to raise their hand with the function on Zoom.

FOURTH ORDER OF BUSINESS**Approval of Minutes of the January 15, 2020 Meeting**

Ms. Epstein presented the minutes of the January 15, 2020 meeting and asked for any changes or corrections. The Board had no changes to the minutes.

On MOTION by Mr. Luddy, seconded by Mr. Reed, with all in favor, the Minutes of the January 15, 2020 Meeting, were approved.

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

Ms. Epstein asked if Ms. Trucco had anything to say. Ms. Trucco stated it was discussed at the last meeting and needed official ratification. Mr. Flint added this was to get the final version with changes into the records.

On MOTION by Mr. Reed, seconded by Mr. Luddy, with all in favor, the Settlement Agreement Regarding the Residents' Amended Motion to Tax Costs, was ratified.

SIXTH ORDER OF BUSINESS**Consideration of Resolution 2020-03 Approving the Proposed Fiscal Year 2021 Budget and Setting a Public Hearing**

Mr. Flint noted the Board is required each year to approve a proposed budget by June 15th and set the date, place, and time of a public hearing for its final adoption. The proposed budget does not bind the Board, you can make changes to the document between now and the public hearing if desired. The public hearing which has to be at least 60 days from the day the Board approves the proposed budget. Mr. Flint suggested August 19th Board Meeting at 11:00 a.m. at the Starlight Ballroom. Exhibit A to the Resolution is the proposed budget. It contemplates the per unit assessment amounts would remain the same at \$184.04. The Administrative Expenses are virtually identically with some minor adjustments to those line items. He noted this was not binding and changes could be made before the final adoption. The Operating and Maintenance have been adjusted with some items. R&M Drainage was zeroed out because there is now a line item called Storm Structure Repairs and it's duplicative. A line item has been created for Aerators because there are periodic repairs, he noted that they were suggesting \$3,500 be budgeted there. The same \$50,000 was kept for Storm Repairs. This is accommodation for storm water repairs and it also sets aside money to the extent they need to make repairs in the future.

The budget is balanced and totals are the same from the current year. The Board can adjust the individual items if needed. Mr. Flint noted for Landscape Maintenance and Aquatic Control Maintenance they left some allowance for additional ponds to come online. Those ponds have not come on yet, so they recommended keeping the same budget line items for next year. Clayton and Kathy are looking at what potential ponds will come online in the future, but Mr. Flint noted that they don't feel that they should incorporate any budget for those ponds at this point until they know the timing of the ponds being brought online. Morrison has not given staff a clear time frame that ponds will be conveyed. If they do convey them, the conveyance would be subject to the Board having the funds budgeted to maintain them. In the past they did convey some ponds and the Board told them that they would have to pay for the maintenance until the end of the fiscal year until the Board can take that into account. Mr. Flint noted that they would rather not incorporate the budget necessary to handle all those ponds at this point, because the Board will be obligated to maintain them. If it's not in there, and they don't give the Board notice they are obligated to maintain it until the Board does the budget. Mr. Flint also noted there was some money budgeted in those line items for some ponds to come on next year, but there will need to be an increase to handle the ultimate number of ponds that will eventually be conveyed.

Ms. Lambrides asked if the ponds haven't come online yet because Taylor Morrison isn't ready to turn them over to us. Mr. Flint replied that was correct. Mr. Flint stated it is anticipated they will turn some over, but they haven't provided us a clear time frame for when those will be turned over. Mr. Flint noted that this year they told staff that certain ponds were going to be turned over so they incorporated that into the budget for the current year and they are waiting for more details. Those haven't been turned over yet, so Mr. Flint recommended that they keep the same budget assuming the ones they said were going to be turned over this year end up either turned over before the end of the year, or next year. Mr. Flint stated that they do have budget estimates for what the cost would be if they do turn them over, but they have not incorporated them into the proposed budget. Clark and Floralawn have provided estimated maintenance numbers in the event they are turned over.

Mr. Smith noted that proposals were numbers for roughly 4 to 6 ponds, depending on the size of the pond and which pond they actually do turn over to the Board. Mr. Luddy asked if Taylor Morrison came to the Board next year and said they were ready, in 2021, to turn over two

ponds, would we be able to accept those with our current budget or would we have to push them to 2022 to adjust the budget to accommodate them. Mr. Flint noted that it depends on which ponds, but they could probably pick up in the range of 4 ponds. Mr. Flint clarified they did have a list of the ponds that are yet to be conveyed and they do have estimated costs for maintenance, staff just does not know the timing, and Mr. Flint noted that they do not want to build all those ponds in the budget if they don't have to. Mr. Luddy agreed with the decision making but noted that the residents need a heads up that in 2022 because of the additional ponds that the price of \$184 will go up in 2022. They should expect some increase in that budget and in their annual fees. Mr. Flint stated that they will have a much better grasp of the numbers in October 2021, and there was no need to start informing residents of an increase 18 months ahead of the actual increase, since they didn't have exact numbers yet.

Ms. Epstein asked for any further questions on the proposed budget we have. No further questions were noted.

On MOTION by Mr. Zimbardi, seconded by Ms. Lambrides, with all in favor, Resolution 2020-03 Approving the Proposed Fiscal Year 2021 Budget and Setting a Public Hearing for August 19, 2020 at 11:00 a.m. at the Starlight Ballroom, was approved.

SEVENTH ORDER OF BUSINESS

Appointment of Audit Committee and Chair

Ms. Epstein noted that as last year, Board members would be appointed. Mr. Flint noted this was done by motion and as part of the motion they should designate one of the Board members as the Chair. Mr. Zimbardi made a motion to appoint Ms. Epstein as Chair of the Committee. Mr. Flint clarified then the Board would be the Audit Committee.

On MOTION by Mr. Zimbardi, seconded by Mr. Luddy, with all in favor, Ms. Epstein as Chair of the Audit Committee and the Board of Supervisors to Serve as the Audit Committee, was approved.

EIGHTH ORDER OF BUSINESS

Staff Reports

A. Attorney

i. Updated on Auditing Requirements

Ms. Carpenter noted things are quiet and they are waiting on the lakes to make sure they get the information and turn over along with Kathy Leo from the Developers so they can get that map upgraded and make sure they all know exactly what the Board owns and what they don't.

Ms. Epstein asked for an update on the auditing requirements. Ms. Carpenter noted that a couple of changes would be handled by GMS. One change is that someone on the Board has to be on the Committee and in this Board's case the Board is the Committee, so they don't have to worry. There are also now penalties if someone hinders or refuses to provide information for an audit, so if the Board ever received a call regarding an audit, they should either respond or contact counsel to find out what it is about.

B. Engineer

Ms. Leo stated it was also quiet on the engineering front. Back in February they had a field meeting with some of the Taylor Morrison representatives to look at ponds that they were working on in the field. Some ponds that were in the future to be turned over and some of the repairs they talked about ponds that the Board currently has. There has not been much progress since then. Ms. Leo stated they would continue to monitor that. It appears there is not a lot of rush to turn ponds over. She stated there was a long process to turn ponds over, and they will continue to monitor.

Ms. Epstein asked if they were still waiting for one plat between the small homes and the other side of Solivita Boulevard. Ms. Leo replied there could be more than one plat left, and she wasn't sure how it was being broken up. Ms. Leo noted that they have to bring it to them to get it permitted through the County, and she has not received it yet.

C. District Manager

i. Action Items List

Mr. Flint stated the CDD merger has not had any action based on the discussion from the Board back in March. Mr. Reed asked for Mr. Flint to cover what was discussed at Poinciana West meeting relative to the merger. Mr. Flint stated their District Counsel wants an opinion from Bond Counsel to confirm that bond holder consent is not required as a part of that merger. He clarified that Poinciana West would be dissolved and Poinciana would remain. Their Counsel has technical questions on the Trust Indenture as to whether there is bond holder consent necessary for Poinciana to take over the Poinciana West bonds. No action has been taken yet.

The alternative would be to get bond holder consent and depending on whether there is one bond holder or many that can be fairly easy or impossible. Ms. Epstein asked if they knew who the bond holders are for Poinciana West, she noted that she thought they had the same bond holders. Mr. Flint replied he did not personally know who they were, and typically CDDs do not know who they are. They work through the Underwriter and the Trustee to find out who they are. Ms. Reed asked that Mr. Flint share that information once he receives it.

Mr. Flint noted that Mr. Reed wanted Item 3 included in discussion. Mr. Reed stated he had no further input on this item at this point, but he intended to share his findings with Mr. Flint and Jan prior to it being presented to the Board. Mr. Reed noted that there were items that would need to be voted on. Mr. Reed noted that there are items that need Taylor Morrison's interaction, but it has not been received by them and has created a delay.

Mr. Flint stated that he had not made progress on Items 4 and 5. He noted that there were questions about the rationale for certain ponds being golf course or ponds being CDD. Mr. Flint noted that he felt that the Engineer had addressed the issues to a certain extent. Mr. Flint asked the Board to allow staff to keep them pending.

Mr. Flint stated that Item 6 and 7 were completed and will be taken off the Action Items list. The Board had no new items to add to the list.

ii. Approval of Check Registers

Mr. Flint stated there were two check registers, one from January 9th through March 10th, and one from March 10th through May 12th. There is a summary and a detailed register behind each summary. Mr. Flint asked if there were questions on the check register.

On MOTION by Mr. Zimbardi, seconded by Mr. Luddy, with all in favor the Check Register from January 9th through March 10th and the Check Register from March 10th through May 12th, was approved.

iii. Balance Sheet and Income Statement

Ms. Epstein asked if there were any questions.

On MOTION by Mr. Reed, seconded by Ms. Lambrides, with all in favor, the Balance Sheet and Income Statement, were accepted.

iv. Presentation of Number of Registered Voters – 4,739

Ms. Epstein stated that there are 4,739 registered voters. Mr. Flint stated there was no action required. Mr. Zimbardi asked for the number of voters in Poinciana West. Mr. Flint noted that there are 2,480 voters in West.

v. Discussion of Qualifying Period and Procedure

Mr. Flint stated that Ms. Epstein's seat expires in November and Mr. Zimbardi's seat expires in November. Mr. Flint had emailed the information they needed and a summary was provided in the agenda. Any qualified electors that reside in the District are eligible and qualify to run for those two seats. To be a qualified elector you have to be registered to vote with an address within the District as your primary address. The qualifying period is from noon on June 8th to noon on June 12th. The Supervisor of Elections needs to be contacted for the forms and process needed to qualify.

D. Field Manager

i. Field Manager's Report

Mr. Smith reviewed the Field Manager Report. He reported that tunnel pressure washing was complete on both tunnels. A full pressure washing was completed as the Board approved, including the sidewalk, walls, and it looked great once it was completed. Mr. Reed asked if the tunnel washing was done by GMS. Mr. Smith replied that it was not done by GMS, it was done by Pressure Wash This, which was a proposal approved by the Board. Aquatic Maintenance, due to dry weather and an unusually warm winter, there have been some algae blooms. He noted that he is working with Clark and they have identified and handled most of them as soon as possible, and he has spoken to all residents with complaints. Most all ponds are managed and in treatment programs. There was some aerator maintenance done, they fixed some tubes, replaced a couple more compressors, and did some on-going maintenance and keep them going and running.

Mr. Luddy asked if the compressors were under warranty. Mr. Smith replied they were warrantied but coming up they will be out of the warranty period as they continue to have some issues. Mr. Smith stated that they aren't extremely pricey compressors, but they looked to budget that item for Aerator Maintenance. All of the compressors recently replaced were under warranty. Mr. Zimbardi stated that they need to keep an eye on the compressors because they seem to be dying left, right, and center.

Ms. Lambrides asked if there was a different manufacturer. Mr. Smith stated that he would look into other options. Mr. Smith stated these were DC compressors that work off a solar panel so it is specific to the company they have. He noted that he could look at other companies. Mr. Luddy asked if it was the motor or pump portion that was failing. Mr. Smith stated he had tried to take one apart and on one some stuff had wiggled loose, another one it looked like the soldering of the wiring had come loose. He noted it was a number of different things depending on the situation. Mr. Luddy asked that Mr. Smith document when he takes these apart and contact the manufacturer, and work with them and their engineering to note the primary reasons and asked the Manufacturer what they will do about it. Mr. Smith stated he did do that but had not received specific reasons. Mr. Smith noted that they did change a control panel and he had received some of the new ones. They are being installed and he noted the company was willing to work with them. Mr. Zimbardi stated to make sure the company knew the Board was aware of the problems. Mr. Smith noted that he could investigate further options and assess cost. Mr. Zimbardi asked about the cause of the severed hose. Mr. Smith noted that it appeared something bit it, and he felt like birds thought they were snakes since they were out in the water.

Mr. Smith noted that the Gambusia fish is a statewide fish that is used for managing larvae or mosquitos and midges and they were recommended for midge management. They are a smaller fish and the recommendation is to put in about 2,000 Gambusia per acre. Mr. Luddy asked about cost and how soon could they start doing it. Mr. Smith stated that the Board could start doing immediately, but they want to check oxygen levels and make sure the pond temperature is good to put them in. Those are the only contingent factors. For the fish themselves, they do have to be delivered and they are typically \$200-300 per acre of pond. Mr. Smith noted that they did one at Poinciana West which included 2,000 Gambusia and 1,500 shrimp and all of that together was about \$250 to \$300 per acre. That was a small one-acre pond so obviously multiple acre ponds will cost more. Mr. Smith noted that there are 23 midge ponds, those are the ponds they would want to do. Mr. Smith noted he was still working with Clark to determine the acres, they have approximately 55 acres of midge ponds. Mr. Smith noted that would be a lot of fish, but it could be done in stages. Mr. Zimbardi asked how well the fish do. Mr. Smith replied it depended on the amount of predators in the pond and if they can seek shelter. These fish do have a fast reproduction rate, so they will sustain themselves. They are similar to minnows. Some ponds are deep and do not have a lot of cover so they may need some

additional re-stocking in the future if their numbers do dwindle down because a lot of things do eat them that's why you put the shrimp in with them to assist with the food chain. Mr. Luddy asked how he assessed the midge pond, because he said there were 23 of them. Mr. Smith replied that he based that off the contracted midge ponds. Those are the ponds they have under contract for midge treatment. Those are the ones he would prioritize. Mr. Luddy asked how they would know if the treatment was effective. He asked if the numbers would go down and reduce costs. Mr. Zimbardi noted that resident complaints could go down. Mr. Smith noted that they would obtain more data before taking any further steps. Ms. Epstein asked if they should do one pond as a test. Mr. Smith noted that B1 has had the most complaints. Also, E3 was a problem pond, but complaints have gone down. E3 was once a problem area that had aerators and they stocked with fish in the past. Ms. Epstein asked for a proposal to do two ponds without aerators. Mr. Luddy suggested during the test period with the fish, not spraying or fog for the midges in that pond. Ms. Epstein suggested doing one pond with treatments and one without, if they had problems they would start the treatments again. Ms. Lambrides noted the midges could become unbearable for the residents. It was noted that if there was an outbreak of midges, you have to treat the ponds. The Clark representative noted that he saw it as a two-step process. He stated that he wouldn't eliminate treatment when they add fish, he would consider adding fish to the more problematic ponds in an effort to have a more synchronized dual effect on what you are trying to do. He stated that the B1 pond would be a good one to start with, but he wouldn't get away from the treatment programs. The Board went into further discussion with Mr. Smith and the Clark representative regarding the fish and midge treatments.

Mr. Flint noted that he believes the Board is taking all the right steps. They have taken a deliberate approach, in the past they have consulted experts from the University of Florida, they have consulted with Polk County's AG extension office, they now have Clark helping out. Sometimes it takes multiple approaches and sometimes it takes time to get the cycle lined up.

Mr. Smith moved to the next item, the Engineer's Summary report is a summary of the items that were identified in Ms. Leo's Engineer's Report. These items would be addressed this year. There are 17 ponds with some items that need to be addressed. A lot of it is erosion behind the MES stabilizing those which has been lower priority problem in the past. A lot of this is maintenance items that they want to keep up with and have a solid maintenance routine. The list is provided and Mr. Smith noted that he could answer questions and go into further detail if

needed. A price has been given on correcting the items with their own in-house people to get it done. Mr. Smith noted that this shows they can handle this without going out to a contract.

Mr. Flint noted that the issue with storm water problems is they tend to be episodic and when they happen they need to be addressed. It's unrealistic to think they could combine multiple CDDs to be on the same timeline, and be budgeting the same. The big companies are sitting idle right now, the big ones are not doing this type of work. It's the small ones, and Mr. Flint stated that he knows 4-5 site contractors that they tried to get. He noted that the Board is not going to be able to do it for the price Clayton's crew. He noted that these costs are almost too competitive from his perspective. They are not making a lot of money on this, so the short answer is he does not think they could coordinate with multiple companies to do these small repairs. Mr. Flint noted that they have done it on large paving projects, because you can piggyback on other bids and there are things you can do. There isn't the same opportunity here with this because this is little odds and ends projects.

Ms. Leo added the ability that GMS has to perform this work is great for the District in the long run. The numbers are very reasonable. If there is challenges with things, Clayton is out there and they've got that advantage to work with them long term. When there is an opportunity to do this kind of work through the District Manager's office it works out well. This is a great advantage for the District.

On MOTION by Mr. Reed, seconded by Mr. Luddy, with all in favor, the Proposal from GMS for Field Work, was approved.
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After the proposal there was a question about the house with the downspout and the erosion that goes right into the pond. The question was are there any rules to stop homeowners from eroding the dirt into the pond.

Ms. Leo noted the ponds were designed to take storm water. The distance looks short from the picture. She further stated that she could work with the homeowner to have them address the drainage and they can take care of it on their side. One thing Ms. Leo pointed out was in some pictures there is a black pipe and some of them are underground instead of above ground. Either solution is fine, but it can't have that erosion problem. The Board noted that these banks have natural erosion and they asked what could they do to prevent it from happening again. The goal is how to stop this permanently so that five years from now they don't have to do the same thing over again.

Mr. Smith said this is one benefit of having their Management company do the work because he was going to contact the homeowner to see if they would allow him to trench a corrugated pipe up underneath there. This would be entirely based on them doing it or agreeing to it. There is coordination involved with this work as well that he was not sure where you would get with another contractor. Mr. Smith stated he appreciated the motion to move forward with the work.

The Board asked who would be responsible for the costs to put that downspout on the ground until it reaches the pond. Mr. Flint stated the costs for the portion on their property is not significant, and if it resolves the erosion issue it's to the Board's benefit. The issue is that Mr. Flint's company wants to have control over where it's going to be done.

Mr. Smith stated the next item is a description of some chemicals used and methodology involved with those chemicals used and some other items from Clark. There is a full list of the chemicals and how they are used.

Mr. Smith stated the monthly treatment reports were included for all items as well as the complaint response. There were complaints about midges in the B1 area. Other items were about algae which Mr. Smith referred to in the last report about being attributed to low lake levels, temperature, etc. Mr. Smith noted that they have been actively reaching out to homeowners and coordinating on issues that they have had and they are continuing to treat until issues are resolved. The Board briefly discussed hydrilla and Mr. Smith concluded his report.

ii. Customer Complaint Log

Mr. Smith reviewed the customer complaint log.

NINTH ORDER OF BUSINESS

Supervisor's Requests

Mr. Zimbardi stated he was contacted by a resident that wanted to know where they could get detailed drawings of the pond interconnections, the pipes, etc. This resident also wanted to know what ponds were treated with fish, etc. There was no a clear idea of what he wanted, but stated he was part of the fishing club and stocking the ponds. Ms. Leo stated this resident had found the documents and drawings, and he was able to get all documentation he needed on the Water Management District website. Mr. Zimbardi stated that this resident wanted to stock with pond and he felt that he needed to coordinate that with others in the CDD. Ms. Epstein asked if

she should reach out to the president of the fishing club and inquire further. Mr. Flint stated if given the name of the president of the fishing club, he could reach out and discuss the situation.

TENTH ORDER OF BUSINESS**Other Business**

Ms. Epstein asked for any other business. There was a question for Kathy about the Poinciana West Pond #2 and the premature failure that occurred. Ms. Leo explained that there were erosion repairs that GMS will take care of. The Board concern was about the eventual take over and cost that they may incur. Ms. Leo explained this erosion was a natural occurrence and there was no design practice to recommend.

ELEVENTH ORDER OF BUSINESS**General Audience Comments**

Ms. Epstein asked for any general audience comments. Mr. Flint stated this would be the time for any members of the public to provide comments to the Board. He explained the raise your hand function on zoom. Seeing none, the next item followed.

TWELTH ORDER OF BUSINESS**Next Meeting Date – June 17, 2020**

The next meeting is scheduled to be held on June 17, 2020. It will be 11:00 a.m. There is a possibility that the June meeting will be cancelled at a later date. One Board member made the comment and voiced a concern about the grass treatment that he thought it was a type of Roundup. Tim replied that it was the same ingredient in Roundup and there has been some poor press about this ingredient. However, it has been studied, and the claims are not substantiated. There has been some investigation about alternatives and the cost difference would need to be considered.

THIRTEENTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Zimbardi, seconded by Mr. Luddy, with all in favor, the meeting was adjourned.



Secretary/Assistant Secretary

Chairman/Vice Chairman