

**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, **January 19, 2022** at 11:00 a.m. via Zoom Communication Media Technology and in the Starlite Ballroom, 384 Village Drive, Poinciana, Florida.

Present and constituting a quorum were:

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

Also present were:

Tricia Adams	District Manager
Jan Carpenter	District Counsel
Bob Gang <i>(via Zoom)</i>	Greenberg, Traurig
Kathy Leo <i>(via Zoom)</i>	District Engineer
Clayton Smith	Field Manager
Rhonda Mossing <i>(via Zoom)</i>	MBS Capital Markets
Residents	

The following is a summary of the discussions and actions taken at the January 19, 2022 Poinciana Community Development District's Board of Supervisors Meeting.

FIRST ORDER OF BUSINESS

Roll Call

Ms. Adams called the meeting to order and called the roll at 11:35 a.m. All Supervisors were present with the exception of Ms. Lambrides.

SECOND ORDER OF BUSINESS

Pledge of Allegiance

The Pledge of Allegiance was recited.

THIRD ORDER OF BUSINESS

Public Comment Period on Agenda Items

Ms. Epstein opened up the public comment period for agenda items only. Resident Ken Ryan, Grand Canal Drive suggested when a contract was presented to the Board everything was written out in the contract. If it was an engineer, they should know who the head engineer was, their hourly wages and hours for the work. Hearing no further comments, Ms. Epstein closed the public comment period.

FOURTH ORDER OF BUSINESS

Approval of Minutes of the December 15, 2021 Meeting

Mr. Zimbardi and Mr. Reed provided corrections to the December 15, 2021 minutes, which were incorporated.

On MOTION by Mr. Zimbardi seconded by Mr. Reed with all in favor the Minutes of the December 15, 2021 Meeting were approved as amended.

FIFTH ORDER OF BUSINESS

Consideration of Banking Matters

A. Consideration of Resolution 2022-03 Redesigning the Qualified Public Depository from SouthState Bank to Truist

Ms. Adams recalled that the District currently has a checking account with SouthState Bank, formerly known as CenterState Bank, but due to challenges geographically and customer service issues, staff recommended changing from SouthState to Truist. With Truist, staff could set up electronic payments for Board Members and provide other fraud protection services beneficial to the District. Resolution 2022-03 formerly authorizes the closing of the District's account with SouthState Bank and opening an account with Truist. Mr. Luddy asked why this resolution must be effective on the closing of the bonds. Ms. Adams stated this provision should be removed.

On MOTION by Mr. Luddy seconded by Mr. Reed with all in favor Resolution 2022-03 Redesigning the Qualified Public Depository from SouthState Bank to Truist was adopted.

B. Consideration of Resolution 2022-04 Appointing Authorized Signatories

Ms. Adams stated as a companion resolution to opening the account at Truist, Resolution 2022-04 would recognize the signatories on the account as Secretary, Treasurer and Assistant Treasurer.

On MOTION by Mr. Luddy seconded by Mr. Reed with all in favor Resolution 2022-04 Appointing Authorized Signatories was adopted.

SIXTH ORDER OF BUSINESS**Consideration of Financing Matters
Related to Bond Refinancing**

Ms. Adams recalled that the Board directed staff to research options for refinancing the current bond at a lower interest rate to take advantage of historically low interest rates that are currently being offered. Upon successful completion of the bond refunding, residents will have a lower CDD debt service fee on their tax bill.

A. Approval of Revised Term Sheet with Hancock Whitney Bank

Ms. Mossing of MBS Capital Markets (MBS), the Bond Underwriter, presented the revised Term Sheet, noting the following:

- There would be an increase in the par amount to \$10,845,000, due to the developer not making a True-Up Payment on a number of lots. Assessments will remain the same.
- The District is refunding \$12,170,000 worth of par debt in exchange for the new amount of \$10,845,000.
- The current average interest rate on the existing bonds was 4.976%, which would be reduced with the financing to approximately 2.373%, the lowest that they have ever seen.
- The Assessment Methodology showed significant savings.
- The District would have a deposit relationship with the bank.
- The Reserve Fund would be reduced from 50% of maximum annual debt service to 10|%.
- The bonds were non-callable, meaning they will be outstanding unless a pre-payment was made by a homeowner. Pre-payments could be made at any time

and bonds could be called for extraordinary mandatory redemption but cannot be refunded.

- There were standard reporting requirements for filing annual financial statements with the bank as well as a copy of the yearly budget after adoption.

Ms. Mossing provided the following clarifications to Mr. Zimbardi's questions:

- Non-BQ meant non-bank qualified. In order to be bank qualified, which was a designation that the municipal bond market used, it would have to be less than \$10 million under Federal Tax Law. It did not harm the District in any way and was simply a disclosure.
- The 25BPS under Commitment Fee was the fee for doing the loan. BPS stood for basis points and .25% was less than 1% of the loan amount. This was included in the Cost of Issuance (COI). Mr. Zimbardi asked who the recipient was. Ms. Mossing stated the bank.
- 10% MADS under DS Reserve Amount meant that the Debt Service Reserve Account was reduced from 50% Maximum Annual Debt Service to 10%, based on the development status of the project.
- Ms. Mossing explained under Tax Exempt Status, the loan was deemed to no longer be tax exempt, if the Federal Government decided they would no longer be tax exempt anymore and wanted to collect tax from the bondholders for this debt.

On MOTION by Mr. Luddy seconded by Mr. Reed with all in favor the Revised Term Sheet with Hancock Whitney Bank was approved.

B. Approval of Supplemental Assessment Methodology Report

Ms. Adams presented the Series 2002 Refunding Bonds Supplemental Assessment Methodology Report. Table 1 showed how the debt was apportioned throughout Poinciana with Equivalent Residential Units (ERUs) for commercial and single-family units. Table 2 showed the par amount of bonds, sources and uses, Reserve Fund, COI, an average coupon rate of 2.37% and maturity date of May 31st. Table 3 showed how the debt was assigned for the parcels and the per unit debt reduction. Table 4 showed the allocation of the debt including the new per unit net cost, which was \$347.78 per ERU, for a savings of \$60 to \$78 per unit each year through

maturity. A notice will be sent to residents once the bonds closed. Ms. Epstein requested the notice include the net and gross amounts, as shown on the Tax Bill. Ms. Adams stated Table 5 was the Assessment Roll.

On MOTION by Mr. Luddy seconded by Mr. Reed with all in favor the Supplemental Assessment Methodology Report in substantial form was approved.

C. Consideration of Resolution 2022-01 Bond Award and Delegation Resolution

Mr. Gang presented Resolution 2022-01 the delegation resolution, which approved the form of the new Trust Indenture and Escrow Deposit Agreement and appointed Hancock Whitney Bank as the new Trustee for the refunding bonds. Because the outstanding 2012 bonds could not be redeemed until May 1st, funds would be put aside to pay off the bonds at the closing on February 2nd and held by US Bank until May 1st to pay off the bondholders. The 2012 bonds originally refunded the 2000 bonds that built the infrastructure. In his opinion, the Hancock Whitney Bank proposal that Ms. Mossing described was incredibly low and once the new Trust Indenture was executed on February 2nd, the transaction would be completed.

On MOTION by Mr. Reed seconded by Mr. Zimbardi with all in favor Resolution 2022-01 Delegation Resolution awarding the 2022 bonds was adopted.

D. Consideration of Resolution 2022-02 Adopting, Confirming and Approving the Special Assessment Refunding Bonds

Ms. Carpenter presented Resolution 2022-02 approving the Special Assessment Refunding Bonds and accepting the Allocation Roll, levying the assessments. It becomes effective when the bonds were issued.

On MOTION by Mr. Reed seconded by Mr. Luddy with all in favor Resolution 2022-02 Adopting, Confirming and Approving the Special Assessment Refunding Bonds was adopted.

Ms. Carpenter requested that the Board approve the transfer of funds to Hancock Whitney Bank, as reflected in the Delegation Resolution and for staff to take all steps necessary.

On MOTION by Ms. Epstein seconded by Mr. Luddy with all in favor authorization to transfer the funds to Hancock Whitney Bank was approved.

Mr. Zimbardi questioned the benefit to the District if all residents paid off their bond. Ms. Adams noted no real benefit to the District to encourage residents to pay off bonds. Mr. Luddy explained that it increased the District's bond capacity so they could borrow money in the future.

SEVENTH ORDER OF BUSINESS

Consideration of Proposal for Stocking Pond with Gambusia and Grass Shrimp for Midge Control

Mr. Smith presented a proposal from GMS for stocking Gambusia and Grass Shrimp in 90 acres of ponds for midge control in the amount of \$12,600 with 1,000 Gambusia and 500 Grass Shrimp stocked per acre. The following ponds were proposed; A-9, A-10a and A-10b, A-11, A-12, A-13, B-15, C-2, C-10, C-12, C-20, D-5, D-8, D-9, E-1, E-2, E-3, E-21 and E-31. If the Board wanted to target the ponds that received complaints, the total was \$9,800 for 70 acres of priority ponds. Mr. Luddy wanted to stock the remaining ponds after these ponds and requested a proposal this summer. Ms. Adams stated there were contingency funds of \$19,000 that could be used for this item. Mr. Zimbardi questioned how the fish would survive the winter. Mr. Smith stated these fish did not have any issues thriving through the winter and they would do a visual inspection. The fish could go deeper to survive. There were fish present in ponds that were already stocked. However, there was no way to determine if the shrimp were thriving. They lived in muck at the bottom of the pond to help with algae and deep-water midges.

On MOTION by Mr. Reed seconded by Mr. Zimbardi with all in favor the proposal from GMS for stocking the pond with Gambusia and Grass Shrimp in the amount of \$12,600 to be paid out of the Contingency Fund was approved.

Mr. Luddy requested more detail in the proposal. Mr. Smith would provide a breakdown.

EIGHTH ORDER OF BUSINESS

Consideration of License Agreement with Solivita Community Association for Landscape Maintenance

This item would be discussed after Staff Reports.

NINTH ORDER OF BUSINESS

Staff Reports

A. Attorney

This item would be discussed later in the meeting.

B. Engineer

There being none, the next item followed.

C. District Manager

i. Action Items List

Ms. Adams presented the Action Items List, which was included in the agenda packet and reported on the following:

1. Pond turnover from Taylor Morrison to the CDD: The District recently approved an application process. After publication of the Action Items List, staff received the application from Taylor Morrison for numerous parcels. A deposit fee was received, which would cover billable hours from District Counsel and the District Engineer to review the parcels. Ms. Adams would provide the application to Supervisor Reed.
2. Tunnel Rules: This item will remain on the Action Items List until the rule hearing.
3. Bond refinancing: The pre-closing was scheduled after this meeting and the closing was scheduled on February 2nd. Mr. Zimbardi asked who would be attending the closing. Ms. Adams stated the CDD Chair would attend to sign documents.
4. Pond access point to launch boats: At next month's meeting, the Board will receive a white paper identifying pertinent issues related to recreational boating on stormwater ponds. Ms. Epstein requested that there be discussion at next month's meeting regarding transferring from utility to recreational use before involving the District Engineer. Ms. Adams will place this item on next month's

agenda and will coordinate with the Chair regarding resident notice. Mr. Zimbardi asked if switching from utility to recreation opens it up to the public. Ms. Adams stated the CDD assets were for public use and there must be a provision for public access.

5. Stock Ponds with Gambusia & Grass: This item was discussed. The ponds would be tracked in 20-acre increments.
6. Aerator Removal Experiment: This item would be discussed under the Field Manager's Report.

Mr. Reed requested the following items for the next agenda:

- Update on the Stormwater Needs Analysis. Ms. Leo spoke Mr. Jay Jarvis, the Director of Roads and Drainage with Polk County and the county would be doing the Stormwater Analysis for their systems. It did not include the CDD. Mr. Reed questioned the need to spend \$15,000 and requested that Ms. Adams include this item on the Action Items List.
- Discussion regarding the installation of French drains on residential property abutting District property. Mr. Reed requested homeowners that have French drains pay for their French drain extending into District ponds as the builder in the Poinciana West CDD installed them. Mr. Zimbardi requested a specification on what was required to extend into the ponds. Ms. Leo would work with Mr. Smith on an alternate solution. *After further discussion, this item will be placed on the February agenda and Mr. Smith will prepare a cost estimate based on linear foot and specifications.*

Mr. Zimbardi requested a status update on the alligator awareness signs. Ms. Adams received a response from FWC and they verified that the information was accurate.

- **Consideration of License Agreement with Solivita Community Association for Landscape Maintenance (Item 8)**

Ms. Adams reported that the District was contacted by Taylor Morrison for two parcels that were erroneously conveyed to the CDD but were being maintained to some extent by the HOA. A license agreement would not change the ownership of the parcels but was a way for the HOA to continue to maintain the areas and bring the situation into compliance. As a result, presented for Board consideration was a License Agreement for the HOA to provide maintenance to parcels of land owned by the CDD. District Counsel prepared this agreement and copies were provided to the District Engineer and field staff.

On MOTION by Mr. Luddy seconded by Mr. Zimbardi with all in favor the License Agreement with Solivita Community Association for Landscape Maintenance in substantial final form was approved.

Mr. Smith clarified there would be reduction in cost because the half of the canal that the CDD maintained would now be maintained by the HOA

- **Attorney (Item 9A)**

Ms. Carpenter reported that the only item of significance was turnover of the ponds. She will review all of the details on the legal side and report back at the next meeting.

- ii. **Approval of Check Register**

Ms. Adams presented the Check Register from December 8, 2021 through January 11, 2022 in the amount of \$1,206,036.95. There was a large check of \$831,000 transmitting debt service fees to the Trustee.

On MOTION by Mr. Zimbardi seconded by Mr. Reed with all in favor the December 8, 2021 through January 11, 2022 Check Register in the amount of \$1,206,036.95 was approved.

- iii. **Balance Sheet and Income Statement**

Ms. Adams presented the Unaudited Financial Statements through December 31, 2021.

On MOTION by Mr. Zimbardi seconded by Mr. Luddy with all in favor the Unaudited Financial Statements through December 31, 2021 were accepted.

D. Field Manager

i. Field Manager's Report

Mr. Smith presented the Field Manager Report, which was included in the agenda package. The tunnel received a few coats of yellow paint. It looked a lot better but needed additional coats. The Venezia tunnel was striped as it did not have any striping. Throughout the property, ponds were lower and water sparse, which typically happened during the dry season. Pond B-15 was low, but was now back to a level in line with all of the other ponds. He will continue to monitor the ponds water levels. The Sorrento ditch, which was owned by the CDD, was sprayed. It looks rough, but was being treated. This will be placed on Clarke's next quarterly rotation. Mr. Reed wanted to meet with the South Florida Water Management District (SFWMD) to understand the process, as they were all tied together in the stormwater management system. Mr. Smith will wait until March to stock the ponds with fish, as they must be stocked in phases. They should be fully stocked by May. Mr. Reed asked if the fish were available. Mr. Smith verified that the fish were available. The pond bank alligator awareness signage arrived and he was scheduling the installation before February. Mr. Reed questioned the total number of signs. Mr. Smith believed 30 signs would be installed in the Poinciana CDD.

Regarding the aerators, Mr. Smith was able to speak to a technician. The aerators they use were discontinued six to eight months after installation, so parts were not available except for the pumps, which cost \$200 each. They said there was no compatibility because for the four bubblers, six solar panels were used instead of two and were highly advanced units and it was not feasible to maintain around them, as they must be mounted on a pond bank. They were recommended for smaller ponds. The current system was within the specs that they defined. In order to upgrade those, new units would cost \$35,000. In the long-term, Mr. Smith recommended electric ones, which cost more, but the serviceability was better. At this point, he would maintain them the best that they can, but they will deteriorate with the elements.

Ms. Epstein asked if Pond E-3 was stocked. Mr. Smith recalled that Pond E-3 was stocked in the past with Sunfish and Bluegill. There were plenty of Bass that ate the Bluegill and Sunfish. The issue with the Bluegill and Sunfish was that they get large and as they grow, they

stop eating the midge larvae. He recommended that this pond be stocked with Gambusia. Ms. Epstein recommended removing the aerators as they break down and salvage the parts. *There was Board consensus.* Mr. Reed requested Mr. Smith provide a copy of a preventative maintenance document for the Board’s review. Ms. Epstein reported that stones on the Venezia tunnel were being washed away with every rain. Mr. Smith was considering adding more stones, but the most permanent approach would be to add concrete flares on the sides. Ms. Epstein felt a better use of funds would be to put the missing stones back on. Mr. Luddy stated residents from Venesia requested brighter entrance lights as both sides of the Venesia tunnel were dark at night. Mr. Smith could increase the wattage of the lights, like the Bella Vianna tunnel as well as look into other options. Ms. Epstein requested changing out the lights and seeing if it was sufficient.

ii. Customer Complaint Log

Mr. Smith presented the complaint log and Aquatic Reports, which were included in the agenda package. There was a complaint about some algae, which was treated and grass clippings in the ponds. It turned out to be a pond weed, which was treated.

TENTH ORDER OF BUSINESS

Supervisor’s Requests

There being none, the next item followed.

ELEVENTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.

TWELFTH ORDER OF BUSINESS

General Audience Comments

Resident Ken Ryan of Grand Canal Drive witnessed a smart cart going around the poles at the tunnels and requested a camera to catch the driver instead of the poles, which were an inconvenience to residents. He also requested that Floralawn employees be educated as they were throwing trash into the drainage that goes into the lakes. Floralawn Supervisors should be responsible for ensuring the community was clean.

Resident Steve Mizel of Torino Lane asked if Pond B-1 drained into Lake Polk. Mr. Smith stated all ponds in the area would eventually drain into Lake Polk because it was at the lowest elevation. Pond B-1 was low, but not low enough to be concerned about. It would come

back when it rains. Regarding the License Agreement with the HOA for landscape maintenance, Mr. Mizel asked if the HOA was being reimbursed for maintaining the landscaping for the CDD. Ms. Carpenter stated they were already maintaining it and did not request reimbursement. Mr. Mizel questioned how many people wanted to use boats on the Shorehaven pond versus the cost involved, as he was against opening up the pond to non-residents. Ms. Epstein noted that two people have come forward, which was the reason for the public hearing. A mailing would be sent to residents next month so they understood how critical this decision was.

Mr. Zimbardi asked if the two parcels under the License Agreement were needed for water management. Ms. Leo stated the canal was part of an outfall system used for drainage. Ms. Epstein noted no big difference as all residents would pay for it. Ms. Leo pointed out if there was ever a hurricane, the CDD could access it, if it was conveyed to the CDD.

THIRTEENTH ORDER OF BUSINESS

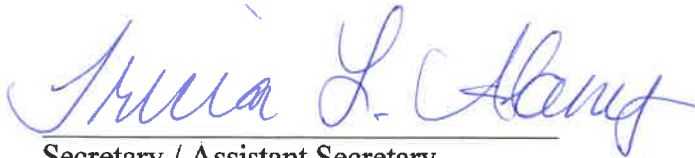
Next Meeting Date – February 16, 2022

Ms. Adams stated the next meeting was scheduled for February 16, 2022 at 11:00 a.m.

FOURTEENTH ORDER OF BUSINESS

Adjournment

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



Secretary / Assistant Secretary



Chair/Vice Chairman