

**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, **March 15, 2023** 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
Tony Reed	Vice Chair
Robert Zimbardi	Assistant Secretary
Anita Nelson	Assistant Secretary
Jon Cameron	Assistant Secretary

Also present were:

Tricia Adams	District Manager
Jan Carpenter	District Counsel
Kathy Leo (<i>via Zoom</i>)	District Engineer
Clayton Smith	Field Manager
Cherrief Jackson	Clarke Midge Control
Larry Anson	HOA President
Rick McKelvey	HOA Conservation/Wilderness Committee

The following is a summary of the discussions and actions taken at the March 15, 2023 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 11:21 a.m. All Supervisors were present.

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 the public comment period. Mr. Larry Anson, President of the Solivita Community Association, stated that he and Mr. George Miller, the Chairman of the Finance Committee felt that there was enough cash to operate the CDD for a year without having an increase in revenue, as there was General Fund cash on the Balance Sheet and Income Statement of over \$600,000. They requested that the Board consider lower the millage rate based on this. Ms. Adams explained that the District was currently in a good position with the funds available to operate the District. There could be unexpected capital repairs for the stormwater system which may be costly. The \$600,000 balance in the general fund was not only for field expenses and administration of the District, but also included any funding to be used for capital repairs or replacement of infrastructure. Maintenance fees were set based on an estimated budget for the time when all infrastructure would be conveyed to the District. It was also noted the budget was recognizing carry forward surplus in order to balance. Mr. Anson suggested setting a reserve and having a Reserve Study to find out the reserve requirements. Ms. Epstein asked if there was any restriction that would limit the Board setting a capital reserve. Ms. Adams stated that capital repairs could be infrastructure repairs in excess of \$5,000 or whatever dollar amount the Board set. The Board would have flexibility with each budget cycle allocating funds to the capital reserve account. Ms. Epstein recalled Mr. George Flint indicating that there were issues with transferring money in and out. Ms. Adams explained there that for many Districts, there is a transfer into the Capital Reserve Fund from the General Fund of a designated amount each year. Ms. Adams suggested that the Board set up a Capital Reserve Fund and designate a transfer out from the General Fund each year when the draft budget was presented. Ms. Epstein agreed.

Ms. Cherrief Jackson of Clarke Midge Control was present to answer questions or concerns. There being no further comments, Ms. Adams closed the public comment period.

FOURTH ORDER OF BUSINESS

Approval of Minutes of the December 21, 2022 Meeting

Ms. Adams presented the minutes from the December 21, 2022 meeting, which were included in the agenda package. There were no corrections.

On MOTION by Mr. Cameron seconded by Mr. Reed with all in favor the Minutes of the December 21, 2022 Meeting were approved as presented.

FIFTH ORDER OF BUSINESS

Review and Acceptance of Draft Fiscal Year 2022 Audit Report

Ms. Adams stated that the draft audit was reviewed by District management and accounting staff as well as by District Counsel. Comments from District Counsel would be incorporated into the final audit. According to the Letter to Management, it was a clean audit that was in compliance with accounting standards. There were no deficiencies nor conditions that would constitute a financial emergency. Ms. Carpenter noted that their comments were clarifications and ensuring that the language was correct.

On MOTION by Ms. Nelson seconded by Mr. Reed with all in favor acceptance of the Fiscal Year 2022 Audit Report in draft form and authorization to transmit to the State of Florida, subject to staff finalizing it was approved.

SIXTH ORDER OF BUSINESS

Discussion of Feasibility to Convey Reclaimed Water System to HOA

Ms. Adams presented an email from Mr. Larry Anson, President of the Solivita Community Association (HOA) on February 16, 2023, inquiring about the feasibility to convey the reclaimed water system from the District to the HOA. The District owned reclaimed water infrastructure that was constructed using revenue raised from the issuance of tax exempt bonds. The District owned the larger reclaimed water pipes which connected to a residential irrigation system. There is an agreement for the operation of the system which is owned by the CDD but maintained by the HOA. The reclaimed water lines feed private residential lots managed by the HOA, which the HOA collects fees for. Ms. Adams informed Mr. Anson that this matter would be discussed by the Board and documentation was provided to the Board, the District Engineer and to District Counsel for review. There were financial, regulatory and legal restrictions because it was public infrastructure financed from the issuance of tax-exempt bonds. The HOA is a private entity. There is outstanding bond debt to consider. With other Districts, expensive legal opinions were solicited from Bond Counsel regarding the feasibility of conveying

infrastructure to a private entity and the determination was that the outstanding bond debt needed to be resolved before the matter was further considered.

Ms. Carpenter reported because of the use of tax-exempt bonds, the CDD bond debt must be redeemed, with the exception of a small amount of bond proceeds, which was for private use. The process was long and expensive as the District Engineer must go through the requisitions to pull out any costs related to the piping in the system. Once the analysis was completed, Bond Counsel would perform a tax analysis. If it was a small amount, the bonds could be redeemed for a private use, but in her opinion, the amount was large. In addition, the District just went through a refinancing, which had a 10-year lockout for redemption and eight years were remaining before the District could redeem bonds. Ms. Leo pointed out that the intent of CDD bonds for a reclaimed system was to construct primary lines 6 inches or larger and beyond that, the distribution was not constructed with CDD bonds. This was the type of agreement that was entered into in all CDDs when there was the comingling of a private/public use..

Mr. Reed stated based on the documentation that he reviewed, the transition point was 10 inches, but on the Poinciana CDD side, it was 6 inches and voiced concern about the cost to make repairs as residents would be responsible. The HOA did not have an engineer and Mr. Reed was volunteering his time to assist the HOA but did not have time to be engaged or involved in contracts, cost estimates and oversight. Ms. Epstein suggested having an open meeting with residents, the HOA and CDDs to discuss this matter. Mr. Reed was in favor of making repairs as needed but was unable to locate any drawings. Ms. Leo felt that the District needed a good GIS mapping system and could provide a proposal. Mr. Reed wanted to locate the meters for the reclaimed water system feeding into Solivita, which the CDD was not paying for, but eventually would. Ms. Epstein felt that they should not be putting the time and money into this as Solivita would not be paying for reclaimed water until 2048. The Board agreed.

SEVENTH ORDER OF BUSINESS

Discussion of CDD/HOA Workshop Date and Agenda Items

Ms. Adams recalled that Mr. Reed requested a workshop between the Poinciana CDD, Poinciana West CDD and the HOA due to the HOA having new Board Members and to discuss issues and current agreements such as the Memorandum of Understanding (MOA) for the maintenance of the stormwater system. The HOA agreed with having a workshop, but questioned the timing. Mr. Reed wanted all parties to agree to the concept of having a workshop,

whether it was now or in six months and suggested having a sponsor delve into the documents and make a presentation at the workshop. Ms. Adams pointed out that the concept was opening up the dialog between the various entities and ensuring that everyone understood the nature of the agreements in place. Regarding the street sweeping, the Board discussed on the record, directing District management to reach out to the HOA Management Company to inquire about the status. Mr. Larry Anson, President of the Solivita Community Association felt that it was a great idea, but the makeup of the HOA Board was 180% different than the CDD Board. The HOA Board could meet with two Board Members and did not need a quorum, in accordance with State Law, versus the CDD, which needed a quorum to meet. Ms. Epstein felt that a workshop was necessary, but suggested revisiting the idea of having one in three to four months to give the new HOA Board time to get up to speed. Mr. Anson agreed and there was Board consensus.

NINTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There being none, the next item followed.

B. Engineer

Ms. Leo reviewed the documentation received from Taylor Morrison (TM), regarding the parcel conveyance from TM to the CDD, but had to go through Water Management District files to locate plans and as-builts. A field meeting was held on February 15th, but TM was a couple of months from being ready as they only completed half of what they proposed to turnover. They had some cleanup and minor repairs with the remaining ponds and would come back when those items were completed, at which time Ms. Leo would go back out and re-check the ponds. She requested that Mr. Reed review the final documentation. Ms. Epstein questioned the number of ponds to be transferred to the CDD. Mr. Reed recalled that eight or nine ponds were to be transferred. Ms. Leo believed there were more than eight or nine ponds. Ms. Carpenter confirmed that 23 parcels in total that were being transferred. Mr. Reed did not believe they were all being transferred at one time. Ms. Leo recalled TM questioning whether they could transfer several parcel packages versus one total package. Ms. Carpenter pointed out they only prepared one set of closing documents and if it was broken out, there must be a set of closing documents for every turnover, which was a more convoluted process. Ms. Epstein felt that TM

created a monstrosity by holding off on the transition over the past three years and wanted the CDD to take steps to make it easier for them. Ms. Carpenter recommended that the District put pressure on TM to have one transition versus piecemeal. Mr. Reed requested a copy of the project spreadsheet with the timelines. Ms. Leo would email it to the Board.

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. Parcel Conveyance from Taylor Morrison to CDD: In process.
2. Monitor Central Florida Expressway – Poinciana Parkway Projects: Parkway Connector: In process. The Chairman was appointed by the CDD Board to monitor it.

Ms. Epstein met with Polk County transportation staff, the County Manager and the District Engineer to discuss the alternatives being proposed by Southport Connector Alternative Routes (SCAR) of Poinciana. Polk County was impressed with their plans and were taking them to all meetings with Central Florida Expressway (CFX) and Osceola County. They felt that the CDD's alternative created more mobility possibilities for the town of Poinciana and would be a benefit to everyone. There was assistance from the commercial development across from Solivita, between Poinciana Parkway and the hospital, because they would be detrimentally affected by the South Polk connector, which would make commercial development difficult. SCAR started a petition on Saturday night, which had over 1,500 signatures, asking that CFX consider the alternative and that there be a community impact assessment of both alternatives. The plan was for community action and placing door hangers on every door in Poinciana to push CFX to consider a different alternative. Ms. Adams pointed out that this was not a District project, but it would impact the CDD and all Solivita residents.

3. Erosion Repairs: In process. Staff to identify needed repairs, develop the scope and gather proposals to present to the CDD Board.
4. Shoreline/Littoral Plantings: In process. Proposals scheduled to be presented on March 15, 2023.

ii. Approval of Check Register

Ms. Adams presented the Check Register from December 13, 2022 to February 28, 2023 in the amount of \$120,046.74, which was included in the agenda package.

On MOTION by Mr. Cameron seconded by Mr. Zimbardi with all in favor the December 13, 2022 to February 28, 2023 Check Register in the amount of \$120,046.74 was approved.

iii. Balance Sheet and Income Statement

Ms. Adams presented the Unaudited Financial Statements through February 28, 2023, which were included in the agenda package. She would follow up with Mr. Anson regarding his questions. There was an operating account with Hancock Whitney, in accordance with the Trust Indenture and with Truist as well as an interest bearing/money market account for the surplus funds. The District was on a good path to being fully collected by July and was doing a great job of controlling expenses. Ms. Nelson questioned the status of the direct deposits. Ms. Adams spoke with the accountant and it would be tested after this meeting. Ms. Nelson asked if they could pay bills through electronic payments. Ms. Adams explained in some cases, utilities were paid through ACH debits, but no vendors for Poinciana were set up in this manner.

On MOTION by Mr. Reed seconded by Mr. Zimbardi with all in favor the Unaudited Financial Statements through February 28, 2023 were approved.

D. Field Manager's Report

i. Action Item Report

Mr. Smith presented the Field Manager Report, which was included in the agenda package. Overall the ponds were in good condition and well maintained. There were no major issues, except on Ponds C-10 and C-11, which had hydrilla. He was working with the vendor on treatment. There was a change in the overall maintenance and scope to a certain degree, allowing shoreline grasses to grow as it caused erosion around many ponds in the community. Through discussions with the District Engineer, Mr. Smith was working on a potential alternative. SOLitude Lake Management acquired a large aquatic portion of the business from Clarke for both Districts. They have the same personnel. If anything changed or any issues arose, he would inform the Board immediately. They handled all of the issues that were left

from the storm and items that needed to be addressed immediately. Most items were minor like broken skimmers, with the exception of the erosion control repair, which quotes were being obtained for. The tunnel maintenance was in progress. They have been pressure washed and the painting was expected to begin at the end of the week.

ii. Consideration of Quote from GMS for Repairs

Ms. Adams presented a proposal from GMS for maintenance items in the amount of \$2,241.25. Mr. Reed questioned what CF maintenance was. Mr. Smith explained that CF stood for their Central Florida office. Mr. Reed expected the work to be performed properly. Mr. Smith noted a grate needed replacing, which was not in the proposal.

On MOTION by Mr. Reed seconded by Ms. Nelson with all in favor the quote from GMS for maintenance items in the amount of \$2,241.25 was approved.

iii. Consideration of Proposal from SOLitude for Littoral Plantings

Mr. Smith presented a proposal from SOLitude for Pickerelweed and Spikerush plantings in the amount of \$15,410. Pond plantings on Ponds A3, A4, A5, A8, A13, B1, B16, C10 and E1, would help reduce the midge life, remove excessive nutrients from the pond to reduce algae and assist in erosion control. Ten ponds were recommended; however, only nine were identified on the proposal because Pond E-3 needed erosion repair and plantings, which he was obtaining a proposal for. These ponds were selected based on their locations. Ms. Epstein felt that the plantings were necessary, due to the amount of erosion. Mr. Smith requested that the Board approve an additional amount for maintenance. Ms. Epstein noted that Spikerush was not included in the contract and requested that it be added as well as correcting some typos. Ms. Adams noted that any approval would include cleanup on the language to include Spikerush and amend any typos. Mr. Reed questioned the process for installing the plantings. Mr. Smith explained that they were hand planted either under the water or in saturated areas, 3 to 5 feet off of the bank, in order to thrive. Mr. Reed questioned whether the plantings were cost effective as they must pay for future maintenance. Ms. Leo pointed out there would be savings by reducing erosion and their maintenance practices. Mr. Reed asked if there would be a continuous planting or group of plantings. Mr. Smith confirmed there would be continuous plantings, but some

would not be full plantings and not all of them would survive. A section would remain open for boats to launch. Mr. Reed voiced concern about pushback from residents who wanted to fish and from the Fish & Wildlife Conservation Commission. Mr. Smith felt that it would enhance the fishing. Discussion ensued.

Ms. Nelson moved to approve the proposal from SOLitude Lake Management for littoral plantings as amended to include Spikerush and amending the typos in the contract and Mr. Cameron seconded the motion.

Mr. Reed asked if they needed to obtain additional quotes. Ms. Epstein pointed out that this was a different situation since SOLitude did a test planting on two ponds.

On VOICE VOTE with all in favor the proposal from SOLitude Lake Management for littoral plantings as amended to include Spikerush and amending the typos in the contract was approved.

iv. Consideration of Proposal from SOLitude for Fireflag Clean Up

Mr. Smith presented a proposal from SOLitude for fireflag clean up in the amount of \$15,858. According to the vendor, this was the best practice to cut them back from their dormant state coming out of Winter. Mr. Reed asked if the only maintenance was trimming it back and how long it would take to come back. Mr. Smith indicated that they would trim it all the way down and it would grow back in a couple of months. Ms. Epstein requested more proposals as she felt that \$15,000 was high for a cut back. Mr. Reed agreed, but wanted to remove them versus spending \$15,000 per year to trim them back. Mr. Smith clarified they would not have to do this every year, but since they were large, they should be cut back every three to five years. One alternative was to install other plantings in the pond. Mr. Reed questioned why they were allowed to grow. Ms. Adams explained that fireflag was considered a natural desirable species the Board could allow them to grow. Ms. Epstein preferred another alternative that was not as expensive. Mr. Reed suggested that GMS cut a small section of plants while they wait for the proposals. Ms. Epstein agreed. *After further discussion, there was Board consensus for Mr. Smith to cut back a small section of plants, monitor and obtain proposals for another alternative.*

v. Customer Complaint Log

Mr. Smith presented the complaint log, which was included in the agenda package. Many were HOA issues, which were forwarded to the HOA. The two midge complaints were forwarded to Clarke to address and the pond with algae was treated. Mr. Reed reported an issue with the drain line at the E-1 weir on Bella Viana Road. Mr. Smith explained that the drain line was installed by staff because E-1 was eroding between the tee boxes. At the top, there was a 12 inch basin with a corrugated pipe that went under the dredge sox and around the corner of the outfall. Mr. Reed pointed out that grate was missing and there was dead fish in the weir. It should be capped and anchored into the pond like all of the other ones, so no further maintenance would be required. Mr. Smith indicated that the corrugated pipe was its own separate drainage system and Mr. Reed was referring to the bleeder opening on the side of the inlet. Mr. Reed requested that Mr. Smith evaluate it again and notify him when he was doing inspections.

NINTH ORDER OF BUSINESS

Supervisor's Requests

Mr. Cameron questioned who replaced missing or damaged wildlife signs. Ms. Adams confirmed that the HOA or TM purchased the signs, but the CDD installed and maintained them. Ms. Epstein recalled that Mr. Smith was going to purchase additional signs and replace when needed. Mr. Smith noted that he had extra signs. Mr. Cameron would provide the locations. Mr. Reed asked who owned the golf cart tunnels as there was an issue. Ms. Epstein believed they were owned by the golf course. Ms. Nelson recalled that the golf course did not know who owned them. Mr. Reed would figure it out. There was a request for a Reserve Study, but the Board would do some long-range planning. Regarding the street sweeping, there was an MOA between the HOA and CDD for the HOA to do the street sweeping, but they were not complying. Mr. Cameron suggested following up with another email to the President of the HOA. Ms. Epstein requested that Mr. Reed's pictures be included. Ms. Adams would send a letter, inquiring about their street sweeping schedule. Mr. Cameron supported having a joint meeting between both CDDs and the HOA and asked if there needed to be an advertisement. Ms. Adams stated it would be noticed as a workshop. Ms. Carpenter offered to have an associate review the documents and provide a short list of items. Ms. Adams pointed out that this item would be brought back at the August meeting to establish whether the HOA was ready to set a

date and for the Districts to come up with a draft agenda. Mr. Reed would email his recommendations to Ms. Adams to forward to the Board.

TENTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.

ELEVENTH ORDER OF BUSINESS

General Audience Comments

Mr. Rick McKelvey, representing the HOA Conservation and Wilderness Committee, suggested that a Board Member serve on the committee in order to have easy dialogue between the different groups. Ms. Nelson volunteered.

TWELFTH ORDER OF BUSINESS

Next Meeting Date – April 19th, 2023

Ms. Epstein stated that the next meeting was scheduled for April 19, 2023 at 11:00 a.m.

THIRTEENTH ORDER OF BUSINESS

Adjournment

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


Secretary / Assistant Secretary


Chair/Vice Chairman