

**MINUTES OF MEETING  
BAYSIDE IMPROVEMENT AND BAY CREEK  
COMMUNITY DEVELOPMENT DISTRICTS**

A Joint Regular Meeting of the Boards of Supervisors of the Bayside Improvement Community Development District and Bay Creek Community Development District was held on **Monday, July 23, 2012 at 2:00 p.m.**, at the **Pelican Landing Community Center, 24501 Walden Center Drive, Bonita Springs, Florida 34134.**

**For Bayside Improvement CDD:**

James Patterson	Chair
Walter McCarthy	Vice Chair
Jack Lienesch (via telephone)	Assistant Secretary
Bernie Cramer	Assistant Secretary
T. Marvin Hancock	Assistant Secretary

**For Bay Creek CDD:**

Frederick McAuley	Chair
Nelson Glueck	Vice Chair
James Janek (via telephone)	Assistant Secretary
Robert Pritt	Assistant Secretary
Keith Huffman	Assistant Secretary

**Also present were:**

Chuck Adams	District Manager
Cleo Crismond	Assistant Regional Manager
Dan Cox	District Counsel
Carl Barraco (via telephone)	District Engineer
Doug Kucera	Landscaping Manager
Paul Kemp	Irrigation Manager

**FIRST ORDER OF BUSINESS**

**Call to Order/Pledge of Allegiance**

Mr. McAuley called the meeting to order at 2:00 p.m., and all present recited the Pledge of Allegiance.

**SECOND ORDER OF BUSINESS**

**Roll Call**

Supervisors McAuley, Pritt, Huffman and Glueck were present, in person, for Bay Creek CDD. Supervisor Janek was attending via telephone. Supervisors Patterson, Cramer, McCarthy and Hancock were present, in person, for Bayside Improvement CDD. Supervisor Lienesch was attending via telephone.

**THIRD ORDER OF BUSINESS**

**Public Forum**

Mr. McAuley asked if any members of the public wished to address items on the agenda. There being no public comments, the next item followed.

**JOINT MEETING ITEMS**

▪ **Landscaping and Irrigation Reports**

***\*\*\*This item was an addition to the agenda\*\*\****

Mr. Doug Kucera, Field Manager, reported that signs at Capri and Bay Cedar were sprayed with rust remover. He is obtaining bids to repair the problem permanently. Regal Electric installed a new contractor box and time box at The Central Park fountain to keep the breakers from tripping. Phase 2 of The Colony regrass project was completed. Plant replacement has commenced, starting on Pelican Colony Boulevard. Sod will be added at Bay Cedar, along with new plantings.

Mr. McAuley asked about Spring Creek and the Addison area. Mr. Kucera advised that he has a bid but work has not started; he must order the plants. Mr. Glueck asked if the lightpost was installed. Mr. Kucera indicated that the pole is to come in with the contractor that is painting the poles; it was scheduled for last week.

In response to a question, Mr. Kucera confirmed that the electrical boxes at The Central Park were refurbished and painted. Regarding receiving telephone calls on the answering machine, Mr. Kucera stated that he is receiving them. His cell number is at the end of the message, in case of emergency, on the weekends or holidays, etc.

Mr. Paul Kemp, Irrigation Manager, reported that rainfall is below average for the year. They stopped turning the pumps off three nights per week, since the lakes are no longer at a critical level. A chemical injection pump was installed in the wet well at Bay Creek, which made a tremendous difference in the parazona. A bit of trash may pass through the lines as the

chemical cleans the wet well, requiring additional cleaning, over a short period of time. This process should help keep the water quality at a better level.

Mr. Kemp indicated that he checked the storm drains and six were identified for vacuum. He is awaiting a proposal.

Mr. Cramer asked about other areas. Mr. Adams indicated that, once the agreement is approved today, the Boards will discuss how they will handle these issues in the current fiscal year, when there is no budget for them. Mr. Adams discussed compiling information into a single priority list.

Mr. McCarthy referred to a newspaper article regarding watering schedules, stating that, in unincorporated Lee County, it is two days and three days in municipalities, meaning that the District cannot restrict. Mr. Adams recommended checking the website of the municipality where you live and following its watering guidelines. Mr. McCarthy noted that a resident approached him with the article because he was confused, as the information on the Districts' website is different. Mr. Adams acknowledged that a portion of the community is in unincorporated Lee County and the other is part of the City of Bonita Springs. Mr. Kemp felt that, within the Districts, there is very little need to ever water more than twice per week.

Mr. Hancock asked if additional equipment is needed to clean the catch basins. Mr. Kemp replied no.

Mr. Lienesch asked the purpose of the chemicals that are being injected into the Bay Creek wells. Mr. Kemp stated that the chemicals keep the wet well clear of parazona, primarily, in addition to weeds. Mr. Kemp advised that the lake water quality is such that he must stay on top of the problem. Mr. Lienesch asked if they are injecting into higher pressure than the well pressure. Mr. Kemp replied no and explained that there is a wet well, a large pipe going between the pump house and the lake, which lacks adequate flow. Mr. Kemp indicated that the process is injecting chemicals into the wet well portion and the pipe for the purpose of keeping the wet well clean and free of debris so that higher quality of water is flowing through the pipes and pumps.

Referring to the plant replacement program, Mr. Lienesch asked if any of the three outside gates are on the list. Mr. Kucera replied no, stating that the gates were tabled last year; however, he will add Indian Hawthorne around the front but not remove anything at the present time. Mr. Lienesch advised that there is dead plant material around the big sign at the North

Gate, which he feels should be part of the plant replacement. Mr. Adams advised that the work will be performed in August.

Mr. Patterson recalled the original replacement plan had an additional enhancement portion. He felt that only the enhancement portion was tabled. Mr. McAuley felt that the project was tabled so the Districts could complete the work along Spring Creek.

**FOURTH ORDER OF BUSINESS**

**Staff Reports: Engineer**

Mr. Barraco had nothing to report.

**FIFTH ORDER OF BUSINESS**

**Consideration of Proposal to “Reset”  
Lake E-1**

- **Results of Water and Soil Testing**

Mr. Adams reported that the water and soil testing results are not available.

Mr. Adams indicated that the plant installation portion of the Lake E-1 reset was completed.

Mr. Lienesch asked Mr. Barraco about drawings included in the agenda and asked what the blue dots represent.

Ms. Crismond advised that the drawings are hers. She recalled Mr. Lienesch questioning the same thing last year and explained that she ran out of the blue dots and had to switch to red. Ms. Crismond indicated that all dots identify where the photos were taken on the lakes.

Mr. Barraco confirmed that he prepared a flow map and Ms. Crismond added that to the flow map that was provided to all Board Members.

**\*\*\*Mr. Barraco left the meeting.\*\*\***

This item was deferred to the next meeting.

**SIXTH ORDER OF BUSINESS**

**Lake Maintenance Activities Report - *Bill Kurth***

Mr. Adams advised that an email containing details of recent lake maintenance activities was received from Mr. Kurth and forwarded to all Board Members. Mr. Adams indicated that most work has been effective. He briefly reviewed the information provided by Mr. Kurth. He discussed the types of chemicals being used, effectiveness versus cost and future work plan.

Regarding replanting, Mr. Adams noted that areas have been replanted but possibly not as aggressively as they could have been. He explained that a more aggressive approach would result in enough plants that they would become more effective in absorbing the nutrient loading and help to resolve the algae blooming problem.

Mr. Adams noted that the golf courses and residents can help by not putting grass clippings in the lakes, as they have a direct negative impact on nutrient loading, causing algae blooms. He reviewed lake pictures.

A Board Member asked if the identifying names of the lakes on the chemical content charts and the pictures could be correlated.

**SEVENTH ORDER OF BUSINESS**

**Results of Water Quality Testing – May & June (to be provided under separate cover)**

Mr. Hancock advised that he, Ms. Crismond, Mr. Adams and Mr. Kurth met with Dr. Serge Thomas, of FGCU, and he will submit a proposal. Dr. Thomas feels that there is a relationship between nitrogen and chloride. Mr. Hancock prepared charts reflecting just those elements. Dr. Thomas will prepare an analysis and present the information at the August meeting.

**EIGHTH ORDER OF BUSINESS**

**Continued Discussion: Water Quality Analysis (to be provided under separate cover)**

There being nothing additional to discuss, the next item followed.

**NINTH ORDER OF BUSINESS**

**Continued Discussion: Consideration of LakeMasters Lake & Wetland Maintenance Contracts (second-year option)**

Mr. McAuley reminded the Boards that this relates to renewal for the second-year option of the current contract.

Discussion ensued regarding the differences between LakeMasters' and EarthBalance's work and cost. In response to a question, Ms. Crismond explained the process for reporting her observations and noted that, often, LakeMasters is already aware or has already treated what she

is reporting to them. Mr. Adams noted that residents sometime also call. Ms. Crismond confirmed that the LakeMasters' crews are on site each week attending to the lakes. Mr. Hancock asked if they visit every week with a crew of eight and whether they are able to visit every lake within the community. Ms. Crismond replied affirmatively. Ms. Crismond confirmed that the data is reported weekly.

**On MOTION for Bayside Improvement by Mr. Patterson and seconded by Mr. Lienesch, with Mr. Hancock and Mr. Cramer in favor and Mr. McCarthy opposed, extending the existing LakeMasters and EarthBalance Lake & Wetland Maintenance Contracts for a second year, was approved. (Motion passed 4-1)**

**On MOTION for Bay Creek by Mr. Huffman and seconded by Mr. Glueck, with all in favor, extending the existing LakeMasters Lake & Wetland Maintenance Contracts for a second year, was approved.**

**TENTH ORDER OF BUSINESS**

**Presentation of Annual Quality Assurance Audit: Lake Maintenance**

Ms. Crismond indicated that she observed issues with torpedo grass, slender spike rush and algae. There were areas with erosion issues; however, the bulk of the erosion issues from last year are resolved. Ms. Crismond reviewed various areas and concluded that 11 lakes were out of compliance with the contract specifications, due to submersed, invasives, etc. Next year, planting will be necessary on 31 lakes. Regarding erosion repairs, there were four, plus two on resident's property, for a total of six necessary erosion repairs.

Mr. Lienesch asked how the erosion repairs will be handled. Ms. Crismond stated that the erosion repairs are on either the golf course or the residents' property. Discussion ensued regarding notifying the golf course and residents. Mr. Lienesch suggested giving the residents the name of a contractor and outlining the District's expectations with regard to the repair.

As a general word of caution, Mr. McCarthy noted that, in unincorporated Lee County, to do improvement work on lake banks requires a development order.

**ELEVENTH ORDER OF BUSINESS****Consideration of Facilities Maintenance Agreement with PLCA**

Mr. Cox indicated that this agreement was drafted to deal with cleanup of the catch basins. It will not cover repairs; only maintenance.

Mr. McCarthy referred to Page 2 and questioned the meaning of the term maintenance. Mr. Cox stated that the Boards can further define the term or state it as "have the responsibility to clean the catch basins". Mr. McCarthy was agreeable to the revised wording, as he feels that maintenance implies repair, while the intent is for them to be cleaned.

Mr. Pritt indicated that he emailed Mr. Adams raising the issue about the dispute over either fixing or replacing the facilities. He asked what happened to the issue, as the agreement does not resolve it.

Regarding the other issues, Mr. Cox advised that he had two different hearings for summary judgment but has not had an opportunity to discuss the matter with Mr. Tom Hart. Mr. Hart sent an email containing general questions in preparation for the meeting. Mr. Cox anticipates working to isolate, more precisely, the areas of disagreement.

In response to a question, Mr. Cox confirmed that the only item being voted on today is to clean the culvert drains. Mr. Pritt voiced his feeling that there is an issue that has not been budgeted for and that it is a larger number than most realize. He noted that if the Districts take on the additional responsibility, it must increase the budget. He cautioned against budgeting only for this item, only to find out that the responsibility is greater than planned.

Mr. Huffman asked if there would still be time to add this to the budget, if the Board approves the agreement at the August meeting. Mr. Adams stated that there would not be time to do anything resulting in a significant change, as the mailed notices will be sent very shortly, based on the assessment levels previously discussed. A limit was set and the Districts cannot assess above the amount contained in the notice. Mr. Adams advised that, unless a larger buffer is included, the Districts will be somewhat limited in what they can add to the budget and remain within the assessment level in the notice.

Mr. Cramer referred to a letter from Mr. Duder that stated the PLCA Board assigned maintenance and repair of all catch basins and culverts, in all of Pelican Landing, to the Bayside Improvement and the Bay Creek CDDs. He noted that repair was not discussed; the only issue today is cleaning. Mr. Cramer contended that Mr. Jim Murphy stated, at a PLCA Board meeting,

that the Districts agreed to maintain, repair and operate catch basins, which is not what they agreed to.

Mr. Janek stated his understanding that cleaning is the only thing the Districts ever agreed to do.

In response to what is contained in Exhibit A, as it is not included, Mr. Adams stated that it contains the roads and other facilities, such as parking lots at common facilities owned by the PLCA that have drainage facilities as a part of them. Mr. Janek voiced his concern about approving the agreement if no one has seen the exhibit. Mr. Adams indicated that he received what appears to be a colored in marketing piece, when he requested a copy of the exhibit. Mr. Adams will ensure that a higher quality exhibit will be prepared but assured that the agreement is written to only relate to the roads and parking facilities owned by the PLCA.

Mr. Pritt indicated that he was at the PLCA meeting and he heard Mr. Murphy state “finally, we got the CDDs to agree to maintain the catch basins”; he did not hear any of the other items.

Mr. McCarthy referred to Mr. Murphy’s comments on Page 10, of the June 25, 2012 minutes.

Mr. McAuley asked Mr. Adams to clarify what the Districts will do and what is the goal. Mr. Adams stated that the high priority areas will be addressed first, followed by a phase-by-phase implementation, probably starting with older sections. Mr. Adams noted that structural problems are rarely found; it is generally cleaning. Mr. Adams advised that, if the Boards approve this today, they immediately put themselves on the hook for being responsible and, trying to bridge the gap, from a funding perspective, he recommended including \$30,000 in next year’s budget to initiate the process.

Mr. Patterson asked if cleaning includes removal of obstructions. Mr. Adams replied affirmatively. Mr. Patterson felt that some flooding problems were caused by obstructions in the pipe. Mr. Patterson asked if a motion is absolutely necessary today. Mr. Adams suggested that, if the Boards approve the agreement, upon counter-execution by the PLCA, they authorize Staff to proceed on the schedule just outlined, as there are still three months of rainy season ahead and, if there is a major rain event, he does not want to be on the hook for those known issues. Mr. Adams felt there is nothing more to do than that, if the Districts are only cleaning obstructions. Mr. Adams clarified that the Boards must approve entering into the agreement, with corrections



and, secondarily, they must consider a motion authorizing Staff to implement the agreement, once the countersigned agreement is received in the fashion outlined previously. This enables Management to move forward, should the agreement be received between meetings.

In response to a question, Mr. Adams stated that last month's motions were simply to remove language in the proposed agreement related to ownership, nothing more.

Mr. McCarthy recommended striking the work "maintenance" and replacing it with "cleaning drains and culverts".

Mr. Pritt stated that, based on his knowledge of contracts, exhibits must be identified. He stated that he was prepared to support the agreement; however, there are no exhibits provided, so he does not feel the Boards can approve anything without the exhibits. Mr. Adams indicated that the exhibit will be a 2' x 3' CAD drawing showing the areas involved. Mr. Pritt voiced his opinion that the exhibit must be provided, attached and in existence, in order for the document to be valid. Mr. Adams stated that the agreement can be delayed another month to fulfill Mr. Pritt's wishes.

In response to a question, Mr. Adams cautioned against doing any work prior to having an executed agreement, even in an emergency.

Mr. Hancock referred to motions in the prior month's minutes and voiced his confusion regarding why this matter is being further discussed today. A Board Member voiced his agreement. Mr. Adams stated that the Boards have a final version of the agreement; if acceptable and based upon the prior motions, the work is ready to commence.

A Board Member asked if a motion could be made approving it, subject to the Chairs reviewing Exhibit A and executing the agreement. Mr. Adams confirmed that is an option. Mr. Pritt stated "absolutely not". Mr. Cox advised that he would like the exhibit attached. Mr. Adams confirmed that the next agenda will contain the 2' x 3' exhibit.

Mr. Huffman asked what happens if there is a major storm event between now and the time this agreement is approved and signed. Ms. Crismond and Mr. Adams confirmed that it would be the PLCA's responsibility. Mr. Huffman felt that the Boards should be fully aware of what will happen.

Mr. Lienesch summarized that the money was budgeted but he felt that the Districts can budget more wisely next fiscal year, if they also take on the rebuild and replacement responsibilities, in addition to maintenance.

Discussion ensued regarding whether there are pending motions, if a motion is necessary and whether last month’s motion is sufficient. Ms. Crismond confirmed that last month’s motion stands. Mr. Adams stated that the prior motion is acceptable, if the Chairs are comfortable with executing the agreement based on today’s discussions. Mr. Cox added that the activity was already approved; this is an agreement allowing the Districts to work on the PLCA’s property and, technically, does not need to be approved, because the “activity” was already approved. It was determined that the Chairs will execute the agreement if it contains the wording “cleaning drains and culverts” and upon inclusion of the exhibits.

**TWELFTH ORDER OF BUSINESS**

**Final Comments/Authorizations  
Regarding Fiscal Year 2013 Proposed  
Budget**

Mr. Patterson recalled previous issues regarding allocation of certain line items between Bayside Improvement and Bay Creek, with Mr. McCarthy specifically mentioning the Districts’ fiduciary responsibility as to how the charges were made between the Districts. Mr. Patterson stated that this matter caused him to question the fiduciary responsibility with regard to auditing; the individual accounts are audited and the auditors must observe that the amount of money they charge Bayside Improvement is not the amount of money in Bayside Improvement’s account and the same holds true for Bay Creek. Mr. Patterson feels this is an error and stated that he intends to question the auditors regarding why they are willing to finish the audit with a known error in it. He questioned the auditors’ responsibility in finishing an audit with a known error. He stated that there are at least ten allocation errors and voiced his opinion that the allocations between the Districts should be clearly represented. Mr. Patterson identified issues with the enterprise accounts related to the cost for the wells and the pumping stations. He stated that those can be clearly separated by District; he finds it difficult to approve an audit knowing the audit contains errors.

Mr. Cox clarified that the Boards never “approve” audits; rather, they “accept” them and are not required to agree with the contents of the audit. Regardless, Mr. Patterson voiced his opinion that someone should object to the inaccuracies. Mr. Patterson questioned Bayside Improvement’s level of responsibility in terms of enabling something to happen that is not in the resident’s best interests. Mr. Cox stated that Mr. Patterson is making the assumption that

something is happening that is not in their best interests. Discussion ensued about the time when the budgets were separate and had different assessments, etc. Mr. Patterson recalled that the Boards began meeting together and combined the budgets on the assumption that they would eventually become one district. Mr. Cox stated that combining the Districts was revisited recently and the Boards decided against it, primarily due to representation issues.

In response to Mr. Patterson's question about fiduciary responsibility, Mr. Cox explained that whatever is done that enhances any part of the community enhances the entire community; this is why it is reasonable for everyone to pay the same level of assessments. Mr. Cox opined that the Boards have not done anything contrary to the public interest of either District when it recognizes that what is done here makes the entire community better. Mr. Patterson asked if a District might incur an extra assessment if it was in a deficit position, in order to rectify the problem.

Regarding the audit contents, Mr. Hancock pointed out that the auditor's letter states that they rely on the information provided by Management. Mr. Adams stated that Management provides accurate information. Mr. Hancock disagreed and identified, for example, the difference in the audit expenses; he feels that the Districts' financial statements must each reflect what happened in each entity. Mr. Cox felt that separating those items out in the audit will create higher auditing expenses for both Districts; there is value in reporting it the way it is currently being done.

Mr. Patterson questioned who allocates expenses as they come in. Mr. Adams indicated that both Mr. Kucera and Ms. Crismond code invoices. Mr. Patterson concluded that Management's accounting documents reflect what was coded and, therefore, better coding of the discussed line items could be done at very little additional expense. Mr. Adams stated that no one said it would increase work; he stated that if the Districts want to change the allocation of the expense to something other than based upon the number of units, the assessment levels will change for residents of one of the Districts.

In response to the Boards' direction, Mr. Adams stated that he will change the line items to present the individual expenses of each District. Mr. McAuley voiced his opinion that these matters are further dividing the Districts and urged the Boards not to let this happen; they should be acting as one. Mr. Adams stated that the new approach will create additional lines in the

budget describing each District's specific costs but it will have a net zero impact, overall, on the assessment.

Mr. Pritt discussed the benefit of unification of the Districts.

Mr. McAuley asked Mr. Patterson to continue with the budget discussions. Mr. Patterson stated that his issues have nothing to do with approving the budget, in total; it only relates to the individual items and can be addressed at another time.

Mr. Adams indicated that a motion is needed today to set the assessment levels, for notification purposes. He confirmed that all assessments will increase and detailed the approximate increases. He recommended amounts, with a cushion, because the assessments cannot be higher than the amount contained in the notice.

**On MOTION for Bayside Improvement by Mr. Hancock and seconded by Mr. Cramer, with all in favor, setting the General Fund 001/101 not-to-exceed admin only assessment amount at \$249.99, for noticing purposes, was approved.**

**On MOTION for Bay Creek by Mr. Huffman and seconded by Mr. Glueck, with all in favor, setting the General Fund 001/101 not-to-exceed admin only assessment amount at \$249.99, for noticing purposes, was approved.**

**On MOTION for Bay Creek by Mr. Huffman and seconded by Mr. Glueck, with all in favor, setting the not-to-exceed full assessment amount at \$429.99, for noticing purposes, was approved.**

**On MOTION for Bayside Improvement by Mr. Hancock and seconded by Mr. Cramer, with Mr. Lienesch and Mr. Patterson in favor and Mr. McCarthy opposed, setting the not-to-exceed full assessment amount at \$429.99, for noticing purposes, was approved. (Motion passed 4-1)**

**On MOTION for Bayside Improvement by Mr. Hancock and seconded by Mr. Patterson, with Mr. Lienesch and Mr. Cramer in favor and Mr. McCarthy opposed, setting the not-to-exceed Enterprise Fund amount at \$59.99, for noticing purposes, was approved. (Motion passed 4-1)**

**On MOTION for Bay Creek by Mr. Huffman and seconded by Mr. Pritt, with all in favor, setting the not-to-exceed Enterprise Fund amount at \$59.99, for noticing purposes, was approved.**

**THIRTEENTH ORDER OF BUSINESS**

**Update on Neighborhood Entry Flower Program**

Mr. Adams reported that seven neighborhoods expressed interest and he has agreements from four. The participating neighborhoods are Bay Crest, Costa del Sol, Longlake Village, Mystic Ridge, Southbridge and the Sanctuary.

**FOURTEENTH ORDER OF BUSINESS**

**Approval of June 25, 2012 Joint Regular Meeting Minutes**

Mr. McAuley presented the June 25, 2012 Joint Regular Meeting Minutes and asked for any additions, deletions or corrections.

The following changes were made:

Line 36 and throughout: Change "Haufler" to "Hoefler"

Line 55: Change "McCauley" to "McAuley"

Line 72: Change "Huffman" to "Hancock"

Line 232: Change "OFC" to "UOC"

Line 266: Change "new" to "Canoe"

Line 270 and throughout: Change "Ripple" to "Ribble"

Line 292: Insert "Road" after "Creek"

Line 304: Change "Hancock" to "McCarthy"

Line 323: Change "PLCA" to "CDDs"

Line 364: Change "basins" to "basins'" (with an apostrophe)

Line 545: Change "McCarthy" to "McAuley"

Lines 610 and 616: Add “for the towers” after “fees”

Line 640: Insert “approximately” after “make”

Line 685: Insert “and recused himself” after “request”

Items 1, 13, 14, 15, 16, 17, 18, 19, 21 and 23 can be removed from future Action/Agenda Items lists, as they are either completed or duplicates of other items on the list.

**On MOTION for Bayside Improvement by Mr. McCarthy and seconded by Mr. Hancock, with all in favor, the June 25, 2012 Joint Regular Meeting Minutes, as amended, were approved.**

**On MOTION for Bay Creek by Mr. Huffman and seconded by Mr. Glueck, with all in favor, the June 25, 2012 Joint Regular Meeting Minutes, as amended, were approved.**

**FIFTEENTH ORDER OF BUSINESS**

**Old Business**

There being no old business, the next item followed.

**SIXTEENTH ORDER OF BUSINESS**

**Other Business**

**a. Action Items**

This item was addressed under the Fourteenth Order of Business.

**SEVENTEENTH ORDER OF BUSINESS**

**Staff Reports**

**a. Attorney**

There being no report, the next item followed.

**b. Manager**

**i. Unaudited Financial Statements as of June 30, 2012**

Mr. Adams presented the Unaudited Financial Statements as of June 30, 2012. He indicated that revenue collections exceed the originally anticipated amount.

**ii. Savings & Money Market Account/Investment Snapshot as of 07/13/12**

Mr. Adams indicated that there are no changes in the presented information.

Referring back to the Unaudited Financial Statements as of June 30, 2012, Mr. Patterson noted an auto parts invoice containing numerous items and questioned if this expenditure is inventory or project related. Mr. Adams advised that it is for stocking. Mr. Patterson questioned why there are several landscaping invoices in the financials and whether it is efficient to travel to the vendor more than once per month for supplies. Mr. Adams indicated that the invoices are not generally evaluated on that level; if something is needed, it is purchased. Mr. Patterson asked if the operating supplies listed on an FPL invoice are for the Districts' electrician or the bills for work FPL is doing for the Districts. Mr. Adams stated that the bills are for electricity and must have been miscoded; accounting should have discovered that error. Ms. Crismond will forward the correction to Management.

Discussion ensued regarding chemical costs. In response to a question about the Bonita Springs Utilities, Inc., expenditure, on Page 14, Ms. Crismond indicated that it is the water bill.

Mr. Hancock referred to the financials and asked if Wachovia could be changed to Wells Fargo.

**iii. Irrigation High User Report**

- **Bayside Improvement CDD**
- **Bay Creek CDD**

Mr. Joseph Folds' high irrigation bill was identified and it was noted that he was likely out of town during this period. Mr. Adams stated that it may be a malfunctioning clock or large leak.

Mr. Hancock felt that the allocation is not correct for The Colony Clubhouse, if they are appearing on the high-user report every month. Mr. Adams explained the allocation process and stated that it is correct.

It was noted that it was one of the wettest months, thus far, but the tennis courts are still over on their usage, even though the allotment was increased. A Board Member commented that The Colony's tennis courts are 200,000 gallons over every month. The PLCA conducted a survey and found that there is a problem with how the water is used.

**iv. NEXT MEETING DATE: August 27, 2012 at 2:00 P.M.**

**v. Operations Report (to be provided under separate cover)**

There being no report, the next item followed.

**EIGHTEENTH ORDER OF BUSINESS**

**Audience  
Request**

**Comments/Supervisors’**

Mr. Pritt asked for an explanation of the Districts’ remedies if someone violates the rules, such as for irrigation or fertilizer violations. He asked if nuisance actions, lawsuits or some form of code enforcement can be taken. Mr. Cox advised that CDD Boards generally do not have enforcement authority; enforcement falls upon city and county agencies. Mr. Pritt questioned if there is a way for the Districts to have their own code enforcement and bypass the city. Mr. Cox stated that the PLCA could amend some of its rules and become able to enforce.

In response to a question, Mr. Adams indicated that, when a customer does not pay, they receive a notice of delinquency, followed by a door hanger and termination of service. Mr. Adams advised that this does not happen very often. Mr. Cox stated that the Districts do not really have authority to place a lien on the property; they can file a notice of the delinquency and that water service will not be restored until the bill is paid. It was noted that most are willing to pay their bills.

**NINETEENTH ORDER OF BUSINESS**

**Adjournment: *Bay Creek***

The Bay Creek CDD meeting adjourned at 4:22 p.m.

**BAYSIDE IMPROVEMENT ITEMS**

**TWENTIETH ORDER OF BUSINESS**

**Discussion Regarding Proposed High Rise  
Specific Connection Fee Schedule**

Mr. Adams recalled discussion regarding the longstanding connection fee program in Bayside Improvement entitled “multi-family” and that it is not established in a way to take into consideration high rises, as the driving part of the connection fee formula is the number of units, not the square footage to be watered. He explained the calculation process, as related to the amount of green space, and how it applies to the ERUs and establishes the calculation fee. Mr. Adams indicated that the developer must submit a check prior to the District establishing water service. He stated that the connection fee schedule is already established for residential and commercial and recommended considering this plan for the high-rise tower product. Mr. Adams felt that implementation does not impact anything done in the past. Mr. Cox concurred.



The ERU calculation process was discussed, as it relates to determining allocation.

Mr. McCarthy asked that “high rise” be defined. Mr. Adams felt that anything above four stories should be considered a “high rise”. Mr. McCarthy suggested using ten stories. Mr. Adams confirmed that, today, the Board is only approving advertisement of the District’s intent to adopt the fee schedule and of the upcoming public hearing on the matter.

**On MOTION for Bayside Improvement by Mr. McCarthy and seconded by Mr. Hancock, with all in favor, authorizing Management to advertise the public hearing and notice of intent to adopt a fee schedule, with corrections defining the term “high rise”, was approved.**


**TWENTY-FIRST ORDER OF BUSINESS      Audience      Comments/Supervisors’  
Requests**

There being no audience comments or Supervisors’ requests, the next item followed.

**TWENTY-SECOND ORDER OF BUSINESS      Adjournment: *Bayside Improvement***

There being no further business, the Bayside Improvement CDD meeting adjourned at 4:36 p.m.

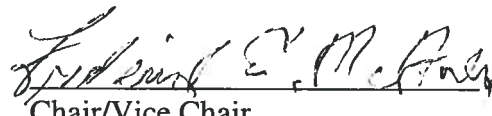
**FOR BAYSIDE:**

  
Secretary/Assistant Secretary

  
Chair/Vice Chair

**FOR BAY CREEK:**

  
Secretary/Assistant Secretary

  
Chair/Vice Chair

***ACTION/AGENDA ITEMS:***

1. **ACTION ITEM:** Mr. McCarthy to look in county files to see if there is a plan that corresponds to what Mr. Barraco has
2. **ACTION ITEM:** Mr. Barraco to follow up with WCI regarding status of WCI looking into the records to help determine why the two (2) control structures do not match plans in SFWMD's files
3. **ACTION ITEM:** Mr. Kurth to follow up on grass carp permitting
4. **ACTION ITEM:** Mr. Barraco to continue to provide the status of certifications.
5. **AGENDA ITEM (JULY):** Mr. Adams to obtain a proposal from the experts at UF & possibly FGCU
6. **ACTION/AGENDA ITEM (JULY):** District Counsel to draft an agreement between the Districts and the PLCA for the operation and maintenance of the catch basins for the common roads and present to the Board for review. Mr. Cox and Mr. Hart to look into the CDDs taking ownership of the fixture and not the ownership of the real property. Mr. Cox to amend agreement with the PLCA to state that the CDDs will maintain the culverts and present at July meeting
7. **AGENDA ITEM:** Lake Maintenance Activities Report – Bill Kurth
8. **ACTION ITEM:** Staff to obtain treatment options, other than chemicals, for presentation at a future meeting
9. **ACTION/AGENDA ITEM:** Mr. Adams to get an opinion from the District Engineer to see what can be done with the control structure, using absorbency pads that will pull out the phosphorous and nitrogen before they go into the catch basins. He will review the control structure in Gateway with Mr. Kurth and Mr. Barraco and report back.
10. **AGENDA ITEM:** Mr. Cox to discuss nutrient numeric thresholds and rule that applies to South Florida.
11. **AGENDA ITEM:** Consideration of Proposal to “Reset” Lake E-1
12. **ACTION ITEM:** Forward a map of assets/lakes to Mr. Cramer
13. **ACTION ITEM:** Mr. Barraco to look at outfall into Lake F-16 where the water flows from the outfall into the lake
14. **ACTION ITEM:** Mr. Toner to bring telephone answering discussion before the Privacy Security Committee and report back to the CDD Boards