

**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, October 27, 2014 at 2:00 p.m.**, at the **Pelican Landing Community Center, 24501 Walden Center Drive, Bonita Springs, Florida 34134.**

For Bayside Improvement CDD:

Walter McCarthy	Chair
Marvin Hancock	Vice Chair
James Patterson	Assistant Secretary
John Crew	Assistant Secretary
Bernie Cramer	Assistant Secretary

For Bay Creek CDD:

Nelson Glueck	Vice Chair
James Janek	Assistant Secretary
Mary McVay	Assistant Secretary
Robert Pritt	Assistant Secretary

Also present were:

Chuck Adams	District Manager
Cleo Crismond	Assistant Regional Manager
Dan Cox	District Counsel
Carl Barraco (<i>via telephone</i>)	District Engineer
Bill Kurth	LakeMasters Aquatic Weed Control, Inc.
Craig Schopf	PLCA
Howard Lowe	UOC Liaison
John Kaiser	Resident
Bill Ribble	Resident
Bill Klug	Resident
Charlotte McCarthy	Resident
Residents	

FIRST ORDER OF BUSINESS

Call to Order/Pledge of Allegiance

Mr. McCarthy called the meeting to order at 2:00 p.m. All present recited the Pledge of Allegiance.

SECOND ORDER OF BUSINESS**Roll Call**

Mr. McCarthy asked the Supervisors to state their names. For Bayside Improvement Community Development District, Supervisors Crew, Patterson, Cramer, Hancock and McCarthy were present, in person. For Bay Creek Community Development District, Supervisors Glueck, Janek, McVay and Pritt were present, in person. Supervisor McAuley was not present.

▪ Presentation to Supervisor Robert Pritt

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

Mr. McCarthy announced that Mr. Pritt will be leaving the Bay Creek CDD Board. He presented Mr. Pritt with an award in recognition of his outstanding service to the Bay Creek Community Development District.

THIRD ORDER OF BUSINESS**Public Comments: Agenda Items**

Mr. McCarthy stated that a speaker card was received from Mr. John Kaiser, a resident, related to a Notice of Noncompliance from the South Florida Water Management District (SFWMD) for Permit 36-01620-S.

Mr. Kaiser advised that he received three letters, via email, addressed to Mr. Adams, regarding noncompliance, beginning in March, 2014. He indicated that he read previous meeting minutes and the permit may have been referenced in the July 28, 2014 minutes, under the Fourth Order of Business. Mr. Kaiser read the following paragraph:

“Mr. Barraco reported that the District Manager received a letter from the South Florida Water Management District (SFWMD). He recalled that a portion of the system was certified. The next step is transfer of the operation and maintenance (O&M) to the CDD. Mr. Barraco indicated that, when potential problems with the drainage system were discovered, the CDD decided not to formally accept the O&M transfer, until all issues were addressed.”

Mr. Kaiser stated that, although this was a specific item, he could not “figure it out” from the minutes.

Mr. Kaiser noted that the noncompliance period was from March through July, 2014; however, there was no reference in the minutes to indicate that the CDD was not in compliance

and he felt that the taxpayers should know this. Mr. Kaiser asked why the noncompliance has “dragged on” and if the situation was resolved.

Mr. McCarthy stated that Mr. Barraco would address these questions.

JOINT MEETING ITEMS

FOURTH ORDER OF BUSINESS

Staff Report: Engineer (Both)

With regard to Mr. Kaiser’s questions, Mr. Barraco explained that the water management systems are old and it was not until several years ago that SFWMD began questioning why the systems were not certified and turned over for O&M. At that time, the Boards asked the District Engineer to become involved. Barraco & Associates began pursuing the components of the system. Mr. Barraco stated that the majority of the certifications were completed; however, when the transfer to O&M began, after the last rainy season, the Boards wanted to pursue modifications. During the investigation, it was found that a berm was not in compliance with the system. Mr. Barraco asked SFWMD if the systems that received certifications could be transferred to O&M without transferring the system that required modification and had a berm that did not comply with the permit. SFWMD granted approval and, on October 22, several portions of the system were formally turned over to the CDD for O&M.

Mr. McCarthy explained that the Bayside Improvement CDD was not the permittee; the permittee was WCI. Following WCI’s bankruptcy, the Boards chose to aggressively begin the certification process themselves. After the Districts became involved, WCI joined them and participated in the funding. Mr. McCarthy noted that, during the certification process, noncompliance items were discovered; the Boards will not accept anything that is not in compliance with the permit. The Districts are in the process of remediation to correct deficiencies and the application was filed with SFWMD.

Mr. McCarthy indicated that he met with Mr. Barraco and his staff, reviewed the application and plans and signed the application, on behalf of the District. He commented that Mr. Wes Kayne, of Barraco and Associates, “did a wonderful job” on the application and his creativity was outstanding.

FIFTH ORDER OF BUSINESS

Update: Drainage System Performance Review/Modifications Status Update (Both)

Mr. Barraco reiterated that he reviewed the application package with Mr. McCarthy and it will be submitted to SFWMD for review and modification of the permit to construct the improvements. The next step is to submit a similar package to Lee County for review and approval. The cost estimate was updated and provided to Mr. Adams. Mr. Barraco will speak with Mr. Adams and Mr. Cox to determine the process to obtain competitive bids from contractors.

Mr. Cox requested a legal description for the road crossing area in order to obtain an easement from the PLCA.

Mr. Cramer asked when the Board Members will receive information, in package form, for discussion with their community representatives. Mr. Barraco offered to provide an exhibit to clarify the scope of work and location. Mr. McCarthy asked Mr. Barraco to coordinate with Mr. Adams on the exhibit.

Mr. Hancock asked if the application included the remedy for the problem in Longlake Village. Mr. Barraco replied affirmatively. He noted that many will benefit; however, the benefit will only apply during a severe storm that could endanger homes in the community.

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

SIXTH ORDER OF BUSINESS**Lake Maintenance Activities Report:
*LakeMasters (Both)***

Mr. Kurth reported that, at the time of this report, there were no major issues with the lakes; however, multiple lakes now have algae, due to rainfall. He explained that, each time an event occurs, causing nutrient loading, algae blooms result; treatments will occur this week.

Mr. Kurth noted that he was impressed with Lake E-5 and shocked to see significant algae for the first time since November. Lake E-5 was sprayed 43 times, prior to the Phoslock treatment. Mr. Kurth explained that there are over 30,000 named species of algae and one lake may have five or six types. He indicated that algae is grouped into classes, such as blue green algae and green filamentous algae. Much of the algae changed from blue green to light green, easy to control, filamentous algae; the ratio of phosphorous to nitrogen makes that change. Mr. Kurth noted that the more nitrogen there is, in relation to phosphorous, the greener the algae.

Mr. Kurth inspected the lakes treated with Ponder; some show minor improvement and others show vivid improvement. Lake E-2, in Palm Colony, remains in good condition following the Ponder treatment.

Mr. Cramer commented that, during his tenure on the Board, Mr. Kurth's presentations have greatly improved and the Board Members are able to understand them, which makes it easier to respond to queries from residents.

SEVENTH ORDER OF BUSINESS

Consideration of Award of Contract for Lake Maintenance (Both)

Ms. Crismond reported that only four contractors submitted bids and five contractors attended the mandatory pre-bid meeting. She advised that Lake and Wetland Management submitted only a check, proposal and bid schedule; consequently, they will not be considered.

Ms. Crismond stated that Aquagenix was the lowest bidder; however, their \$137,992 bid was very close to the General Fund budget amount of \$141,000. She surmised that this contractor reviewed the budget "water management" line item and bid, accordingly, not realizing that we had additional dollars for this contract budgeted within the Enterprise Fund. Ms. Crismond spoke with one of Aquagenix's references and the leader on the contract was EarthBalance. She was told by the property manager that, if not for EarthBalance, the community would not have Aquagenix because they were unhappy with their performance.

Ms. Crismond indicated that Clarke Aquatic Services (Clarke) has a local branch in LaBelle. Their main function has been mosquito control, for the county but they have several small projects in Naples. One reference advised that Clarke "does really good work" but the community only has 40 lakes.

Ms. Crismond stated that the bid from LakeMasters Aquatic Weed Control, Inc. (LakeMasters) is 21% higher than the current contract amount. She pointed out that several changes were made to the detailed specifications of the contract, one being mandatory attendance at Board Meetings. Manual labor was increased, due to the need for technicians to be very careful when removing weeds from lake banks, which was part of the cost increase. Ms. Crismond noted that labor costs increased tremendously.

Mr. Pritt requested Staff's recommendation. Ms. Crismond recommended retaining LakeMasters, which was the highest bid.

Mr. Glueck recalled that the Districts had experience with Aquagenix and "it was a disaster." Ms. Crismond concurred. Mr. Glueck agreed with Mr. Cramer's comment regarding Mr. Kurth's outstanding presentations and stated that no one knows more about the Districts' lakes than Mr. Kurth, who makes it easy for the Boards to understand the problems.

Mr. Adams recalled that a new contract was awarded in July, 2003, after Staff was directed to go out for bid. The contract increased from \$165,000 to \$389,000. Mr. Adams explained that, after the first six months, Aquagenix was not able to maintain at the Districts' level of service requirement.

Mr. Patterson pointed out that the Districts have only one viable offer. Mr. Adams indicated that Staff's strong recommendation was to continue with LakeMasters. He pointed out that, while there was a significant price increase, the Districts are significantly increasing the level of service. Mr. Adams felt that the combination of scientific review and analysis and the "common sense" experience of Mr. Kurth have worked well together and the system has performed better, in the past year, than it did for many years. He stressed that the Districts are "where they want to be"; he would hate to lose the continuity, moving forward. Mr. Adams praised Mr. Kurth for thinking "outside of the box" by introducing new chemicals and chemical combinations into the problem lakes, with extremely good results.

Mr. Patterson made a motion, on behalf of Bayside Improvement, to award the lake maintenance contract to LakeMasters. The motion was seconded by Mr. Cramer.

Mr. Glueck made the motion on behalf of Bay Creek; it was seconded by Mr. Janek.

Referring to Ms. Crismond's evaluation of the bids, Mr. Cox indicated that the Districts wanted verification that the vendors have capital to complete the project. Other than LakeMasters, no vendor demonstrated proof of successful technical experience, in work of similar size and scope, and the references were not comparable. Mr. Cox explained that Clarke and Aquagenix failed to submit proof of suitable financial backing and qualifications to perform the contract. These items have weight over and above the contract price and are justification when deeming the most responsive and responsible bidder, under these qualifications.

In response to a question from Mr. McCarthy, Mr. Cox confirmed that he was asking the Boards to make the finding that the other bidders were nonresponsive and not responsible.

Mr. Crew expressed concern that there was only one responsive bidder.

Mr. Janek agreed with Mr. Cramer that the Districts have asked for many increased services from LakeMasters and LakeMasters has "come through".

Mr. McCarthy shared Mr. Crew's concern and pointed out that this was the second time for this outcome, in response to the RFP. Mr. McCarthy stressed that, if the Boards move forward, it will deter other vendors from bidding on the contract, in the future.

Mr. McCarthy's preference was to reject the bids, for Staff to meet with the vendors to determine why they did not respond and modify the specifications, if necessary. He emphasized that the Boards have a responsibility to ensure that the Districts are receiving the most competitive pricing, which was not reflected in the bid submittals.

Mr. Pritt stated that he would vote against the motion. He called attention to the difference in price between LakeMasters and Aquagenix and agreed that the Board Members have an obligation to the constituents not to expend additional funds. Mr. Pritt clarified that his statement was in no way a negative reflection on the work performed by LakeMasters. He voiced concern about Aquagenix and noted that, often, a bid is so low that it appears that the vendor intentionally "low balled" in order to secure the contract. Mr. Pritt agreed that LakeMasters' price was high.

Mr. Glueck made a motion to cease the debate.

On MOTION for Bayside Improvement by Mr. Patterson and seconded by Mr. Cramer, with Mr. Cramer and Mr. Patterson in favor and Mr. McCarthy, Mr. Crew and Mr. Hancock dissenting, awarding the lake maintenance contract to LakeMasters, in a not-to-exceed amount of \$270,048, with the difference between the amount appropriated and the bid to be paid from fund balance, was not approved. (Motion failed 2-3)

On MOTION for Bay Creek by Mr. Glueck and seconded by Mr. Janek, with Mr. Glueck, Mr. Janek and Ms. McVay in favor and Mr. Pritt opposed, awarding the lake maintenance contract to LakeMasters, in a not-to-exceed amount of \$270,048, with the difference between the amount appropriated and the bid to be paid from fund balance, was approved. (Motion passed 3-1)

Mr. Cramer recalled that, during his discussion of Mr. Kurth's ability, he asked that Mr. Kurth consider removing the labor portion of the contract and reducing his price. Mr. Cox advised that the same must apply to the other bidders.

Mr. McCarthy concurred that the requirements must be the same for all and indicated that the contract must be rebid.

Mr. Crew suggested reviewing the specifications and proceeding with another RFP. Mr. McCarthy agreed, as he felt it was appropriate for Staff to meet with each proposer, disclose their

deficiencies and advise them that the deficiencies must be addressed if they bid again. Mr. McCarthy asked the Board Members to review the specifications to determine whether modifications are necessary and communicate their changes to Mr. Adams.

Mr. McCarthy reported that he checked the references of the bidders and more than one person recommended Aquagenix as a worthwhile contractor. He acknowledged the difference in the size of the projects and that the difficulties with lake management in this community are unique; however, he felt that working with each of the proposers, determining their problems and assisting them with the creation of new proposals would be beneficial. Mr. McCarthy noted that there are other lake maintenance companies but perhaps they are located elsewhere.

Mr. Cox pointed out that all of the respondents failed to submit suitable financial backing; however, since the bid is a public record document, many companies will not provide their information due to privacy concerns. This is being addressed by many firms requesting this type of proposal by requiring the selected firm to show that it has the financial capacity prior to executing a contract.

Mr. McCarthy noted that the Districts require bid security. He acknowledged that firms are reluctant to disclose their financial information and this is a positive change to make in the bid specifications.

Mr. Pritt referred to the motion approved by the Bay Creek CDD as an illegal action, as the Board accepted the highest bid and the bid does not meet the specifications. He explained that, while working with a large utility regarding bonds, his firm determined that financial information should not be required because it may “stifle” the competition. Mr. Pritt pointed out that the Board Members should only be concerned with whether the company is bondable.

Mr. Patterson pointed out that Fiscal Year 2015 began and questioned the Boards’ plans to resolve the issue. Mr. McCarthy suggested requesting that Staff work with Mr. Kurth to continue his contract on a month-to-month basis.

Mr. McCarthy noted that Bay Creek voted to proceed with LakeMasters and that Bayside may choose a different contractor.

EIGHTH ORDER OF BUSINESS

**Consideration of Aeration Proposal from
LakeMasters Aquatic Weed Control, Inc.
(Both)**

Ms. Crismond presented the aeration proposal from LakeMasters, which was based on Dr. Thomas' study and findings. She recalled discussion at the last meeting about adding diffusers to the worst lakes and adding aeration systems to those with none, in order to improve the health of the lakes.

Ms. Crismond noted that the cost for all of the lakes is about \$100,000. She explained that Staff decided to prioritize the lakes and address the worst ones first, due this fiscal year, and continue in this manner, moving forward. Ms. Crismond advised that the cost is \$50,387.49 for Lakes A-2, E-1, E-7, A-8 and A-13, which have the highest flock and sedimentation rates.

Mr. Crew suggested tabling this item until the lake maintenance proposal is approved.

Mr. Hancock agreed that a second or third proposal should be obtained, based on the amount of money involved. r. McCarthy requested two additional proposals.

Ms. McVay inquired about which lakes were in Bayside and which were in Bay Creek. Mr. McCarthy confirmed that all lakes are located in Bayside, primarily because the problem lakes are the older ones. Mr. Adams pointed out that Lakes D-4 and D-14, at The Pointe, are in Bay Creek.

On MOTION for Bayside Improvement by Mr. Crew and seconded by Mr. Hancock, with all in favor, tabling consideration of additional aeration until the lake maintenance contract is finalized, was approved.

On MOTION for Bay Creek by Mr. Pritt and seconded by Mr. Janek, with all in favor, tabling consideration of additional aeration until the lake maintenance contract is finalized, was approved.

NINTH ORDER OF BUSINESS

Irrigation High User Report (Both)

- A. Bayside Improvement CDD**
- B. Bay Creek CDD**

Mr. McCarthy noted that revenue received from high users was increasing.

Ms. McVay asked if the organizations, such as the tennis center, could be included on the report. Mr. Adams explained that the organizations are manually deleted.

Mr. McCarthy asked Mr. Adams to request darker copies of future High User Reports.

C. Penalty Usage Summary: *Bayside Improvement CDD*

This item was presented for informational purposes.

TENTH ORDER OF BUSINESS

Continued Discussion: Recent Illicit Discharge Pelican Landing/Pelican Colony Tennis Courts (Both)

Mr. Adams stated that he received photographs following the significant rain event at the end of September. He referred to a photo of The Colony tennis courts and the adjacent inlet and noted the brick dam that was built to allow the top layer of water to spill over, as well as the rock that was installed, along with rip rap, along the edge. Mr. Adams indicated that the rock held back materials coming from the landscape beds at the adjacent Pelican Landing courts.

Mr. Adams showed a photo of the spill off from the Pelican Landing tennis courts and noted that a lot of water left these courts. He advised that he has not been notified of any cloudiness in the ponds downstream as a result of the installation of Phoslock filters near the inlets by the PLCA courts.

Mr. Adams reported that, as part of the increased level of service for the landscaping around the PLCA and the Community Center, the mulch will be changed out, in November, to cypress mulch, in a natural color.

ELEVENTH ORDER OF BUSINESS

Continued Discussion: Deep Zone Aquatic Planting Options (Both)

Mr. Adams referred to the brochure regarding upcoming seminars on Neighborhood Lakes and Ponds Management. He indicated that a workshop will be held on November 14, 2014, at the Lee County Hyacinth Control District, and another on January 27, 2015, at Bonita Springs City Hall.

Mr. Adams noted the planting zones within the littoral shelves and explained that there may be an opportunity to reduce the outer fringe of spikerush by introducing other varieties of materials, particularly in areas where the littoral plants are not performing as well. Mr. Adams stated that his intention was to present a plan to the Boards, using Lake C-3 as a test lake.

Mr. Adams advised that there are several cul-de-sacs going toward Lake C-3. The District maintains the lake banks and cul-de-sacs, where a xeriscape planting program was discussed. With regard to the lake, Mr. Adams suggested a change in plant materials to those

that perform better in lower depths of the littoral shelf and installing a transitional plant palette on the upper lake bank, as part of the landscaping enhancement program for the cul-de-sacs.

Mr. Adams indicated that his goal is to devise a plan, which will be presented to the Boards at the December meeting; landscape improvements will begin in the first quarter of 2015 and aquatic plant improvements will commence prior to the rainy season.

In response to Mr. McCarthy's question, Mr. Adams advised that hardscaping will be introduced with the cul-de-sac xeriscaping; large limestone rocks will be added, in some cul-de-sacs.

Mr. Cramer asked if the cabbage palms at the end of Tasselflower Court will be removed in the transitional area. Mr. Adams replied affirmatively.

Mr. Hancock expressed appreciation to Staff for this presentation, as well as the information provided in the Operations Report with regard to plantings, since many residents expressed dissatisfaction with spikerush.

Mr. Crew advised that he enrolled in the November 14, 2014 neighborhood lake and pond maintenance workshop.

Ms. McVay asked if Mr. Adams was proposing that residents plant in the transition zone. Mr. Adams stated that a plan will be provided for residents to view, on a case-by-case basis; however, District approval must be obtained prior to planting. Residents must provide a proposed plan showing that the District will have access along the frontage, for lake maintenance.

Ms. McVay expressed concern about residents using different color schemes for plantings. Mr. McCarthy explained that the Districts will provide sample palettes to the Design Review Committee (DRC) and residents will plant based on those palettes.

TWELFTH ORDER OF BUSINESS**Continued Discussion: Catch Basin "No Dumping" Markers (Both)**

Mr. Adams recalled discussion at previous meetings about customized 4" aluminum discs that are placed on the roadside catch basins to convey messages. He advised that he requested the PLCA's approval regarding the CDDs' ability to install the discs on the catch basins. Prior to the meeting, Mr. Schopf indicated that he saw no issue with the markers. Mr. Adams pointed out that the Districts would like the PLCA logo in the center of the markers; therefore, the PLCA's formal approval will be necessary.

Mr. Adams stated that he went to the website provided by Ms. Simmons, with Lee County, and followed the steps for purchase. He identified 127 catch basins on the primary thoroughfares in the community; the cost would be approximately \$1,000 to mark all of the catch basins. Mr. Adams recommended approval by the Boards, contingent upon PLCA approval for installation and use of their logo artwork.

Based on the pricing, Mr. Crew asked the Boards to consider including Woodsage, Lakemont, Bay Cedar and Greenview.

Mr. Adams suggested that the Boards consider markers on any street with a sidewalk beside it. The Board Members were in favor of installing markers on all catch basins. Ms. McVay requested an estimate for all streets not covered in the agreement with the PLCA.

On MOTION for Bayside Improvement by Mr. Hancock and seconded by Mr. Cramer, with all in favor, installation of drain markers on all catch basins in the community that are part of the agreement between the Districts and the PLCA, contingent upon PLCA approval, was approved.

On MOTION for Bay Creek by Ms. McVay and seconded by Mr. Glueck, with all in favor, installation of drain markers on all catch basins in the community that are part of the agreement between the Districts and the PLCA, contingent upon PLCA approval, was approved.

THIRTEENTH ORDER OF BUSINESS

Approval of September 22, 2014 Joint Regular Meeting Minutes (Both)

Mr. McCarthy presented the September 22, 2014 Joint Regular Meeting Minutes.

The following change was made:

Line 683: Change “Gillespie” to “Caldwell”

On MOTION for Bayside Improvement by Mr. Hancock and seconded by Mr. Cramer, with all in favor, the September 22, 2014 Joint Regular Meeting Minutes, as amended, were approved.

On MOTION for Bay Creek by Ms. McVay and seconded by Mr. Glueck, with all in favor, the September 22, 2014 Joint Regular Meeting Minutes, as amended, were approved.

FOURTEENTH ORDER OF BUSINESS

Other Business (Both)

• **Action Items**

Mr. McCarthy presented the Action Items.

Items 1, 2, 3, 4, 5, 6, 8, 10, 12, 13, 14, 15 and 18 were continued.

Items 7, 9, 11, 16, 17, 19, 20, 21, 22, 23 and 24 will be deleted.

With regard to Item 4, Mr. Adams reported that he and Mr. Barraco are in the process of finalizing the Opinion of Probable Cost; however, additional information pertaining to the sluice gates is required.

Regarding Item 7, Mr. McCarthy met with Mr. Barraco about the drainage mediation submission to SFWMD. This item will be removed.

Mr. Adams indicated that Item 14, which pertains to an RFQ for sediment testing, water quality and flock measurements, will be presented at the December meeting.

With regard to Item 13, Mr. Cramer asked if black dye will make the lake hotter. Mr. McCarthy explained that the concept is to make the lake opaque so that sunshine does not reach the lake bottom and cause algae growth. Ms. Crismond will obtain a cost estimate for testing.

Referring to Item 20, Mr. Adams indicated that fencing prices were obtained and provided to the PLCA. The PLCA informed him that, if the fence was installed, it would be an expense of The Colony. The information will be provided to The Colony.

FIFTEENTH ORDER OF BUSINESS

Old Business (Both)

There being no old business, the next item followed.

SIXTEENTH ORDER OF BUSINESS

Staff Reports (Both)

A. Attorney

Mr. Cox advised that he must attend a meeting on December 8 and he will be in court in the afternoon. If the oral argument is cancelled, he will attend the meeting by telephone; otherwise, he is unavailable.

Mr. McCarthy noted that the issue regarding the contract for surface water management remediation should be addressed prior to the next meeting.

Mr. Cramer recalled discussion, at the last meeting, about merger opportunities.

Mr. Cox stated that he spoke with his former partner, who was unaware of any pending amendments to Chapter 190. He advised that, if the Boards want to proceed with an amendment, a sponsor must be located, quickly. Mr. Cox indicated that a former Lee County CDD supervisor is now a member of the House of Representatives and a local Senator may be amenable to introducing legislation. He noted that lobbying and meetings of those involved would be required and offered to provide a cost estimate; the cost will be substantial.

Mr. McCarthy asked that Mr. Cox keep abreast of pending amendments. Mr. Cox indicated that he receives a daily list of every bill that is introduced or of a change in status for each of the bills being introduced.

Mr. Pritt stated that Representative Matt Caldwell sponsored legislation, the year before last, concerning the merger of other types of special districts; however, CDDs were not included. Mr. Pritt suggested contacting Mr. Caldwell.

B. Manager

i. Approval of Unaudited Financial Statements as of September 30, 2014

Mr. McCarthy requested that the year-end financial statements be provided to the Boards.

Mr. Adams presented the Unaudited Financial Statements as of September 30, 2014. He noted that, in the General Fund, through the end of September, annual budget appropriations were at 98% and several accruals were outstanding, including payroll; therefore, expenses may be slightly over, in December. A budget amendment will be presented for consideration and approval, at the next meeting, for an increase in appropriations.

Mr. McCarthy advised that irrigation revenues will exceed budget and suggested re-evaluating the rates, in Fiscal Year 2015, to determine whether adjustments should be made.

ii. Savings & Money Market Account/Investment Snapshot as of 10/20/14

This item was provided for informational purposes.

iii. Monthly Status Report: Field Operations

Ms. Crismond presented the Field Operations Monthly Status Report and asked for questions or comments from the Boards.

Mr. Hancock expressed thanks to Ms. Crismond for her work pertaining to additional plants that will be substituted for spikerush.

iv. NEXT MEETING DATE: December 8, 2014 at 2:00 P.M.

Mr. McCarthy noted that the next meeting is scheduled for December 8, 2014 at 2:00 p.m., at this location.

SEVENTEENTH ORDER OF BUSINESS Supervisors' Requests (Both)

With regard to the planting on Pennyroyal, from the main water feature, north, Mr. Cramer reported that the ground cover, from Fiddlehead Court, past Pine Fern Lane, has almost disappeared.

Mr. Patterson recalled raising the issue of dying foliage, between the walls of the North Gate and the security gate, three months ago, and Mr. Adams and the Chair were expected to evaluate it. He noted that there were at least 12 areas, some as long as 30', with no plants. Mr. Patterson stressed that this area must be a priority.

Ms. Crismond indicated that she reviewed the area with Mr. Kucera and a lot of shrubbery needed to be trimmed back but there was no dead plant material. She felt that she and Mr. Patterson were looking at two different areas.

Mr. Patterson pointed out that, in the middle, particularly where the Jasmine are, contain only soil, no plants. Mr. Adams stated that the areas will be addressed, prior to mulching.

Mr. Hancock reported that the doggy stations are a big success; he received many compliments and several requests to install an additional station in the neighborhood of the tennis center. Mr. Hancock asked for approval of a fifth doggy station, in that location.

On MOTION for Bayside Improvement by Mr. Hancock and seconded by Mr. Cramer, with Mr. Hancock, Mr. Cramer and Mr. McCarthy in favor and Mr. Patterson and Mr. Crew opposed, installation of a doggy station at the tennis center, contingent upon PLCA approval, was approved. (Motion passed 3-2)

On MOTION for Bay Creek by Mr. Janek and seconded by Ms. McVay, with all in favor, installation of a doggy station at the tennis center, contingent upon PLCA approval, was approved.

Ms. McVay reported the growth of vines on the shrubs in the outside traffic circle at Canoe Park. Mr. Adams advised that Staff will review the area.

*****Mr. Pritt left the meeting at 3:45 p.m.*****

Mr. McCarthy advised that, due to the November 4, 2014, election, reorganization of each Board will take place at the December 8, 2014 meeting.

EIGHTEENTH ORDER OF BUSINESS

Public Comments: *Non-Agenda Items*

Mrs. McCarthy suggested posting the vacant seats and names of the candidates on the CDD website.

Mr. Howard Lowe, UOC Liaison, indicated that his neighbors asked him to inquire about how long the blue tarp will remain on the building near the front entrance. Mr. Adams explained that structural damage was sustained and engineering drawings were submitted to obtain a permit. Once the permit is secured, repairs will commence. Mr. Adams suggested replacing the blue tarp with a brown tarp to make it more aesthetically pleasing.

With regard to the area where the new well was installed, Mr. Lowe asked if the CDD is responsible for the basin around the well and indicated that it fills up during the wet season. Mr. Adams advised that the area is within the dry retention area. Mr. Hancock noted that the pumps will eventually be screened with plants.

BAYSIDE IMPROVEMENT ITEMS

NINETEENTH ORDER OF BUSINESS

Consideration of Responses to RFP for Annual Audit Services

A. Affidavit of Publication

Mr. McCarthy presented the proof of publication.

B. RFP Package

Mr. McCarthy noted that the RFP Package was provided in the agenda package.

C. Proposers

- i. Berger, Toombs, Elam, Gaines & Frank**
- ii. Carr, Riggs & Ingram, LLC**
- iii. Dufresne & Associates, CPA, PA**
- iv. Grau & Associates**
- v. Keefe McCullough**

vi. McDirmit Davis & Company, LLC

vii. Stroemer & Company, LLC

Mr. McCarthy stated that seven proposals were received and each Supervisor was asked to complete the Auditor Selection Matrix.

The ranking sheets were submitted for tabulation.

▪ **Supervisor Comments Regarding Coding**

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

In response to a request from Mr. Hancock, Mr. Adams stated that he will have the auditors present, in person, during the audit.

Mr. Hancock reported a persistent problem with incorrect classifications on the checkbook register, which caused him concern regarding the integrity of the District's accounts. He indicated that the coding greatly improved; however, he felt that the auditors should pay attention, beginning with the checkbook register. Mr. Adams confirmed that this was a staff coding issue. Mr. Hancock expressed his opinion that it was an auditor issue if the amounts were in the wrong accounts. Mr. Adams explained that the auditors review samples, not full account details, unless they are testing an account. Mr. Adams noted that 90% of the invoices are from the field and are coded by Mr. Kucera. Mr. Adams will meet with Mr. Kucera to discuss coding.

Mr. Hancock suggested that an auditor be made aware that extra training may be required in this area and stressed that coding must be correct. Mr. Adams indicated that it was not necessary for an auditor to advise staff regarding how to code the accounts. Mr. Hancock pointed out that the auditors will criticize staff if errors are discovered, later on. Mr. Adams advised that journal entry adjustments are performed at the end of an audit. Mr. Hancock stressed that this has been a persistent problem, during his four years on the Board. Mr. Adams reiterated that Management will meet with Mr. Kucera.

D. Ranking of Proposals

Mr. Adams tallied the scores and reported that Grau & Associates was the #1 ranked firm, receiving the following scores: Mr. Crew, 98 points; Mr. McCarthy, 99 points; Mr. Cramer, 100 points; Mr. Patterson, 100 points and Mr. Hancock, 98 points.

E. Award of Contract

i. Authorization to Enter Into Agreement With #1 Ranked Firm

On MOTION for Bayside Improvement by Mr. Patterson and seconded by Mr. Crew, with all in favor, authorizing Staff to negotiate a contract and enter into an engagement agreement with Grau & Associates, the #1 ranked firm, was approved.

TWENTIETH ORDER OF BUSINESS

Adjournment: *Bayside Improvement*

There being no further business to discuss, the Bayside Improvement CDD meeting adjourned at 3:56 p.m.

BAY CREEK CDD ITEMS

TWENTY-FIRST ORDER OF BUSINESS

Consideration of Responses to RFP for Annual Audit Services

A. Affidavit of Publication

Mr. Adams presented the proof of publication.

B. RFP Package

Mr. Adams noted that the RFP Package was provided in the agenda package.

C. Proposers

- i. Berger, Toombs, Elam, Gaines & Frank**
- ii. Carr, Riggs & Ingram, LLC**
- iii. Dufresne & Associates, CPA, PA**
- iv. Grau & Associates**
- v. Keefe McCullough**
- vi. McDirmit Davis & Company, LLC**
- vii. Stroemer & Company, LLC**

The ranking sheets were submitted for tabulation.

D. Ranking of Proposals

Mr. Adams tallied the scores and reported that Grau & Associates was the #1 ranked firm, receiving the following scores: Mr. Pritt, 96 points; Mr. Glueck, 96 points; Mr. McAuley, 100 points; Mr. Janek, 98 points and Ms. McVay, 100 points.

E. Award of Contract

- i. Authorization to Enter Into Agreement With #1 Ranked Firm**

On MOTION for Bay Creek by Mr. Glueck and seconded by Mr. Janek, with all in favor, authorizing Staff to negotiate a contract and enter into an engagement agreement with Grau & Associates, the #1 ranked firm, was approved.

TWENTY-SECOND ORDER OF BUSINESS Consideration of Irrigation Variance Request: 25070 Ridge Oak Drive

Mr. Adams stated that an irrigation variance request was received from Mr. Larry McPherson, 25070 Ridge Oak Drive. He indicated that the request was subject to the questions in the Rules of Procedure when considering irrigation variances.

Mr. Adams explained that Mr. McPherson’s lot is significantly larger; based upon the square footage table, it is about 32% larger than the average lot covered under this rate category, which is 43,000 gallons for a lot over 20,000 square feet.

Mr. Adams confirmed Staff’s recommendation to grant the irrigation variance request.

On MOTION for Bay Creek by Ms. McVay and seconded by Mr. Janek, with all in favor, the Irrigation Variance Request for 25070 Ridge Oak Drive, was approved.

TWENTY-THIRD ORDER OF BUSINESS Ratification of August 25, 2014 Joint Public Hearings and Regular Meeting Minutes

Mr. Adams presented the August 25, 2014 Joint Public Hearings and Regular Meeting Minutes for ratification. Mr. Cramer recalled that Bay Creek did not have a quorum when the minutes were presented at the last meeting.

On MOTION for Bay Creek by Mr. Glueck and seconded by Ms. McVay, with all in favor, the August 25, 2014 Joint Public Hearings and Regular Meeting Minutes, were ratified.

TWENTY-FOURTH ORDER OF BUSINESS Adjournment: *Bay Creek*


There being no further business to discuss, the Bay Creek CDD meeting adjourned at 4:02 p.m.

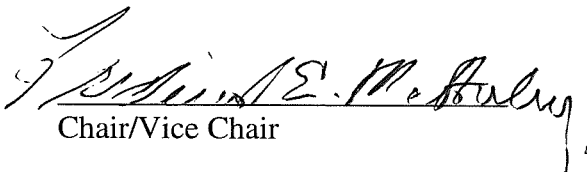
FOR BAYSIDE IMPROVEMENT:


Secretary/Assistant Secretary


Chair/Vice Chair

FOR BAY CREEK:


Secretary/Assistant Secretary


Chair/Vice Chair