

**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, June 27, 2016 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
John Crew	Vice Chair
James Patterson	Assistant Secretary
Bernie Cramer	Assistant Secretary
John Kaiser (<i>via telephone</i>)	Assistant Secretary

For Bay Creek CDD:

Fred McAuley	Chair
Nelson Glueck	Vice Chair
James Janek (<i>via telephone</i>)	Assistant Secretary
Mary McVay	Assistant Secretary
Robert Travers	Assistant Secretary

Also present were:

Chuck Adams	District Manager
Cleo Crismond	Assistant Regional Manager
Dan Cox	District Counsel
Wes Kayne	District Engineer
Tim Denison	Johnson Engineering
Bill Kurth	LakeMasters Aquatic Weed Control, Inc.
Jack Lienesch	Resident
Dennis Anderson	Resident
Gail Gravenhorst	UOC Representative – Pelican Landing
Bill Nicholson	Resident
Charlotte McCarthy	UOC/CDD Liaison

FIRST ORDER OF BUSINESS

Call to Order/Pledge of Allegiance

Mr. McAuley called the meeting to order at 2:00 p.m.

All present recited the Pledge of Allegiance.

SECOND ORDER OF BUSINESS

Roll Call

Mr. McAuley asked the Supervisors to state their names. For Bayside Improvement Community Development District, Supervisors Cramer, Patterson, Crew and McCarthy were present, in person. Supervisor Kaiser was not present at roll call. For Bay Creek Community Development District, Supervisors McVay, Travers, Glueck and McAuley were present, in person. Supervisor Janek was attending via telephone.

On MOTION for Bay Creek by Mr. Glueck and seconded by Ms. McVay, with all in favor, authorizing Mr. Janek’s attendance and full participation, via telephone, due to exceptional circumstances, was approved.

▪ **Election Update**

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

Mr. McCarthy stated that five seats are up for upcoming election; two for Bay Creek and three for Bayside Improvement. There were five candidates, one for each position; therefore, all would become Board Members following the election.

Mr. McCarthy advised that Mr. McAuley and Mr. Patterson chose not to run for re-election. Both Supervisors devoted an enormous amount of time and their participation would be missed. Mr. Crew, Mr. Janek and himself would continue for another term. Mr. McBride qualified for Bay Creek and Mr. Nicholson qualified for Bayside Improvement. Mr. McCarthy encouraged both candidates to participate as actively as possible between now and the election; the budget deliberations were a great opportunity to become acclimated.

****Supervisor Kaiser joined the meeting, via telephone.****

On MOTION for Bayside Improvement by Mr. McCarthy and seconded by Mr. Patterson, with all in favor, authorizing Mr. Kaiser’s attendance and full participation, via telephone, due to exceptional circumstances, was approved.

THIRD ORDER OF BUSINESS

Public Comments: *Agenda Items*

There being no public comments, the next item followed.

JOINT BOARD ITEMS**FOURTH ORDER OF BUSINESS****Staff Report: Engineer (Both)**

Mr. Kayne reported that the Florida Department of Environmental Protection (FDEP) National Pollutant Discharge Elimination Systems (NPDES) MS4 Year 4 Annual Report review was scheduled for July 12, 2016 at 9:00 a.m., with Lee County and other co-permittees. There were general comments on the Year 4 annual reports but nothing substantial. Bayside Improvement and Bay Creek were not scheduled for an audit this year. Meeting discussions would be reported and a proposal for NPDES MS4 report services, for next year, would be provided.

Mr. Kayne stated that the drainage remediation project was essentially completed. Mr. Doug Tarn would be on site for final observations at all locations and provide recommendations for outstanding items. Additional items were necessary for proper access, as some control structures were missing grates and one may require a small ladder. Upon completion of final observations, Barraco and Associates would pursue certification from the South Florida Water Management District (SFWMD) and, as part of the certification, would remove the two remaining areas not addressed during the current project.

Mr. Kayne stated that Mr. Tarn met with Mr. Kucera, on site, following a storm event, on May 4, 2016, which generated concern due to turbidity in Lakes E-1 and E-2. Upon arrival, approximately two hours after the storm, Mr. Tarn observed no noticeable or appreciable turbidity in the lakes. Mr. Tarn and Mr. Kucera proceeded to observe conditions surrounding the tennis courts, where they found turbid runoff from the courts and surrounding areas entering the storm drainage system. Some of the drainage structures had inlet protection devices but some did not, which might be a consideration, in the future.

Mr. Patterson noted that Mr. Kayne mentioned additional items that were necessary and asked if recommendations were made to the staff to complete those items or if it would be part of the current project/contract.

Mr. Kayne replied the recommendations would be part of the observation because one must stand on top of the structure in order to open and close the gates; if there is no grate, accessibility may be hindered. These items would be presented for recommendation, now or in the near future.

Mr. Patterson asked what steps would be taken to correct those situations. Mr. Kayne stated that a list of issues would be compiled and presented. Mr. Patterson inquired about the time table. Mr. Kayne replied a meeting would be held on site, this week, and recommendations would be presented at the next meeting.

Mr. Adams advised that the items would be addendums to the existing contract, as they were not part of the original design.

Mr. Patterson noted that immediate estimates were required for budget deliberations. Mr. Adams indicated that these are low cost items and would accrue in Fiscal Year 2016.

Mr. Crew asked if landscaping around the structures would be considered as part of the recommendations. Mr. Kayne stated that the structures would be covered, slightly. Mr. Adams cautioned against blocking access.

With regard to Mr. Kayne’s comments about the structural additions, Mr. Cramer noted that, in the Cypress Island area, while construction was occurring, it was difficult to reach the top of the structure and Mr. Kayne was probably referring to a type of “grated catwalk” to allow safe access when the gate adjustments are made.

Mr. Cramer took photos of the structures and met the crew while installations were taking place and the crew was “very professional”. He would like to prepare a pictorial of the areas and hoped to advise residents, in the near future, of what was done and provide photographs. Mr. Adams suggested including the design drawings.

Mr. McCarthy advised that Mr. Kayne successfully passed the Professional Engineer’s license exam and congratulated him on this accomplishment.

FIFTH ORDER OF BUSINESS

Update: Drainage Remediation Project

This item was discussed during the Fourth Order of Business.

SIXTH ORDER OF BUSINESS

Continued Discussion: Har Tru Runoff from Tennis Courts to E Lakes

Mr. McCarthy asked what steps would be taken regarding the Har-Tru runoff from the tennis courts to the E lakes. Mr. Adams requested direction from the Boards and recommended working with the Pelican Landing Community Association (PLCA) to ensure that all drainage inlets have a sedimentation “blanket” covering them.

Mr. McCarthy felt that an assessment was necessary to determine if the tennis court runoff was damaging the stormwater system and that, at a minimum, the PLCA should be re-noticed. While the PLCA may have spent a lot of money, the problem remained and a program of action was required to remediate the issue.

Mr. Adams will meet with two NPDES Storm Water Program coordinators to discuss Har-Tru runoff and ask if they view it as something that the Districts must address.

Mr. Tim Denison, of Johnson Engineering, stated that, currently, the water quality parameters would include turbidity. He suggested choosing water bodies adjacent to where the runoff was occurring and that Johnson Engineering sample four parameters; however, it must be determined what is in the runoff that may impact water quality.

Mr. Adams wanted to obtain the opinions of the NPDES coordinators regarding courtside discharge following significant rains.

Mr. Cramer recalled that, in 2012, when the issue was first discussed, it was determined that there were more elements involved than just the Har-Tru tennis courts. He referred to overhead slides, of the driving range of The Colony courts and the golf maintenance facilities, all of which were associated with water flowing into storm sewers. Modifications were being made to the golf course driving range area and a number of drainage facilities lead into the storm sewers. In addition, The Colony courts are at least 3' above the levels of the PLCA courts.

Mr. Adams recalled that the golf maintenance facilities made serious corrections.

Mr. Cramer stated that, in the aerial view, jagged lines were made by WCI when the property was dedicated and true ownership and responsibility were not reflected, yet, the Districts were asked to assist with cleaning them out.

Mr. Glueck asked if the only repair to The Colony courts was to install riprap on the outside. Mr. Adams advised that The Colony dug a 2' by 2' trench around the entire perimeter and added crushed stone. The one area where discharge had to be corrected was addressed. Mr. Glueck stated that the water in the trench at the courts is green because water absorbs Har-Tru; therefore, the water flowing into the lake will always be green, regardless of whether it contains solids.

Mr. Adams stated the question is whether the runoff is detrimental and reiterated the importance of discussing this issue with the NPDES coordinators.

Mr. McAuley recommended cleaning out the trench around the PLCA tennis courts. Mr. Adams felt that it was a great suggestion.

Mr. Patterson researched ownership of the Pelican Nest Golf Course maintenance area and the area around it and the recorded map reflected joint ownership of the strip extending from the tennis courts to Goldcrest Drive; therefore, both entities must be involved in the cleanup.

Mr. Crew reported that the cement was broken at one of the drain control structures, within the tennis parcel, and water was flowing down through the hole rather than through the filter. In response to Mr. McAuley's recommendation, Mr. Crew noted that the retention ditches, surrounding the PLCA courts, were cleaned out within the last two months. Mr. McAuley stated there was more material in them, as of one week ago.

Mr. Crew suggested building another lake where the runoff could flow before entering Lake E-1.

Mr. McCarthy stated if it were possible, an area to precipitate the material would be the solution. When the courts were originally proposed, he asked to view the proposed plans for remediation and the perimeter grate system scheme was recommended by Har-Tru. Somehow, between the time he reviewed the plans and when the courts were built, the design changed and it is not working. The Districts are responsible for the maintenance of the stormwater system and something is being introduced that should not be. Perhaps the NPDES coordinators know the proper way to treat the runoff.

Ms. McVay asked how Mr. Adams intended to address the issue with the PLCA. Mr. Adams replied he would first call Ms. Martel.

SEVENTH ORDER OF BUSINESS**Presentation: Water Quality Monitoring Report Q1 2016 [Tim Denison, Johnson Engineering]**

Mr. Denison recalled that, about one year ago, the Boards asked Johnson Engineering to collect quarterly surface water quality samples from 12 water bodies, 11 lakes and one stream. Three samples were collected and the fourth would be collected tomorrow. At the end of 2015, one sediment sample was collected from the bottom of each lake. In the sample collected from Lake D-8, total phosphorous was reflected as .04; however, it was actually .34, which was significantly higher. The samples collected, thus far, showed that most of the lakes do not have high levels of nutrients. Typically, there are some levels of nutrients but more than half of the lakes sampled the first three times showed very low levels of total phosphorous.

Mr. Denison explained that, each month, a team collected surface water quality samples from the middle of the lakes. Dissolved oxygen measurements were also collected. A Secchi disk was placed in the water to determine how far down it could be seen, which is representative of how cloudy the water is.

Mr. Denison stated that the results were for samples taken in the first quarter of 2016, reflecting the dissolved oxygen levels and how much phosphorous was in each lake. With regard to total phosphorous, the water quality standard is that there should not be more than .05 milligrams per liter of total phosphorous. Lakes A-17 and D-8 had higher than normal levels.

Referring to a slide, Mr. Denison noted that data was collected for the third and fourth quarters of 2015 and the first quarter of 2016. The table showed that the dissolved oxygen content was fairly steady but there were a few areas where the level was low, such as Lake A-17. With regard to the total phosphorous content, it was not unlikely that the issues are related to Har-Tru, although, the results would more likely be from natural causes and fertilizer. In the third quarter of 2015 and the first quarter of 2016, total phosphorous levels for Lake A-17 were fairly high. After the fourth quarter sample is collected, Mr. Denison recommended displaying results from all of the lakes sampled and highlighting those that are detrimental to water quality.

In response to a request from Mr. Patterson, the chart reflecting the water quality results would be emailed to the Boards.

EIGHTH ORDER OF BUSINESS

**Lake Maintenance Activities Reports:
LakeMasters Aquatic Weed Control, Inc.
(Both)**

Mr. Kurth explained that the difference between .08 and 1.0 phosphorous levels is huge and .34 is very high. Typically, most of the lakes have low phosphorous levels. Lake D-8, which was high, is one of the biggest algae contributors.

Mr. Kurth noted that improvement was observed in many lakes. A lot of the submersed vegetation was eliminated and much of the chara was diminished. There was one week where the applicators did not have Captain XTR herbicide in stock and copper sulfate did not control the algae. LakeMasters suspended the use of black dye because flow would dilute it. The use of bacteria was expanded.

Mr. McCarthy did not remember the lakes looking as bad as they did in the last few weeks and hoped it was due to the absence of Captain XTR and that the lakes would return to their expected condition, quickly.

Mr. Kurth stated that LakeMasters would do everything possible to make certain that the lakes improve.

Discussion ensued regarding water testing. Mr. Kurth stated that both golf course superintendents were very conscientious and doing their best to minimize nutrients. He was not sure that additional testing was necessary.

Mr. Kurth did not know if Har-Tru was having a negative impact and was glad that Mr. Adams was pursuing the issue. He asked if an alum injection system was ever discussed, which may be more effective with settling. LakeMasters received many requests for alum.

Mr. McCarthy stated that Lake A-2 used to be the worst lake in the system, for algae. Currently, the phosphorous level is .08, which is normal, the nitrogen level is the highest level tested and the secchi level is 1.65. Lake A-2 has high nitrogen levels, moderate phosphorous levels, high turbidity and no algae. Mr. McCarthy felt this was due to actions taken, over time, with a combination of chemicals and grass carp. Nothing would be learned from continued testing. After the next sample results were received, Mr. McCarthy suggested reviewing all results, as a group, rather than deciding to test more lakes. The purpose of the tests was to determine what was entering the system and what was leaving it. The benefit of the water quality data collected in the third quarter was to verify that, if there is an issue with the system, external to Pelican Landing, reflecting high nitrogen or phosphorous, the Districts could prove that they did not cause it.

Mr. Jack Lienesch, a resident, asked if turbidity can prevent algae. Mr. Kurth replied absolutely. Mat forming algae does not only grow on the surface; it grows on the bottom of the lake and floats up. In Lake A-2, there might be a formation of plankton species but the lake flows almost year-round so it would be flushed out. Mr. Lienesch asked about beneficial bacteria. Mr. Kurth explained that the naturally occurring bacteria in the lakes eat nitrogen; in the process, it also makes phosphorous. Littoral plants were installed around the edges of the lakes to try to filter the runoff that flows in. LakeMasters was trying to combat the nutrients already in the lakes. The difficulty is that some lakes already have low nutrients and, in that case, algae grows on the leaves of the littoral plants.

Mr. Dennis Anderson, a resident, inquired about LakeMasters' crews. Mr. Kurth replied, for the most part, the same crews are used and there is a supervisor on site, every week, to supervise their work. Mr. Anderson stated that, on Lake E-2, three crewmembers were on the other side of the lake and were discussing the condition of the lake. When Mr. Anderson questioned them, the response was "no matter what we do, it is getting worse." Mr. Anderson advised them that it was because they were not present before the inversion takes place. The morning after the lake is sprayed, the entire lake has pads of material that float up from the bottom, which is loaded with nutrients. Something is decaying or rotting on that material and, once it dries out, it is the same color as Har-Tru.

Mr. Kurth could not comment about the color; however, this is a typical process, especially where there is high water. It is difficult to treat all of the algae on the bottom of the lake. There is some decomposition, which is why it may take multiple visits when a bad algae bloom occurs. The applicators try to review every option to improve the lake but there is a complex issue with Lake E-2.

NINTH ORDER OF BUSINESS

Discussion: WCI Application to Construct Four (4) High-Rises in Raptor Bay Community

Mr. Cramer stated that he wrote a letter to Mr. Adams and Mr. Cox related to a legal matter. Mr. Adams advised that Mr. Cramer wanted to know if the CDDs have a requirement to approve the four high-rises being proposed in Raptor Bay, which are outside of the District. He and Mr. Cox concluded that, if the high-rises were tied into any of the Districts' systems, the Districts must approve the design drawings, etc.

Mr. Cox felt there might be some confusion because Mr. Cramer's letter referenced Raptor Bay coming into Pelican Landing but it is already in the Pelican Landing DRI. If there is a question about the high-rises becoming subject to the PLCA, it is a PLCA issue.

Mr. Cramer stated that, in the CDD operation, there is an opportunity to work collectively with the PLCA and other landscapers in the community. A statement was made at the Landscape Committee meeting indicating that, at any time, the PLCA could do whatever it wants to do with Raptor Bay. Mr. Cramer's intention was to state that, when Board Members attend a Landscape Committee meeting, or a similar meeting, their job is to work with the Landscape Committee, not put out immaterial information about an area that the Districts are not involved

in. Mr. Adams did not view Mr. Cramer’s letter as his belief that there was an inappropriate conversation. In response to a question from Mr. Cox, Mr. Cramer surmised that Board Members should not be discussing the topic at any time, as CDD representatives. Mr. Adams advised that it is not a business item for these Districts.

Mr. McAuley asked if the CDD would be responsible for maintenance, if the four high-rises were built. Mr. Adams responded no, as they are not within the District’s boundaries. Mr. Cox explained that a public hearing must be held to determine whether to expand the District boundaries to incorporate that area. Mr. McCarthy stated that it must be a mutual decision. The ownership of the property must petition and Raptor Bay does not have just one owner. With multiple owners, all owners must consent.

Mr. Crew stated that Section 6 of the PLCA documents allude to the fact that, if any proposed property is annexed into Pelican Landing, it must become part of the CDD. If the property is not part of the CDD, it cannot be annexed into Pelican Landing. Mr. Cox asked if Mr. Crew was confusing the Pelican Landing entity with the DRI. Mr. Crew replied no. Mr. Cox noted that the property was already in the DRI. Mr. Crew clarified that he was referring to the Pelican Landing documents. Mr. Crew asked if the CDD must accept the property if it is proposed to be included in the CDD. Mr. Cox replied no.

Further discussion ensued.

TENTH ORDER OF BUSINESS

Consideration of Resolutions Declaring Certain Tangible Personal Property Surplus Equipment and Authorizing the District Manager to Sell or Dispose of Said Equipment as Expeditiously as Possible and Providing for an Effective Date

Mr. McAuley presented Resolution 2016-3 for the Bayside Improvement Board’s consideration and Resolution 2016-4 for the Bay Creek Board’s consideration.

A. *Bayside Improvement Community Development District: Resolution 2016-3*

On MOTION for Bayside Improvement by Mr. McCarthy and seconded by Mr. Crew, with all in favor, Resolution 2016-3, Declaring Certain Tangible Personal Property Surplus Equipment and Authorizing the District Manager to Sell or Dispose of Said Equipment as Expeditiously as Possible, was adopted.

B. Bay Creek Community Development District: Resolution 2016-4

On MOTION for Bay Creek by Mr. Glueck and seconded by Ms. McVay, with all in favor, Resolution 2016-4, Declaring Certain Tangible Personal Property Surplus Equipment and Authorizing the District Manager to Sell or Dispose of Said Equipment as Expeditiously as Possible, was adopted.

ELEVENTH ORDER OF BUSINESS

Discussion: Letter from Henderson, Franklin, Starnes & Holt, P.A., Regarding Clarke Aquatic Services, Inc., Unpaid Invoices

Mr. Adams recalled that, when the contract with Clarke Aquatic Services, Inc., (Clarke), was closed out, Staff noted that, in the last few months, it did not appear that the District received the service it was paying for, which was evident in the condition of the ponds, which, in November and December, should not have looked bad. There was excessive noxious growth and, traditionally, the incoming contractor would provide a proposal to treat the lakes and those costs would be deducted from the outgoing contractor final payments. This action did not trigger a Defective Work Notice, as the contract had expired and a new contract was executed with the new provider. Clarke was claiming that notice triggers a Defective Work Notice provision of the contract and that Clarke never received a Defective Work Notice. Mr. Adams' position was that Clarke received a notice of deficiencies. Mr. Cox pointed out that, on January 6, Ms. Crismond sent a letter explaining what was occurring in the lakes and that additional treatment was required and specific lakes were listed. The only response was dated January 15, denying any responsibility. Clark was given a notice and could have requested a chance to cure; however, Clarke denied responsibility.

Mr. McCarthy preferred to find an amicable solution to the matter and suggested authorizing Staff to negotiate a settlement. The Board concurred.

Mr. McAuley noted that this was strictly a Bayside Improvement issue.

TWELFTH ORDER OF BUSINESS

Irrigation Reports (Both)

A. High User

i. Bayside Improvement CDD

ii. Bay Creek CDD

These reports were provided for informational purposes.

B. Penalty Usage Summary: *Bayside Improvement CDD*

This report was provided for informational purposes.

C. Zero Consumption

i. Bayside Improvement CDD

ii. Bay Creek CDD

Ms. McVay was concerned about the egregious water usage by some residents and suggested sending letters to those who were flagrantly overusing water. Water, in Southwest Florida, is a valuable commodity and the issue was not being addressed, aside from penalties.

Mr. McCarthy pointed out that Ponza has 13 lots and some perimeter plantings are irrigated; however, the bill was approximately \$6,000, which is \$500 per month for each lot and some of the lots were not built yet. He felt that this issue should be investigated.

Mr. McCarthy stated that the irrigation wells were “in trouble” and he was not sure if distributing large quantities of water to areas such as Ponza was related. This will become a serious problem and, as a result, everyone in the CDDs will have to pay more for water.

Mr. McAuley stated that the same residents appear on the list every month, have higher and higher bills and nothing is done.

Mr. Janek inquired about the Zero Consumption report. Mr. Adams explained that the report was used to identify meters with zero consumption, according to the reading, and to inspect the meters to ensure that they are operational.

Mr. Patterson discussed a resident who cleaned his filters three times because of the amount of dirt in them and refuses to contact the irrigation people again because the issue was not resolved. Mr. Patterson questioned whether this was related to the fact that the Districts diminished the frequency of flushouts and, therefore, were not cleaning out the major flows of any accumulation of sand. Mr. Adams advised that the Districts should not be diminishing the frequency of blow-offs and he was not sure whether there is a relationship between the two. The

resident should contact the District. Ms. Crismond requested the resident's contact information to have him meet with Mr. Kemp to try to obtain a resolution.

THIRTEENTH ORDER OF BUSINESS**Discussion: Alternative Irrigation Source from RCS**

Mr. Adams recalled his discussions with Resource Conservation Systems (RCS), the utility division of Bonita Bay Group. Over the years, RCS worked closely with Bonita Springs Utilities (BSU), as BSU expanded their waste water plant and increased their reclaimed water flows. Two summers ago, Pelican Nest tied in at the corner of Pelican Nest Drive and US 41 and carried the line through the community and to their pump station on Lakes 7 and 8 and that worked out well. Pelican Nest is interested in the Districts securing additional reclaimed water because the Districts provide water to them out of the Bay Creek system and they are looking at the reliability of the source, as well as water quality. The Districts draw water from the surface water aquifer, which, at times, had iron and higher concentrations of salt. Two weeks ago, after months of silence from RCS, a meeting was called and RCS entered into a deal with BSU for 11 million gallons per day of reclaimed water. Their agreement with BSU is for 30 years and it automatically renews. This is referred to by RCS as their Phase 1. There is sufficient water in Phase 1 to offer to Pelican Landing residential customers, as well. Phase 2 is a much larger future program, in five to seven years. With regard to Phase 2, it appears to be more of a large regional program and the statement was made that RCS has the initial backing of the regulatory agencies because Phase 2 would not affect the surface water. Additionally, they hope to provide service pressure, which, unlike the current bulk supply, would provide usable pressure through the meters and into residential sprinkler systems; thereby, allowing the Districts to take their pumps off line.

Mr. Adams stated that one of the items required for reclaimed water is three-day wet weather storage. In this agreement, there should be no need for modifications to the ponds, themselves; as part of the agreement, RCS would provide the three-day storage requirements. For Bay Creek, the connection is relatively close to the holding ponds at US 41, and the initial connection cost is estimated between \$10,000 and \$20,000.

Mr. Adams distributed a spreadsheet reflecting a four to five year usage summary, with a monthly and daily average. He suggested beginning with 200,000 gallons, which would remove some of the impact on the wells.

Mr. Adams stated that the Bay Creek holding ponds were already lined and no adjustments would need to be made to the geometry on the control structure. The pass through cost to the golf course was identified at \$0.83, but it might be slightly higher to account for some meter reading and billing costs. The actual cost to residents would be around \$1 per 1,000 gallons. Mr. Adams suggested a more in-depth rate study. Bayside would not be part of Phase 1 because reclaimed water cannot be stored in an unlined reservoir. Installing the liner is a major cost; however, Bayside's bigger issue would be the loss of recharging stormwater back into the surface water aquifer. Bayside would be a better candidate for direct delivery pressure program contemplated for RCS Phase 2. Bayside has several large lines that terminate at the major entries into the community along the Parkway and US 41, Pelican Colony Boulevard and US41 and at Pelican Colony Boulevard and Coconut Road. RCS would deliver up to those points of connection and the District would be responsible for the internal transmission system from the point of connection to the current customers and would still perform meter readings for billing, etc.

In response to a question from Mr. Patterson, Mr. Adams explained that he got the sense that RCS wants to, ultimately, provide regional supply to as many communities as possible in this area. Mr. Patterson stated that the current permit provides for split ownership between the golf course and Bay Creek CDD. Mr. Adams advised that the CDD owns the system. The golf course has pumping capabilities but does not have production capabilities. Mr. Patterson asked if Bay Creek had a contract with the golf course to supply water to five golf holes. Mr. Adams replied the golf course is currently a customer without any other source. Mr. Patterson inquired about the legal requirements between the CDD and the golf course relative to supplying water for the five golf holes. Mr. Adams stated that the water requirements were within the Consumptive Use Permit of the Bay Creek CDD. In order for that to change, the water for those golf holes must be permitted in another manner. Mr. Patterson pointed out that the golf course does not have holding capacity and does not have lined lakes. The water from RCS goes directly into the pump station wet well and into the sprinkler system.

Mr. McAuley inquired about the immediate danger to the wells. Mr. Adams replied the wells are aging. The deep well, in Bayside, was recently re-dug a year or so ago. The other wells will periodically be blown out and/or chemical injected to clean the intake and improve pumping efficiency. Mr. McAuley asked about the time table. Mr. Adams replied this fall. Mr.

McAuley indicated that the item must be included in the Fiscal Year 2017 budget and the golf course must agree. Mr. Adams stated that the golf course already agreed, in principle.

Mr. McAuley requested additional information, in writing, and more definite figures from RCS. More information would be provided at the next meeting and a draft agreement would be disseminated.

Ms. McVay inquired about the rate increase for Bay Creek residents. Mr. Adams stated that the rates would increase from \$0.53 to about \$1.00 per 1,000 gallons, per residence. Ms. McVay asked if the only reason that Bay Creek would receive irrigation water from RCS is because it is easier for them to connect. Mr. Adams replied Bay Creek is already set up to accept the water without significant modifications and expense. Ms. McVay pointed out that Bay Creek is not the community that is using up the water. The higher bills are in Bayside. Mr. Adams noted that Bay Creek's product type is more centrally controlled from an irrigation use perspective, as it is mostly parcel neighborhoods. The time will come when the community will not have a choice. The reason that the golf course receives water from RCS is because of the water quality in their deeper wells to the west of ours has deteriorated, over time.

Mr. Janek stated that one of the issues with a multi-unit community is the need to shut off the water because of the water shortage. If the RCS program would provide a steady source of water and the community would not have to shut off the wells, the Board should consider it, favorably, for the community.

Mr. Crew wished that Bayside could "trade places" with Bay Creek; if Bayside had lined ponds, he would be in favor. Having the water source contracted was a huge benefit and, if the Board does not approve it now, it is not known when RCS would have capacity, in the future, and invite them to participate.

Mr. Patterson agreed with Mr. Crew about the significant importance of entering into an agreement; however, there is a "cost complication" for the golf course, as there is for Bay Creek residents, and it must be resolved within the month in order to determine a resolution that is amenable to both parties because the two cannot be distinguished, in terms of cost. Mr. Adams explained that it does not have a great impact on the budget but agreed that a blended rate must be identified.

Mr. Cramer was in favor of devising a plan and viewed it short-term and long-term. The goal is to get as much as possible in the best way possible. RCS should be preparing the

technology, from beginning to end, and selling it to the District, as the consumer, and working with Bay Creek and Bayside because, ultimately, the entire community would be the winners.

A resident stated that she attended the RCS presentation to the golf course.

Mr. Bill Nicholson, a resident, asked if RCS would provide options for additional capacity in the future. Mr. Adams advised that RCS wants to sell as much reclaimed water as possible. The important thing is to become a customer now so that the opportunities become available.

FOURTEENTH ORDER OF BUSINESS

Acceptance of Unaudited Financial Statements as of May 31, 2016

Mr. Adams presented the Unaudited Financial Statements as of May 31, 2016.

FIFTEENTH ORDER OF BUSINESS

Approval of May 23, 2016 Joint Regular Meeting Minutes (Both)

Mr. McCarthy presented the May 23, 2016 Joint Regular Meeting Minutes and requested that corrections be provided to Ms. Crismond.

On MOTION for Bayside Improvement by Mr. McCarthy and seconded by Mr. Patterson, with all in favor, the May 23, 2016 Joint Regular Meeting Minutes, as amended to include edits provided to District Management, were approved.

On MOTION for Bay Creek by Mr. Glueck and seconded by Mr. Travers, with all in favor, the May 23, 2016 Joint Regular Meeting Minutes, as amended to include edits provided to District Management, were approved.

Discussion returned to the Unaudited Financial Statements. On Page 7, under “Irrigation supply services”, Mr. Patterson inquired about what caused “Electricity” to go over budget, at 105%. Mr. McCarthy felt it was due to a miscoding. Staff will research.

Mr. McAuley referred to Page 2, under “Water management”, and noted that “Other contractual services: Lake (BC)” was at 405%. Ms. Crismond stated that the item was coded incorrectly.

SIXTEENTH ORDER OF BUSINESS**Other Business (Both)****• Action Items**

Mr. McAuley presented the action items.

Regarding if Diamond Construction was planning to install landscaping on Pennyroyal Drive, where a mid-rise building was being constructed across from Canterbury Court, Mr. Cramer contacted Diamond Construction, spoke with Mr. Jim Haskins and Mr. Haskins will provide an updated landscape plan for the entire community. Line-of-sight issues were discussed and Mr. Cramer suggested that Mr. Haskins work with Mr. Crew and the Landscape Committee about a resolution.

With regard to Item 13, Mr. Crew stated that two or three palm trees and a tree would be installed.

Referring to Item 12, Mr. Crew reviewed Canterbury Court and the outside berm and suggested installing four to six full-size palm trees, on the berm, to fill in the void. Ms. Crismond stated that all were in agreement to move forward.

Items 12, 13, 14 and 15 would be removed.

Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, and 11 would remain.

SEVENTEENTH ORDER OF BUSINESS**Old Business (Both)**

Mr. Crew reported that the Landscape Committee reviewed the proposed landscape agreement and the PLCA attorney reviewed the comments; all were incorporated and the agreement was returned to PLCA management. Mr. Crew anticipated that the agreement would be sent to Mr. Adams, shortly, and suggested reconvening the working group. Mr. Crew reviewed and removed language from the originating documents and brought it forward into the proposed agreement.

Mr. Crew indicated that the Committee completed its inventory of the Pelican Landing common areas. Each individual parcel was reviewed and items were characterized by the parcel's nature, i.e., high visibility, pedestrian traffic, garden setting, plant makeup, plant condition, maintenance intensity required, potential for design requirement, safety regarding sight lines, Children's Park or lighting, type of area and sense of priority, such as the need for revitalization, as well as a palm and oak tree count. The Bay Creek component would be incorporated this week.

Mr. Crew advised that the Committee interviewed three landscape architects and was ready to make a recommendation to the PLCA Board.

Mr. Cramer asked that a copy of the chart used by Mr. Crew be disseminated to the Boards. Ms. Crismond will copy the chart and return it to Mr. Crew.

Mr. Adams discussed concerns received regarding a vehicle at BSU's lift station on Colony Boulevard, past Ponza, before the overpass, which was very distracting. A request was submitted to BSU to upgrade the lift station so that it is less noticeable. Carter Fence provided a proposal to install a double wooden gate. BSU approved the proposal and provided a draft agreement. The gates would be paid for by the CDD's 002 fund, which is specific to The Colony, and the CDD would be responsible for long-term maintenance and replacement. The proposal was \$1,180.

With regard to the Landscape Maintenance Agreement with the PLCA, Mr. Patterson referred to Item 4 and noted that it was the only place that capital replacement responsibilities were discussed. Change outs were contemplated in 19 major areas, for huge shrubs, grasses and trees, which were not covered, specifically, in terms of budgeting and there was no clarification about the role of the DRC and the Landscape Committee in making new requests.

Mr. Adams stated that would be a decision of the Board.

Mr. Cramer stated that the Board has the first responsibility to accept.

Mr. Patterson asked who would have approval authority. He understood that the PLCA would be responsible for all capital costs. Mr. Adams advised that there are opposing views about which entity should be collecting funds, as well as establishing reserves and financing for future large scale capital improvements and that would be a strategy discussion for the two entities. The remainder is strictly a maintenance agreement, recognizing that there is no true capital item in the Districts' annual budget; there is a landscape replacement item for nominal material replacement. Mr. Adams stated that there would be no affect on the Fiscal Year 2017 budget, based on this item.

Mr. Crew stated that, based on the originating documents, the CDDs are responsible for management. There are not many areas for vast recapitalization of landscape schemes; most call for plant replacement and change out and it would save on maintenance costs.

Mr. Adams indicated that the landscape architect would make selections and the work could be phased or financed.

EIGHTEENTH ORDER OF BUSINESS

Staff Reports (Both)

A. District Counsel

There being no report, the next item followed.

B. District Manager

i. Monthly Status Report: Field Operations

In response to a question from Mr. Patterson, Ms. Crismond stated that she would follow up with Mr. Kemp regarding flushouts.

ii. NEXT MEETING DATE:

- **July 22, 2016 at 9:00 A.M. [Budget Workshop]**
- **July 25, 2016 at 2:00 P.M.**

Mr. McAuley stated that a Budget Workshop will be held on July 22, 2016 at 9:00 a.m., and a Regular Meeting will be held on July 25, 2016 at 2:00 p.m., at this location.

NINETEENTH ORDER OF BUSINESS

Supervisors' Requests (Both)

Mr. Crew was contacted by two Baycrest residents regarding a lanai extension at 25260, the shortest lot on the street. The residents requested an 8' extension, which would encroach 4' to 6' into the District's lake maintenance easement. Mr. Crew measured the area and asked Bay Creek to review the lot for a 6' lanai extension, which would only encroach about 2' to 3'.

Mr. Adams stated that the residents originally requested a 5' to 6' encroachment into the easement and he denied it because the lake maintenance easement served a purpose. In the past, 1' or 2' encroachments were approved if an error was made, rather than removing the structure; however, permission was never granted for easement encroachment.

Mr. McAuley will review the property.

Mr. Cramer requested clarification regarding Mr. Nicholson's appointment and welcomed Mr. Nicholson to the Bayside Board. Mr. Cox indicated that Mr. Nicholson was a Candidate-Elect. Mr. Cramer stated that Mr. Nicholson must uphold the Sunshine Law and asked if Mr. Nicholson may participate in CDD meetings. Mr. Cox advised that all members of the public may participate in CDD meetings. Mr. Cox stated that, once Mr. Nicholson becomes a Candidate-Elect, he may not discuss issues that may potentially come before the Boards.

Mr. Patterson stated that the wetlands appear to have a lot of noxious weeds and exotics. Referring to a map, Mr. Adams pointed out the areas where EarthBalance has no maintenance responsibility.

Mr. McCarthy asked Staff to secure proposals to draft articles for each briefing, disseminate information to the public and attend meetings to provide a summary to the PLCA for e-blasts. Mr. McCarthy will provide the parameters, via email.

TWENTIETH ORDER OF BUSINESS

Public Comments: *Non-Agenda Items*

Ms. Charlotte McCarthy, a resident, commented that Lake A-2 looks very nice.


TWENTY-FIRST ORDER OF BUSINESS

Adjournment

There being no further business to discuss, the meeting adjourned at 4:38 p.m.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

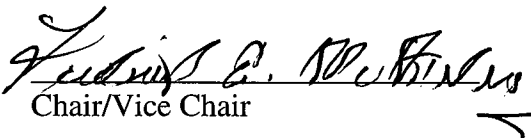
FOR BAYSIDE IMPROVEMENT:


Secretary/Assistant Secretary


Chair/Vice Chair

FOR BAY CREEK:


Secretary/Assistant Secretary


Chair/Vice Chair