

MINUTES OF MEETING
JULINGTON CREEK PLANTATION
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Julington Creek Plantation Community Development District was held Tuesday, June 6, 2006 at 6:06 p.m. at the Distinguished Realty Building, 950 Davis Pond Boulevard, Jacksonville, Florida.

Present and constituting a quorum were:

Susan S. Beaugrand	Chairperson
Kathleen P. Minnis	Vice Chairperson
Al Abbatiello	Assistant Secretary
April Spears	Assistant Secretary

Also present were:

James Oliver	District Manager
Dave deNagy	GMS
Wes Haber	District Counsel
Matt Maggiore	District Engineer
Paul Basham	Basham Design Group
Stacie Hernandez	YMCA
Several Residents	

FIRST ORDER OF BUSINESS

Roll Call

Ms. Beaugrand called the meeting to order at 6:06 p.m.

SECOND ORDER OF BUSINESS

Approval of the Minutes of May 9, 2006 Meeting

Ms. Beaugrand stated the next item on the agenda is approval of the minutes of the May 9, 2006 meeting. Are there any corrections or deletions?

Ms. Minnis stated I have a correction on the first page, it is Shelly Timbol. On page 31, ninth order of business, "Ms. Minnis stated I had asked for an item under Supervisor's requests to be added on the agenda. I sent it via email to Susan"; that was sent to Sarah.

Ms. Beaugrand stated I have a few. On page 5, under the fourth order of business, the third paragraph down, "Ms. Beaugrand stated yes, we had all kind of discussed it" should be

changed to “we have had all kinds of discussion on it”. There were some unstructured sentences. I’m not going to go through and make those changes but sometimes we talk unstructured.

Mr. Oliver stated we will clean that up.

Ms. Beaugrand stated on page 32, the second paragraph where it says John Agas, his name is spelled “Aggas.”

Mr. Abbatiello stated I made a statement in the first paragraph on page 32, in the middle of the paragraph where it says, “It turned out that most of those kids came from Cunningham Creek.” I would like to strike that sentence.

On MOTION by Mr. Abbatiello seconded by Ms. Minnis with all in favor the minutes of the May 9, 2006 meeting were approved as revised.

THIRD ORDER OF BUSINESS

Discussion of Recreation Facilities

Ms. Beaugrand stated the next item on the agenda is a discussion of recreation facilities.

Mr. Basham joined the meeting at this time.

Mr. Basham stated I have the closing documents for Parcel 50 that you purchased from Horton. This is a sketch that was done for the closing and what we need is an actual survey of this property and how it relates to the wetlands and everything else. That was not done for the closing from what I understand from Robert Angus & Associates. Did they talk to you about this?

Mr. Maggiore responded Rob mentioned it.

Mr. Basham stated I spoke with Les and they have not done a physical survey.

Ms. Beaugrand responded that is unbelievable. Do we have a survey exception on the title?

Mr. Basham responded I don’t know.

Ms. Beaugrand asked can we check with Tom on that? He may have one in his files and can work with the title company on that.

Mr. Haber stated I will check with him.

Ms. Minnis asked is the title exception preventing it from going forward?

Ms. Beaugrand responded no, if we don’t have a survey, we need a survey.

Mr. Basham stated I need a survey that is tied to the wetlands and legal.

Ms. Beaugrand stated Tom may have a survey in his file that he got working through the closing. If he has one, get it to Paul.

Ms. Minnis asked would that survey suit his purpose and show the wetlands?

Mr. Basham responded I won't know until I see it.

Ms. Beaugrand stated it would be a boundary survey from the closing and would not show wetlands on it.

Mr. Basham stated that is my follow-up questions. If we have to order a survey does that need to be contracted through England Thims & Miller or the Board or is that me?

Ms. Beaugrand responded I would say you.

Mr. Basham stated the whole reason I'm doing that is that I'm trying to develop a defined map that relates to the recreation complex. We are going to try to meet with the county next week on the building department issues and site related issues to get an informal signoff on anything we are doing.

Ms. Beaugrand stated that is like a preliminary site plan review.

Mr. Basham responded yes. Just to update you, I met with the environmental people and civil engineers last week, both of which are working on civil engineering documents. Both of them met with water management today and water management wants to come back out to the site since it has been two years since they were last here. On June 19, they are going to walk the site again.

Ms. Minnis stated when you meet with the county, I have a question about costs. I was talking to the manager of Publix here and they were originally going to put in a cooking school and they rearranged the whole store and when the county became involved in this process, they determined it would be a restaurant and all of a sudden those cost went up \$250,000, so Publix yanked it and put it in Duval County. I'm concerned with a restaurant feature, could we have a projected impact of this type?

Mr. Basham responded I won't know until I meet with them. We have never experienced that on any other recreational facility. It is an ancillary use to a recreation complex. We are not doing it to be a restaurant. The rules change every day but we will know next week.

Ms. Minnis asked who are you meeting with?

Mr. Basham responded Teresa Bishop hopefully will be one of the people we meet with and I'm trying to get the Fire Marshall and building officials.

We also have updated drawings that I will pass out. I was going to try to get these to you earlier so you could have a chance to look through them but they are really just progress and I don't know that it is a lot more than what you have seen already. A lot of what we are doing now is the detailed construction documents. A couple of things that I need to know moving forward is on the skate park. We had an in-depth discussion last time of how we were going to build a skate park, whether it was a concrete bowl configuration or whether it is a pre-manufactured pipe configuration. The budget indicates we are going to do a pre-manufactured. In order to do something in concrete means we would have to hire someone to design that because we don't do that in-house. That is an option but it will be more than our budget allows.

Ms. Beaugrand asked how much more?

Mr. Basham responded it could be \$50,000, it could be \$300,000, it depends on how extreme we would get with the shape and design and everything we do.

Ms. Beaugrand stated when we had the workshop I think the discussion was around the premium package. Didn't we have a book with arrangements and so on? I don't know that it makes sense to do a concrete facility which would last longer but that is not in our budget.

Ms. Minnis stated the one in St. Johns County cost \$425,000 when they built it. The one on Emerson is the type that you are talking about and it has withstood the elements. Why does concrete last longer?

Mr. Basham responded it has less connections.

Ms. Beaugrand stated plus it is not as hot as some of the metal pieces of the manufactured ones. I think the kids will be happy with that.

Mr. Basham stated if that is the direction, I will pursue that.

Mr. Abbatiello stated I would say premium package is the one.

Mr. Basham stated that on the same line of thought, the tennis courts, are budgeted as clay - are you still pursuing that?

Ms. Beaugrand responded I don't think we have decided one way or the other, not having gotten a rundown on all of the costs. At some point we are going to have to do some value engineering and that is one of those issues. We also need to look at the associated O&M costs on an ongoing basis versus the other options that we have out there. I think what we need to know is on things where there are multiple opportunities, we need to know what the costs are associated with them and I guess you need to work with Stacie so she can outline what the O&M

expenses would be on an annual basis so we can look at both. It doesn't make sense to put something over here if it is going to blow us out over there from a budget standpoint. We need to look at both sides.

Mr. Basham stated with tennis it is easier to evaluate both, even when we go out to bid but my next question is the junior Olympic pool because we talked about a waveless gutter which there is no way to qualify without doing full construction documents on it and bidding it out which means I would need to draw it both ways. The typical type you have here or the flush gutter.

Ms. Beaugrand asked is there no way to quantify what the percentage difference in costs would be?

Mr. Basham responded I might be able to get within 15% to 20% of what the difference would be but it would be based on what I could get from the local subcontractors, just like tennis would be.

Ms. Minnis asked what is the benefit of the waveless gutter?

Mr. Basham stated it is better competition stance. You don't get the backwash from hitting the sides of the pool.

Ms. Minnis stated it is for competition reasons, okay.

Ms. Beaugrand stated so people in the middle lanes do not have an advantage over those in the side lanes. That takes that disadvantage away. I think we need to know as much as we can without you having to do full drawings on it.

Mr. Basham responded okay, what I am trying to do is qualify the budget that I gave you and qualify the things that were unknown like fill, mitigation, all of those big numbers that we were guessing at. Hopefully, by the next meeting we will be able to come back with a more refined budget that tells us more accurately what we have to spend.

Ms. Beaugrand stated I think you need to outline for us those things that we have options on. For example, the airnasium, what is the cost with the cover, what is the cost without. That is an easy one but anything like that, because there were a lot of things that people with the swim teams brought up and the same with the tennis courts. There was a lot of feedback on both of those issues. These plans are pretty much what we saw before, right?

Mr. Basham responded they are. The site plan is the same. There is an enlarged plan of the pool house which gives you more detail as well as an elevation. We have done the side

elevations in addition to the front. The roof plans. A lot of this is just production type work. With the Rear elevation we are still working on the main building. You can see the pool bath house is a very simple building.

Ms. Beaugrand stated Matt, were you going to go over the NOPC issues during the recreation section or in engineering?

Mr. Maggiore responded wherever you like.

Ms. Beaugrand stated let's put all of the recreation stuff into one section and try to have some continuity. Why don't we go ahead and talk about, I think Jonathan's office sent all of the Supervisors the proposed change, it is kind of a check list. Can you run through that, give us an idea of what we have, where we are at and where we have to go.

Mr. Maggiore stated we submitted the NOPC at the end of May which will bring the new parcel into the DRI. Over the course of the last month in discussions with the county, the conclusion was that that was the only process we are going to have to go through. We do not have to do a land use amendment, nor will we bring the parcel within the PUD. At this point, it looks like all we have to do is the NOPC to bring it within the DRI. That should be done within about two months. At that point we will have cleared all of our land use and zoning curves. The zoning on Parcel 50, the front parcel, is already PUD and will stay PUD. The zoning on the back parcel will stay open rural and you can do a recreation facility in open rural based on discussions I have had with the county. At this point it appears that all we will do is the NOPC.

Ms. Beaugrand stated just for clarification, last month we talked about the site plan approval for Parcel 50. You are going to do that along with the Rayland Parcel next week with the county.

Mr. Basham responded yes.

Ms. Beaugrand asked what is the typical time frame for the site plan approval?

Mr. Basham responded it was 30 days, the last time I did one.

Ms. Beaugrand stated that is pretty much running concurrent with the NOPC. Hopefully, by the time we have the NOPC finalized, the preliminary site plan approval will be in place.

Ms. Minnis stated the question about the commercial zoning, did they confirm it is not?

Mr. Maggiore asked is this the alcohol question?

Ms. Beaugrand responded yes.

Mr. Maggiore responded they did confirm that you can sell alcohol with the zoning the way it is now. I confirmed that today.

Ms. Minnis asked did they put it in writing?

Mr. Maggiore responded I don't know.

Ms. Beaugrand stated we want it in writing.

Mr. Maggiore responded okay.

Ms. Beaugrand stated the application is submitted, they are in the process of doing the review or is that already passed? The application review, the second checkmark.

Mr. Maggiore responded we are looking at two months overall.

Ms. Beaugrand stated we are halfway through that two month period.

Mr. Maggiore responded no, two months from today.

Ms. Minnis asked two months for this whole list?

Mr. Maggiore responded two months from today you should be totally done.

Ms. Beaugrand asked have they set the date for the hearing?

Mr. Maggiore responded I don't know. I don't think they would set that yet.

Ms. Minnis stated there are two dates on the bottom based on the NOPC and the PZA and then the Board of County Commissioners.

Ms. Beaugrand stated it says St. Johns County issues recommendation schedule for PZA and BCC hearings no more than 45 days after the NOPC submittal. We submitted that at the end of May so we are looking at mid July at the latest. That means probably August for the hearings.

Ms. Minnis stated I want to clarify what you just said. The NOPC is the middle of July and the PZA and BCC would be August?

Ms. Beaugrand responded this is the whole process for the NOPC. If we submitted it at the end of May, it says that St. Johns County issues the recommendation and schedules for PZA and BCC no more than approximately 45 days after the submission which would take it to mid July. Which means PZA and BCC August or so.

Mr. Maggiore stated the end of July or the beginning of August. Sometimes it depends on how the dates fall.

Ms. Minnis stated the reason I'm asking the question about this is if any of us were to go down, we would have to have a public notice saying that we are going to attend one of these

meetings. If we were to go to a PZA or BCC meeting as being a representative of Julington and one or more of us were to attend, how much time do you have to notice it?

Mr. Haber responded the notice has to be out for 7 days so we need maybe 10 days in order to get it published.

Ms. Beaugrand stated that is exactly what we did for Parcel 50.

Mr. Maggiore stated as soon as I find out the date, I will contact Mr. Oliver.

Ms. Katey Stuart stated in reference to the clay courts, I believe the tennis club said they would help with that cost so they could get clay courts.

Ms. Beaugrand responded I remember that. We are still going to balance it out because those people are not always going to live here. We will make sure we make the right decisions for the whole community.

FOURTH ORDER OF BUSINESS

Discussion of Purchase of Distinguished Realty Building

Ms. Beaugrand the next item is a discussion of the purchase of the Distinguished Realty Building.

Mr. Haber stated there was correspondence that Tom had sent to Brian on Friday afternoon which we were copied on. I tried to email that out yesterday afternoon and today and all of your email addresses wouldn't receive the attachments because they were so large. I have copies today and I can give you an overview. Essentially, the Phase 1 environmental report came back clean. Tom had an associate in his office do research on the land uses and the land uses that are approved for this parcel are good for the purposes of this building and various other commercial uses. Tom feels comfortable as far as having all of the approvals that you need on the land use. Parking is adequate. The termite inspection came back clean. There is a building inspection report which was actually sent to Brian this afternoon that Tom called me about. I spoke with Brian and he plans on bringing it to the meeting but the building inspection report came back according to Tom with what you would expect on a building this age. I think they estimated about \$30,000 in maintenance upkeep over the next five years. Other than that, there were no huge issues on the building inspection. Probably the biggest issues that Tom raised are the title search for the property. Apparently the title report shows conservation easements and utility easements on the property that Tom was unable to locate because he didn't have a survey of the property and he is trying to obtain that now. Essentially what you don't want to see is an

easement going directly through the building. If someone wants to take advantage of that easement and the building is in the way, they would essentially have a right to interfere with the building. Tom doesn't think that is the case, however, he doesn't know at this point. Those are the only items which could potentially hold up the issue. With that said, the due diligence period ends this Friday. The purpose of holding this meeting today as opposed to your regularly scheduled meeting was so that the Board can make a determination as to whether they want the due diligence period to expire in accordance with the contract or terminate the contract because of problems that came up in the inspection report. What we are suggesting as counsel is given the positive report on the environmental and the land use issues and termite and Tom doesn't believe the two easement issues will arise to anything, we recommend a motion to let the due diligence period expire subject to the fact that if Tom determines that either the conservation or utility easements would materially effect the manner in which the District plans using the property, leave that determination up to Tom to then write the necessary correspondence with the seller for purposes of making the proper objections under the contract. If it turns out which Tom thinks it will that these will not materially effect the manner in which the District plans to use the property, then just let the due diligence period expire and move forward with the contract to purchase the property.

Ms. Minnis stated I have a question about the survey. There is no survey that shows this, that is my biggest concern because of eminent domain.

Mr. Haber responded Tom shares that concern and that is why he isn't willing to just say, go ahead until he can see it. He said he spoke with the folks at D. R. Horton and they didn't have one to provide to him as far as his due diligence.

Ms. Beaugrand asked why didn't we order one?

Mr. Haber responded I do not know.

Ms. Beaugrand stated that is a basic premise of buying any piece of property. That is why I was surprised when Paul mentioned it on Parcel 50. I don't understand why we didn't order one. It doesn't take that long to get a survey and it doesn't cost that much.

Ms. Minnis asked at this point can we get a survey before Friday?

Mr. Haber responded I don't think he is looking to get a survey but rather a confirmation from a surveyor in taking a look at where these easements are located, as to whether they materially effect the property.

Ms. Beaugrand stated the easements will show on any previous survey so we can verify the easement issue on any survey that has been done on the property. I did see correspondence going back and forth between Mark Deering from Horton who is their in-house counsel and Tom Jenks about trying to get something out of their files from the original purchase on that survey. The likelihood is that those easements are not going to have an effect on the footprint of the building. Those easements are typically put in place before the building is built.

Mr. Haber stated that is what Tom feels as well but at the same time he wants to confirm that that is in fact the case.

Ms. Minnis asked if we are going to have to go on Tom's word on the placement of the easements.

Ms. Beaugrand responded it is not going to be Tom's word, it is going to be Tom verifying on a survey document as to the location of those easements and that they are not underneath the footprint of this building. It is not just out of the blue. He is going to need to see something to verify where they are located. The likelihood is that they are running at the perimeter and around the pond because this is part of the stormwater drainage system here. That is the likelihood but he is just doing his job and saying he wants to verify it because we can assume a lot of things but until you actually see it on a survey, you don't know for sure.

Ms. Minnis stated my concern is if Friday comes and we don't have this, the period is up.

Mr. Haber stated Tom did give me the impression that he wouldn't have an answer in time before the expiration of the due diligence period.

Ms. Beaugrand asked can we put a hold on this discussion, you have Tom's phone number, if you can give him a call and ask him about why we didn't order a survey and what happens if he can't get a survey from Horton before Friday.

Mr. Haber responded sure.

Ms. Beaugrand asked are there any other issues relating to this building that we need to discuss?

Mr. Haber responded no, that was it. If you want to go on to the next item, I will go out in the hall and call Tom and be right back.

FIFTH ORDER OF BUSINESS

Discussion of Management of Recreational Facilities

Ms. Beaugrand stated the next item on the agenda is the discussion of management of the recreational facilities. It is really more relating to the budget.

Mr. Oliver stated it will effect the budget for fiscal year 2007 so we will need some guidance from the Board whether or not they want the District to manage the facilities or use an outside service provider.

Ms. Beaugrand asked why don't we combine that with the budget discussion? I don't think you can bifurcate it. It has to be hand in hand.

SIXTH ORDER OF BUSINESS

Approval of Engineer's Pay Request – Pay Request No. 131 payable to Basham & Lucas Design Group, Inc. in the Amount of \$300

Ms. Beaugrand stated the next item on the agenda is approval of engineer's pay request 131 and you also have 130 in front of you that did not get into the package. Pay request 131 payable to Basham & Lucas for \$300 and pay request no. 130 payable to Hopping Green & Sams for \$3,635.

On MOTION by Mr. Abbatiello seconded by Ms. Minnis with all in favor pay request no. 131 payable to Basham & Lucas Design Group, Inc. in the amount of \$300.00 and pay request no. 130 payable to Hopping Green & Sams in the amount of \$4,635 were approved.

SEVENTH ORDER OF BUSINESS

Other Business

Mr. Oliver stated at the last meeting the Board approved the selection of Dufresne & Associates for the audit and directed us to speak with the auditor to confirm that they would lock in their prices for fiscal years 2006 and 2007 based on the fact that we were going to be issuing bonds at some point in that time. They said they would make that commitment. Based upon that we forwarded the engagement letter to the Chairperson and she signed it and we sent it to Dufresne and they started the audit.

EIGHTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There not being any, the next item followed.

B. Engineer

Mr. Maggiore stated the only additional item is the time of year to prepare the tax roll is coming around again. If it pleases the Board I can bring a work authorization to the next meeting to do the tax roll.

Ms. Beaugrand stated okay. Is the number in our budget appropriate for what your costs will be? Have you checked?

Mr. Maggiore responded I have not checked but I think we are pretty well under.

Ms. Beaugrand asked will you check because we are doing a first look at the budget today but double check to make sure that is in line.

Mr. Maggiore responded okay.

C. Recreation Facility Manager

Ms. Hernandez stated the only thing I have to discuss is one of the pool rules and regulations and I will hand out the 2006 rules. If you will look down where it says, children 6 – 12, that is the discussion we are going to have this evening. The volume that we are receiving this summer, the rule regarding children 6 – 12 we are going to have to take a look at it because currently we do not address the issue of children 5 and under and I think it is probably time to do so, being accompanied by a parent or an adult guardian at all times. We need to put that in the rules.

Ms. Beaugrand stated I guess we should probably have said 12 and under.

Ms. Hernandez stated we are seeing a lot of children 6 – 12 come into the pool with older siblings. The child may not be able to pass the swim test.

Ms. Beaugrand asked the older child?

Ms. Hernandez responded the younger child. As an example a 17 year old is coming with their 8 year old sister and they come to the pool and sign in and we ask them how old they are and if they are in the 6 to 12 age group, we test them for swimming. They may be able to swim, but they may not be able to tread water. We have seen that a couple of times. Currently we have done 37 tests and out of the 37 only 2 failed the test. We need to decide what we want to do if they fail that test. It reads now they have to pass the swim test, not just take it. We have seen a few kids who have not been able to pass it. There are plenty of adults who come with

their children and not only they can't swim but their children can't either. We are seeing more volume. We are seeing more siblings come to the pool with younger children. We need to decide how to handle that. Basically, the older sibling is responsible for that younger child.

Ms. Minnis asked what happens when they bring a five year old? Do you say you have to be with a parent because it is not written in the rules?

Ms. Hernandez responded we send them home. Sometimes the parents are not aware that a teenager is there with a younger child. It is not something that is going on a lot. I have seen it maybe once or twice. That doesn't mean that it hasn't happened before. I think we should address that.

Ms. Beaugrand stated there are two things needed in the pool rules: 1. We need to change the guideline to-12 and under and 2. We need to add a caveat that anyone under 5 needs to be accompanied by a parent or an adult guardian.

Ms. Hernandez responded yes, at all times. If accompanied by a person 13 – 17 they must take the swim test.

Ms. Beaugrand stated if you are going to do the swim test and they don't pass it, why give the swim test if you are not going to do anything. Either we put in there that they have to pass the swim test or we don't. If they come in with a parent, can they swim?

Ms. Hernandez responded right now we have made three rescues and all three rescues have been 5 year olds with parents. There are parents bringing their children whether they are 5 or 3 or 8 and we don't give them a swim test and they can't swim. You have the same issue whether it is a parent or a 17 year old. We are not testing the ones with parents but we are testing the ones with a sibling because they are not adults.

Ms. Beaugrand asked what do you suggest?

Ms. Hernandez responded it is rare but we have set them on the side, we have sent them home, parents are very irate that they are not able to use the pool. On the other hand we have made three rescues and those three rescues have been 5 year olds and they have been with their parents. We can identify them as non swimmers. We can call the parents and make sure they know that the 17 year old is there with a non swimmer.

Ms. Minnis stated I can't understand why a parent would let her kid go to the pool.

Ms. Hernandez responded parents do, because they bring their 6 year old who can't swim.

Ms. Beaugrand asked out of curiosity, what do the parents say after the rescue is done for their child who can't swim, even though they are right there and not paying attention to their child?

Ms. Hernandez responded probably at the end of the year 50% say, oh, I guess I need swim lessons, the others get embarrassed, they get angry that we made the rescue and say, I was right there.

Ms. Hernandez stated I just want to make sure that everybody at the pool has a good time and enjoys it but also is responsible. If you are going to send your 17 year old and I have seen very responsible 17 year olds and they do stay with their sibling and they do take care of them and they do realize they are non swimmers. We can't have a person under age sign anything that says they are aware that they are with a non swimmer.

Ms. Minnis asked what about parents, when you have sent them home.

Ms. Hernandez responded the parent comes up immediately and they are very angry because they paid their dues and they were not allowed to swim.

Ms. Minnis asked at that point can they have a release signed, if a parent signs it?

Mr. Haber stated I think you can have a parent sign a release under any circumstances if that is the policy of the District. I don't think you need a near death experience to happen. It is for the District's protection. I think there is nothing legal preventing them from having a release signed. I think her question as far as the 17 year old, is it enforceable against a 17 year old because they are not yet an adult, I don't know the answer to that question. It is something I can look into and get back to you.

Ms. Hernandez stated I want them to be aware that they are with their cousin or younger sibling and they are babysitting and that sibling cannot swim. They cannot pass that swim test.

Mr. Abbatiello stated if they are under 18 they are not considered an adult. There is nothing you can do to them. I think 18 or adult should be able to sign a release.

Ms. Beaugrand stated I think they are not legal. If you do a swim test on a child who is with an underage supervisor, there is no reason why we couldn't get that person to sign an acknowledgement, it would have the young child's name on it, I passed my swim test, I didn't pass my swim test, acknowledged by Suzy Q who is 16 years old and a date, at least to acknowledge that we have something in our records so that if something happens.

Mr. Haber stated I think regardless of whether it is legally enforceable just having a 16 or 17 year old sign an official document may put more emphasis on it. They realize there is something in the District's file that has them recognizing the specific circumstances. Whether anything happened the District can act on that document depending on the language in that document is what I don't know. I don't think it is because they are not an adult.

Ms. Beaugrand stated at least it is something acknowledging that they recognize the child with them did not pass the swim test and is a non swimmer. It wouldn't hurt and maybe it would make more of an impression more than anything.

Ms. Hernandez stated I agree. That is kind of what we did already, since the last couple of days when this issue came up, we came up with a new rule.

Ms. Minnis asked how often do you have someone come up and say I'm bringing my sister, I need to have a swim test?

Ms. Hernandez responded no one comes up and says that. When I see someone I ask their age.

Ms. Minnis asked do you have a list of people who have passed?

Ms. Hernandez responded yes. We have done 37 tests to date and out of 37, 2 failed.

Ms. Beaugrand stated they don't have to retest every time they come, they can say they have already taken the test and you can look up their name.

Ms. Hernandez responded yes. Some people come back and say they want to retake it. We have had that, which is good.

Ms. Spears stated do you think the parents would be as upset if you made a phone call and just made them aware of the situation and ask them to come sign? At least that way they would be aware of it and hopefully, as a responsible parent they would step in but if not you have made that attempt to let them know.

Ms. Hernandez stated we can certainly do that.

Ms. Beaugrand stated you are going to run the gamut on that too. You are going to have parents who are appreciative and you are going to have some who don't care and you are going to have people get angry.

Ms. Spears stated you are not calling them to pick them up; you are just calling to make them aware.

Ms. Beaugrand stated you can invite them to the next CDD meeting if they are really angry about that.

Ms. Hernandez responded I do that every time.

Ms. Beaugrand asked did you get all the direction you needed?

Ms. Minnis asked what about a form for the parent to acknowledge that this kid cannot pass the swim test?

Ms. Beaugrand stated maybe we do a swim test for all younger children, even if they are under 6. Would that be overbearing for you?

Ms. Hernandez responded every person who comes to the window has a child.

Ms. Beaugrand asked what do you want to do about parents with children who cannot swim?

Ms. Hernandez stated we haven't tested them. We would have to test everybody who came to the pool.

Ms. Minnis stated not every parent starts talking and ignores their kid either.

Ms. Hernandez responded correct. We saw 1,000 people this past weekend.

Ms. Minnis stated I am concerned about this group from 6 – 12 that can go with a sibling, if they don't pass the test, that a parent acknowledges that they did not pass the test.

Ms. Beaugrand stated I don't have a problem saying, they need to be called. Have the teenager acknowledge it but also get a number to call a parent to acknowledge the fact that their young child is there as a non swimmer and could not pass the swim test.

Ms. Minnis asked what if the parent can't be reached?

Ms. Hernandez stated we only had 2 so it is not every other person who comes to the pool. We can do that. We can make those calls.

Ms. Beaugrand asked are you going to change the aquatic rules or do we have to pass a motion to make those two changes?

Mr. Haber stated if you want to try to the best of your ability voice a motion to what the actual rule change would be then I can work with Stacie in getting the specific language in a rule or we can come back to the rules at the next meeting and formally adopt the rules in front of you as they are read. Quite honestly you could do it with a motion, and we could come back and you could ratify and make any updates that you elect. If you elect to get it in place right now you can

do a motion, Stacie and I can work on the language and put it in front of you again at the next meeting and you can ratify or defer or amend the language that Stacie and I would put together.

Ms. Beaugrand stated instead of saying, “children 6 – 12” say “children 12 and under” must be accompanied by a parent or person 13 and older and pass the swim test. Then you need to have another sentence in there saying, “children 5 or under must be accompanied by an adult.” Is that what you were thinking?

Mr. Abbatiello stated I think you should add “parent or an adult”. This way you keep the parents in the loop too. It is one or the other.

Mr. Haber stated you could say parent or legal guardian.

Ms. Beaugrand responded I don’t think we want to go to that extreme.

Ms. Stuart stated I was wondering if we could have a form for the rest of the year for parents to sign, some kind of waiver of some kind and next year when we send out the pool regulations, include some kind of form for parents to acknowledge when their children are going to be there with someone who is 13 – 17 so that we have it on record, that they have to send back or bring back the first time they come to the pool.

Ms. Hernandez stated we can amend that whole form.

Ms. Beaugrand stated I think that is a good idea.

Ms. Minnis stated if you change the sentence to say, “children 12 and under must be accompanied by a parent or person 13 years old”, they are going to think they can send a 5 year old with a 13 year old, even though you have this next sentence.

Ms. Beaugrand stated we have a clarification right next to it that says “children 5 and under”. Actually you could leave that first sentence the same and then add the second sentence, “children 5 or under must be accompanied by an adult”.

Ms. Stuart stated you can put that “children 5 or under must be accompanied by an adult”, first.

Ms. Beaugrand stated that would work, just leave the sentence the same and add another sentence “children 5 or under must be accompanied by an adult at all times”.

<p>On MOTION by Ms. Minnis seconded by Ms. Spears with all in favor the following sentence will be added to the pool regulations, “children 5 or under must be accompanied by an adult at all times”.</p>

Ms. Behrmann stated by passers, I know at least twice have happened so far this year, do we nail the offender and do we recoup costs? I'm not sure what the policy is on by passers.

Ms. Hernandez responded we have had three by passers. We had one today. It was a child that was ill and was brought to the pool and because it was a viral infection we had to have the pool treated and close the pool. The mother did come to the lifeguard and that is an issue we have talked about over the last several years. I know Ms. Minnis has brought up, do we charge these people. It is about \$300 per shock. I have not charged these people. If the Board wants me to, I certainly will. I would rather someone come up and tell me. Vomit you can see it, sometimes feces you don't and I would rather someone come up to me and tell me. Every other time we catch it and the other times we don't. I would rather someone bring it to my attention immediately so we can take care of it and some may not because of the \$300. We saw 80,000 people last year and only had 6 hazards.

Ms. Minnis stated I also thought about charging, but you could have people with an unseen medical condition.

Ms. Beaugrand stated arthritis is an immune deficiency. There are too many people out there who are susceptible and you can't tell by looking at them. You have to close it.

Ms. Minnis stated if anything happens and we didn't close it, we are at risk too. My son had cancer and different treatments, which depending on your cycle can have different effects on our ability to control. A person may not know that the first time. We would be discriminating against them if they were to come up and say this happened. I would rather take Stacie's approach and encourage people to tell us, unless it gets to be the same person. Then I think we should reconsider it.

Ms. Behrmann stated I didn't know if it was more baby issues or other issues.

Ms. Hernandez stated one year I was able to get a good count and it was an 8 year old who was holding it and playing and wouldn't get out.

Continuation of Discussion on the Purchase of the Distinguished Realty Building

Mr. Haber stated Tom was not there, he needs to call me back. I had a message from Brian who is not going to be at the meeting. If you want to keep going and if I don't hear from Tom in the next ten minutes, I will go out and call again. I called his office and his cell.

D. Manager

Mr. Oliver stated under the Manager's Report I am going to bring up the proposed budget for fiscal year 2007. I emailed that to you and I also just distributed it. First I will talk about the budget process then get into the assumptions we made for 2007. This begins the process. We will take a look at the proposed budget and at the end of the discussion you will pass a motion approving the proposed budget which will start the budget clock and set a public hearing. The public hearing will be no sooner than 60 days after tonight. In this case we want to set it for this location for August 11. We would have another meeting in-between. Once the adopted budget is approved by the Board we will turn that information over to England Thims & Miller who prepares the assessment rolls, they will prepare the assessment rolls and transmit that to St. Johns County tax collector so the assessments can be collected in November.

The bottom line on the budget is we project no increase in assessments. I would also like everyone to understand that this is independent of if and when bonds are issued for the recreational facilities. When that happens there would be a separate assessment hearing. That is not reflected in this budget nor can it be at this time. This is the proposed budget. There is some guidance I will need from the Board and one is the management of the facilities which was item five on the agenda. That will effect both expenditures and revenues for the District. Under either scenario we still feel there will be no increase in assessments. This is the beginning of the process and we can fine tune it.

Ms. Beaugrand stated typically what we have done in the past is do the intro, take your time over the next month and come back with detailed questions. Some of us might have questions today that might be pertinent to bring up to the remainder of the Board members if you have had a chance to look through it.

Mr. Oliver stated two of the variables we are dealing with is the increase in energy costs and increase in insurance costs.

Ms. Beaugrand stated if we issue bonds mid fiscal year, they are not going to be on our tax rolls and if we end up collecting increased assessments for fiscal year starting October 1, 2006 through September 30, 2007 then we are going to have to manually collect those assessments. They will not be on the tax rolls for this coming year. Keep that in mind. We don't have a lot of control over the timing of when that occurs. The likelihood is that we will

issue the bonds sometime during this fiscal year and if we do increase assessments; that will happen. I want you to be aware of the ramifications from an administrative standpoint in that event.

Mr. Oliver stated we can invoice by mail.

Ms. Beaugrand stated which is originally how we did it for the first three years the pool was open before we put them on the tax rolls. We handled it in-house.

Ms. Minnis asked if we needed to go to this method do we still have the legal ramifications if it is not paid?

Mr. Haber responded you would. It is not as quick as collecting through the tax collector. When you pay your taxes you don't get to choose which line items you want to pay, it is all or nothing. The collection process can be more lengthy but there are legal avenues to take.

Mr. Abbatiello asked do we know when we are going out for the bonds?

Ms. Beaugrand responded we need to get our costs nailed down on the construction side better along with our O&M costs. That is going to be the driving factor. I would say sometime later on this year. I know we don't want to do it after November because the market gets a little wiggly at that point. Regardless, it is going to be sometime during this fiscal year.

Mr. Abbatiello stated for the last three or four years we have been collecting money.

Ms. Beaugrand stated that is part of our sources of funds. If we end up needing to increase assessments we have to do the assessment hearing and everything that goes along with it that we are legally required to do.

I do have a couple of comments on the budget. If you can point out on both budgets, the proposed column the top line item is a carry forward surplus. Can you explain to the Board and the people here where that comes from.

Mr. Oliver responded we have not yet completed fiscal year 2006 so we are still operating on projections as we prepare the budget for fiscal year 2007. The column before the last line item is excess revenues and those are revenues and surplus over expenditures. I have carried that number to the top of the fifth column, which is carry forward surplus. That is a projection based on revenues and expenditures. You will see the same item on the recreation budget of \$546,000 of excess revenues we are projecting and that appears at the top of the proposed budget for fiscal year 2007 as carry forward surplus.

Ms. Beaugrand stated one thing I pointed out to Jim earlier on the general fund budget, if you look at the bottom of the administrative expenditures you will notice the TRIM notice publication is listed for \$5,000 for our current budget but nothing is listed for the proposed budget. That is basically for what Matt is talking about doing for the assessments. In the explanation, there is also an assessment roll definition but there is nothing on the budget for assessment roll. Something got missed there. Jim is going to check on that for us.

The other thing we are going to check on under field administration, we have \$6,000 and nothing spent and that is basically for managing the landscape contracts. We weren't really sure what that was all about so we want to look at exactly what that is and if we have ever used that category in the past and it may be a dummy category we need to get rid of.

Mr. Oliver stated it was not on the adopted budget for fiscal year 2005, so Severn Trent may have added that in last year. There have been no costs against the line item.

Ms. Beaugrand stated going back up above the TRIM notice, the administrative contingency is another one that was on the 2006 budget but not the 2007 budget.

Does anyone have comments or questions on the general fund budget?

Ms. Minnis asked what is the trustee?

Ms. Beaugrand responded that is U.S. Bank - trustee of the bond funds.

Ms. Beaugrand stated let's go on to the recreation budget. There are a number of line items that went up fairly significantly. You will notice the telephone under administrative and Stacie explained that that is for the phone service that will be added for this facility. Pool maintenance, grounds maintenance, and facility maintenance, all of those line items went up 45% 27% and 47% respectively. That adds the maintenance of the grounds and this facility here as well, plus increased costs.

Going back up to facility administration, pool attendants. You will notice for the current year budget we have a cost of approximately \$300,000 for the facility administration pool attendants, and what they put on the proposed budget was \$100,000 more. If you look at the handouts that Stacie just gave you, the actual YMCA budget number is the \$316,000 that you see in the left hand column. If you wanted to do an apples to apples comparison, that is the number. Look in the right hand column, that is the budget that Stacie has put together assuming that the YMCA no longer manages the pool, but we self manage. In that case we will take in revenue of almost \$104,000. We will have higher expenses but the revenue offsets some of those expenses

so you have the expense number of \$402,000 but on the revenue side we would add the \$103,600 for whatever category you want to call it, revenue from the recreation facility so the net is about a \$15,000 increase in revenue to the CDD if we do self management. That revenue part of that is based on what we are doing right now, not what other things we might be able to do with this building and it has nothing to do with the new facility. That is just our existing facilities.

The decision the Board has at hand is whether we want to continue to retain the YMCA past this current season or whether we want to self manage because it has a budget implication to the District.

Ms. Minnis asked do we have to make this decision tonight?

Ms. Beaugrand responded no, it is for discussion but the decision will have to be made one way or the other at least for this coming year during this budget process. One thing we talked about last month was that if we choose to self manage, it would make a whole lot more sense to do it with one facility, get all the bugs worked out before we bring on the new recreation facility and have both of them going on at the same time.

Ms. Minnis asked if we were to self manage how would lifeguards get trained?

Ms. Hernandez responded the same way they are getting trained now. We would do red cross instead of going to the YMCA classes. Some of our guards are red cross, usually within 30 days they move over into the YMCA so they have two certifications. The Red Cross will cost the same amount. When we first started, we did Red Cross lifeguards.

Ms. Minnis stated I have a concern about being self managed with the liability of people employed by us.

Ms. Beaugrand responded GMS has the capabilities of managing payroll so GMS would handle the payroll that the YMCA currently handles. Was that your question?

Ms. Minnis responded no, if someone were to claim workers' comp would they claim against the CDD?

Mr. Haber stated in this case you would be the employer. There are risks associated if there is employment discrimination.

Ms. Minnis stated if we were to do the administration, would it increase the cost that GMS charges us to do this? How would you charge us for administering payroll?

Ms. Hernandez responded GMS is not administering payroll. There are several companies like Paychex which is the company that has been recommended to us and they provide all the human resource services as well.

Ms. Oliver stated we contacted several companies that do that type of thing. They wouldn't be employees of GMS and we provided that information to Stacie.

Mr. Abbatiello stated the \$22,000 is the cost we are talking about now.

Ms. Beaugrand responded yes. Of the things listed here, what are the ones that you or your office don't currently handle that would be a new duty to your staff? Obviously, the payroll would be a different issue. From an operating standpoint I'm trying to distinguish where the differences would lie.

Ms. Hernandez responded payroll is really the only thing we don't handle.

Ms. Beaugrand stated and the insurance.

Ms. Hernandez responded yes.

Ms. Spears stated as a government body don't we have limited liability? Would that include working in this regard as well?

Mr. Haber stated there is sovereign immunity but I don't believe that applies for workers compensation claims. You have it for tort type acts such as getting injured at the pool, not employee employer relationships.

Ms. Spears stated the risk would be increased workers compensation costs. They would make a claim with the workers compensation company and that company would increase our costs.

Mr. Haber responded that is right.

Ms. Beaugrand stated this is food for thought today but we need to decide for this coming budget year how we want to proceed by our next meeting. I invite you to call and talk to Stacie if you have any questions so that you can get as comfortable as you can with the ramifications, positives and negatives.

Mr. Oliver stated Resolution 2006-04 is a resolution approving the District's proposed budget for fiscal year 2007 and setting a public hearing thereon pursuant to Florida law. I would like to have the public hearing here, August 11, 2006 at the regularly scheduled meeting with the understanding that at the July meeting we have to have some additional direction from the Board as to what we are going to do in terms of managing the facilities. We will also include in the

agenda packet revisions to the budget that we have along the way. I will be contacting each of the Supervisors individually so that we can have budget discussions and make sure everyone understands what each of the line items are and the changes you suggested.

Ms. Minnis stated going back to the administrative costs, do you remember when we had a broken pipe or hole in the parking lot, we needed a source of funds to fix something.

Ms. Beaugrand stated I think that is what that was for, the contingency.

Ms. Minnis stated and we never had to use it.

Ms. Beaugrand stated my question was why we didn't have it included in the 2007 budget. It is there but it is zero on the 2007 budget.

Mr. Oliver stated as we fine tune the budget by reducing some of the costs, that will flow into contingency so the assessment levels will remain as they are.

Ms. Beaugrand stated that could be additional carry forward surplus.

<p>On MOTION by Ms. Minnis seconded by Mr. Abbatiello with all in favor Resolution 2006-04 approving the proposed budget and setting the public hearing for August 11, 2006 at 6:00 p.m. at the Distinguished Realty Building was approved.</p>

Continuation of Discussion on the Purchase of the Distinguished Realty Building

Mr. Haber stated unfortunately I didn't get through to Tom. I called Jonathan to see if he had any additional information and he is on vacation and didn't know why somebody didn't order a survey either. As far as what happens if Tom doesn't get the answer until Friday, generally some real estate contracts have the ability of letting a purchaser for an additional sum, extend the due diligence period. I don't have the contract in front of me nor do I know if this contract had that. Jonathan seems to think that it doesn't and as you know D. R. Horton has wanted to stick to a pretty strict schedule. I think if we don't know the answer by Friday, then we are in the position of having to take a risk, although, quite honestly, Tom Jenks was confident. He never said for sure but he didn't express any concern that he wouldn't have an answer in time. I think it is a good issue to be raised and I think it is a legitimate concern.

Ms. Beaugrand stated we have to do something tonight. We don't have a choice.

Ms. Minnis asked what are our options? Continue the meeting to Thursday to see if they find something and we can get this resolved before Friday?

Mr. Haber responded that is a possibility. My initial suggestion was to pass a motion as far as what Tom finds out about the easements, as long as they do not materially effect the matter in which the District plans on using the property, then you let that period expire and move forward with the contract. If they do, if the easements are right underneath the building, then you don't take the risk and you terminate the contract. It can be as cut and dry as that or if the Board is uncomfortable with that, you have the option of continuing the meeting until Thursday and make a determination Thursday night.

Ms. Minnis stated if we were to continue the meeting to Thursday and D. R. Horton did come up with a survey that was enough to work from, can you cancel a continued meeting?

Mr. Haber responded yes, you can continue it as a failsafe and if Tom sees that it is perfectly fine, you can just not hold the meeting.

Ms. Beaugrand stated we need to make sure that at least three of us can be here Thursday night in the event that we do a continuation. I can.

Mr. Haber stated I cannot but someone from my firm can call in.

Mr. Abbatiello stated I can be here.

Ms. Minnis stated I can.

Mr. Oliver asked is the current owner pretty reasonable about us using this facility on Thursday night, given the point of discussion?

Ms. Beaugrand responded I think that would be acceptable to them. Those are the two options so it is up to the Board as to what you prefer.

Ms. Minnis stated the reason I think we should go with the continued meeting is because the contract ends and if we don't have a continued meeting we may miss the opportunity to extend this time.

Ms. Beaugrand stated there is no extension option. As you may recall and it is in the minutes as well, the reason why we ended up having a shortened due diligence period was because Horton wanted to make sure that we got everything done to close by June 20. In the event we defaulted under the contract, that would give them 10 days to get it closed before month end because they have a back up buyer.

Ms. Minnis stated I would feel better if we continued the meeting.

Ms. Beaugrand stated we can do that. We don't need to make a motion now, we just continue the meeting instead of adjourn.

NINTH ORDER OF BUSINESS

Supervisor's Requests

There being none, the next item followed.

TENTH ORDER OF BUSINESS

Audience Comments

Ms. Joann Metzger stated this whole business about the survey. If you are concerned about the easement, there is always the public records. If you can look at that before your Thursday meeting and see, then perhaps you can go ahead on Friday even though you don't have the written paper.

Ms. Beaugrand stated the easements are on the public records. ETM might actually have them from the original construction. You might want to check with Doug on that.

Mr. Maggiore stated I don't think a survey would be a public record as part of the sale.

Ms. Beaugrand responded no, but easements are recorded documents, they would be in the public record.

Ms. Behrmann asked what was the bottom line difference between the YMCA and us managing the facility?

Ms. Beaugrand responded it is around \$15,000 less. The YMCA is \$316,817, if we self manage, revenue is \$103,600 and expenses are \$402,170. You need to net that number and it is about \$15,000.

Ms. Behrmann asked is that the new number for the YMCA for next year.

Ms. Beaugrand responded yes.

Ms. Behrmann asked how much did they go up

M. Beaugrand responded \$16,000.

Ms. Behrmann stated I'm sure you said this but I don't recall, what was the original thought process to get away from using the YMCA and doing it ourselves?

Ms. Beaugrand responded there are a lot of revenue generating opportunities with the new facility that we need to consider taking advantage of from an assessment offsetting perspective.

Ms. Behrmann asked has the POA approached the CDD in light of us purchasing this building, to stay here?

Ms. Beaugrand responded not me.

Ms. Hernandez responded they have not approached me but I have heard rumors that they did want to stay. That was a couple of months ago. I understand now that they are going up the road sometime in July.

Ms. Beaugrand asked are you talking about May Management?

Ms. Hernandez responded yes.

Ms. Beaugrand stated that is separate from the POA.

Mr. Abbatiello stated Rich attended a Riveroaks meeting earlier in the week and he said they did in fact lease space in Mandarin.

Mr. Charlie Stuart stated I talked to Richard and he said they were going to rent additional space but they wanted to keep a satellite office here.

Ms. Beaugrand stated they need to talk to Stacie about that.

Ms. Stacie Smith stated I'm not sure that I am in the right place to ask this question but my husband and I were looking to get a pool in our backyard and our backyard is not big enough.

Ms. Beaugrand stated you are not in the right place.

Ms. Smith stated I called the association and they directed me here.

Ms. Beaugrand asked are you talking about doing a wetlands purchase?

Ms. Smith responded yes.

Ms. Beaugrand stated I don't know that you can do that. I think the jurisdiction of the wetlands is the Corps or the water management district.

Mr. Maggiore stated it is usually both.

Ms. Minnis stated when I moved in it was the Army Corps of Engineers that was managing the area between the 5th and 6th hole and S. R. 13. One neighbor's builder put sod all the way up to the wetlands and they had him out there taking the sod away. They were strict enforcement of these wetlands. I would start with the Army Corps of Engineers.

Ms. Smith stated St. Johns County told me that the developer conveyed it to the association and when I called the association and they told me to come to a Board meeting. We don't even know where to start.

Ms. Beaugrand stated I suggest either St. Johns River Water Management District or the Army Corps of Engineers. We have no jurisdiction over wetlands; the POA nor the CDD.

Ms. Behrmann stated since the next meeting is July 11, do we have a location?

Mr. Oliver stated we will have to determine that.

Ms. Beaugrand stated we will have to put it on our website. It depends on whether we purchase this building or not. Otherwise we are still on for the library.

ELEVENTH ORDER OF BUSINESS Financial Reports

A. Financial Statements – April 30, 2006

B. Treasury Report – April 30, 2006

C. Special Assessment Report

Ms. Beaugrand stated the next item is financial statements. The financial statements under Tab A, the capital improvement fund for the recreation facility under Tab B, and the tax collections under Tab C.

D. Check Register Summary – 4/28/06 – 5/23/06

Ms. Beaugrand stated we have the check register for the general fund, checks 1241 – 1251.

On MOTION by Mr. Abbatiello seconded by Ms. Minnis with all in favor the general fund check register for checks 1241 – 1251 was approved.

Ms. Beaugrand stated you have the check register for the recreation fund, checks 1616 – 1637.

Ms. Minnis asked is Mark Jacobbi the painter?

Ms. Hernandez responded he does a lot of things for us, small minor repairs, replacements.

On MOTION by Ms. Minnis seconded by Mr. Abbatiello with all in favor the recreation fund check register for checks 1616 – 1637 was approved.

TWELFTH ORDER OF BUSINESS Next Scheduled Meeting – July 11, 2006 at 6:00 p.m.

Ms. Beaugrand stated the next meeting is on July 11, and we will put on our website as to whether it is here or at the library.

On MOTION by Ms. Minnis seconded by Ms. Spears with all in favor the meeting was continued to Thursday, June 8, 2006 at 6:00 p.m. at the Distinguished Realty Building.

James Oliver
Secretary

Susan S. Beaugrand
Chairperson