

MINUTES OF MEETING
INDIGO EAST
COMMUNITY DEVELOPMENT DISTRICT

The Regular Meeting of the Board of Supervisors of the Indigo East Community Development District was held on Tuesday, August 15, 2017 at 9:00 a.m. at the Circle Square Commons Cultural Center at 8395 S.W. 80th Street, Ocala, Florida.

Present and constituting a quorum were:

John Gysen	Chairman
Cynthia LaFrance	Vice Chairman
Frank DiPiero	Assistant Secretary
Harold Brouillard	Assistant Secretary
Terry Sloan	Assistant Secretary

Also present were:

George Flint	District Manager
Gerald Colen	District Counsel
Phil Hisey	OTOW
Lynette Vermillion	OTOW
Ian Gaz	Earthscapes Unlimited

FIRST ORDER OF BUSINESS

Roll Call

Mr. Flint called the meeting to order and called the roll.

SECOND ORDER OF BUSINESS

Public Comment Period

Mr. Flint: This would be for anything on the agenda, or not on the agenda, that you would like to bring to the Board's attention. Keep in mind that the budget adoption is a public hearing, and there will be another opportunity for public comments regarding the budget, under the public hearing. If you have any comments regarding the budget, I suggest that you hold your comments until we get to that item.

THIRD ORDER OF BUSINESS

Notice for Meeting

Mr. Flint: The affidavit for publication for the annual meeting notice was provided for this meeting.

Mr. Hisey: Phil Hisey, On Top of The World Communities (OTOWC). When the Indigo East community was developed, the potential bonds were accessible to the CDD, and now that we are starting construction again, there's a retention pond on Tract B-2. I have maps. They should be here momentarily. Tract B-2, is the retention pond that backs up to 80th Avenue, which is land locked. There's no access to it now. I've communicated with the contractor, and we are getting maintenance to just mow the rim, because they can't get a big tractor in there. OTOWC is going to create a cut through berm on 80th Avenue, to provide roadway access, but we need to move the gate that you have on the retention pond, so that we can access it. Where it is located at, we would have to move trees, which would be a big undertaking and a huge expense. Where we are moving it now, there are just some palm trees there, which we can easily relocate and add some landscaping. OTOWC is going to incur the landscape expense, but there is a \$500 charge for moving the fence and gate to access that retention pond. I just wanted to bring that to the Board. Do you have any questions regarding that?

Mr. DiPiero: No.

Mr. Gysen: No. You have to get through it.

Mr. DiPiero: You have to do what you have to do.

Mr. Hisey: I just wanted to make sure that you didn't have any questions. Thank you.

FOURTH ORDER OF BUSINESS

Approval of Minutes of the May 16, 2017 Meeting

Mr. Flint: We have the minutes from the May 16, 2017 meeting. Did the Board have any comments on those? If not, we need a motion to approve the minutes.

On MOTION by Mr. Gysen, seconded by Ms. LaFrance, with all in favor, the minutes of the May 16, 2017 meeting, were approved.

FIFTH ORDER OF BUSINESS

Public Hearing

A. Consideration of Resolution 2017-05 Adopting the Fiscal Year 2018 Budget and Relating to the Annual Appropriations

Mr. Flint: This is the public hearing to consider adoption of the Fiscal Year 2018 budget and impose special assessments. We need a motion to open the public hearing.

On MOTION by Mr. Brouillard, seconded by Mr. DiPiero, with all in favor, the Public Hearing was opened.

Mr. Flint: I apologize. In reviewing the budget that was included in your agenda package, it looks like when we were running copies of the agenda, one page was omitted, which was the Capital Reserve Budget. I was looking at how we were going to fund the proposal regarding irrigation services, if the Board decided to go through with that. Since this is a public hearing, what is the Board's pleasure? Would you like to take public comment first, and then we would bring it back to the Board for discussion?

Ms. LaFrance: Yes.

Mr. Gysen: Yes, we can.

Mr. Flint: If there are any members of the public that have comments on the Proposed Fiscal Year 2018 Budget, now would be the opportunity to provide the Board with those comments. Not hearing any, we will close the public comment portion and bring it back to the Board. In your agenda package, you have Resolution 2017-05. You previously approved the Proposed Budget, and set the date, place and time for today, for the budget's final consideration. We advertised this meeting, 21 and 14 days in advance of the public hearing, as required by Statute, and the budget was placed on the District's website, as well as sent to Marion County. The exhibit to the resolution is the Proposed Budget. It is substantially the same as what you approved previously, and I provided the additional page for the capital reserve. It contemplates that the per unit assessment amounts would remain the same at \$296 per unit. That generates annual maintenance assessment revenues of \$195,929. Your administrative expenses increased slightly, by about \$1,000, and your maintenance expenses decreased slightly, by \$1,000. The Proposed Budget includes a transfer out, of \$22,000, to the Capital Reserve Fund, and would be added to the projected carry forward of \$498,000, so \$524,000 would have available in next year's budget. Because you own the roads, there are some expenses that we anticipate such as milling and resurfacing, so we set aside approximately \$20,000 to \$25,000 a year, based on those expenses coming forward. We have a proposal for irrigation conversion, from potable to wells. In the event that the Board approves that proposal, my recommendation would be that you take that out of your Capital Reserve Fund. Are there any questions on the Proposed Budget? Not hearing any, we need a motion to adopt Resolution 2017-05.

On MOTION by Mr. Gysen, seconded by Ms. LaFrance, with all in favor, adopting Resolution 2017-05 Adopting the Fiscal Year 2018 Budget and Relating to the Annual Appropriations, was approved.

B. Consideration of Resolution 2017-06 Imposing Special Assessments and Certifying an Assessment Roll

Mr. Flint: We also have Resolution 2017-06, which imposes the assessments associated with the budget you just approved. There are two exhibits; the Adopted Budget and the Assessment Roll, which lists all properties within the District and assessment amounts. Are there any questions or comments on Resolution 2017-06? Hearing none, we need a motion to adopt the resolution.

On MOTION by Mr. DiPiero, seconded by Mr. Solan, with all in favor, adopting Resolution 2017-06 Imposing Special Assessments and Certifying an Assessment Roll, was approved.

Mr. Flint: Is there a motion to close the public hearing?

On MOTION by Ms. LaFrance, seconded by Mr. Gysen, with all in favor, the Public Hearing was closed.

SIXTH ORDER OF BUSINESS

Ratification of Agreement with Dewberry, Inc. to Provide Annual Engineer's Report

Mr. Flint: The Master Trust Indenture associated with the bonds that the District issued, requires the District Engineer, annually, to inspect the District's assets and review its annual budget and insurance policy, to make sure that the assets are being adequately maintained and insured. As a result of that, the District Engineer provided a Work Authorization that I executed, because of the time required to complete the report. The proposal is for \$1,200. I would ask the Board to ratify that agreement.

On MOTION by Mr. Gysen, seconded by Ms. LaFrance, with all in favor, ratification of the Agreement with Dewberry, Inc. to provide the Annual Engineer's Report, in the amount of \$1,200, was approved.

SEVENTH ORDER OF BUSINESS**Consideration of Proposals for Irrigation Conversion Services**

Mr. Hisey: Before I begin, I provided maps to the Board. I apologize for the lack of formality. I drew a circle of where the proposed locations are going to be. On July 17, I sent a letter to George Flint concerning some possibilities of changing the irrigation system, from the current potable system, to wells. In looking at the amount of water that we are going to be withdrawing with the new system and all of the landscaping we are installing in Indigo South, there was a possible savings to the Indigo CDD residents by switching to wells. With wells, you have an upfront cost of the installation, and ongoing maintenance costs. From what we've seen in the past, the costs are minimal; however, we live in the lightning capital of the world, so it's possible to have a lightning strike that could take out a well. If that happens, you are looking at about \$10,000 to replace the well. I provided some cost estimates. We had two contractors bid on this project; Citrus Well Drilling and Earl's Well Drilling. There is a substantial difference in costs between the two contractors. Citrus Well Drilling bid \$62,000 and Earl's bid \$47,000. I spoke to my colleagues at OTOW and they all said, "You are going to pay for it later if you use Earl's." I want to give you the opportunity to make that decision.

Mr. DiPiero: According to the Better Business Bureau, there were some issues with Earl's. Just because they are cheaper, doesn't mean we are getting a better deal.

Mr. Hisey: Yes. We've had some issues in the past and had to come back and correct those.

Mr. DiPiero: There is a weasel clause in there, where they have the price plus overages.

Mr. Hisey: We used Citrus Well Drilling for our other wells. Any time there is an issue, they are very easy to get out here. They have always fixed major repairs. They are very easy to communicate with. The chart is on the second page of the letter. We went into removing the amount of water that would be consumed through the AgMod that S.F.W.M.D. gives us, which is based on 22.2 inches per year. It also has the acreage. There is a lot of information here, so I don't know how you want to begin, or how you want to look at it; however, the end result is that you are looking at roughly anywhere from a seven to nine-month payback. If there are any questions, I would be happy to field them now.

Ms. LaFrance: How many wells will there be?

Mr. Hisey: For the Indigo project, we are figuring three wells. You are going to have one well by the fire station and two wells by the Indigo Clubhouse. We need three-phased power

to run these variable drive pumps. If we have three-phased power in a location that makes it conducive, we will just put the well in that location. Having both wells at the Community Center isn't going to affect pressure. They will be able to jump right in, based on demand. The Variable Frequency Drive (VFD) pumps, according to the letter, ramps up as needed, based on if you are using 10 gallons or 100 gallons a minute. It is a power saving well, and has some efficiency such as the longevity of the well.

Mr. Flint: I guess your model takes into account, the new areas coming on.

Mr. Hisey: Yes.

Mr. Flint: When we look at the current budget and we think about payback, the current budget is understated because it's including our current usage.

Mr. Hisey: I believe that I included both the current and proposed usage on the estimate. The new installation monthly usage is 893,000 gallons a month. For your current usage, I tracked three months and for the current month, the usage was 634,000 gallons, the current monthly usage as of June 2017 was 258,000 gallons, and the total combined usage was 893,000 gallons. I tried to give you a good idea, based on rainfall and temperature. Your payback is 9.1 months to 7.39 months.

Mr. DiPiero: I want to compliment you for coming up with the idea. It's a great idea. We appreciate it.

Mr. Flint: If there are no other questions, if the Board is interested, we need a motion to proceed with Citrus Well Drilling.

On MOTION by Mr. DiPiero, seconded by Mr. Gysen, with all in favor, the Citrus Well Drilling proposal for well drilling services, in the amount of \$62,000, was approved.

EIGHTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. Flint: Gerald left the room. If he returns, we will ask him if he has a report.

B. Engineer

There not being any, the next item followed.

C. District Manager's Report

i. Approval of Check Register

Mr. Flint: You have the Check Register for the General Fund and payroll, from May 8 through August 8, totaling \$39,215.46. The detail is behind the summary. Are there any questions on the Check Register? Not hearing any, we need a motion to approve it.

On MOTION by Ms. LaFrance, seconded by Mr. Gysen, with all in favor, approving the Check Register, was approved.

ii. Balance Sheet and Income Statement

Mr. Flint: You have the Unaudited Financial Statements through July 31st. No action is required. If the Board has any questions, we can discuss those. We are 100% collected on our on-roll maintenance assessments through July 31st. We are on track as far as our admin assessments, according to our pro-rated expenses to actual.

iii. Presentation of Final Arbitrage Report for Series 2006 Bonds

Mr. Flint: We have the Arbitrage Rebate Calculation Report for the Series 2006 Bonds. This is the final report for that bond series, because those were refinanced. It indicates a negative cumulative rebate requirement of \$280,000, meaning that there are no arbitrage issues. I would ask for a motion to accept the final Arbitrage Rebate Calculation Report.

On MOTION by Mr. Gysen, seconded by Mr. DiPiero, with all in favor, approving the final Arbitrage Rebate Calculation Report for the Series 2006 Bonds, was approved.

iv. Approval of Fiscal Year 2018 Meeting Schedule

Mr. Flint: The Board is required to approve an annual meeting schedule. We suggested four dates; November 21, 2017, February 20, 2018, May 15, 2018 and August 21, 2018. Of course, if you meet other than those dates, we can do that with one advertisement. Are there any questions on the annual meeting schedule? If not, we need a motion to approve it.

On MOTION by Mr. Gysen, seconded by Ms. LaFrance, with all in favor, approving the Fiscal Year 2018 meeting schedule, was approved.

NINTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.

TENTH ORDER OF BUSINESS

Supervisors Requests

Mr. DiPiero: At every meeting, I've been paying compliments to the folks maintaining our hedges, but I don't know what happened. It went downhill in the last couple of months. I emailed and talked to you about it. I'm just curious about what's going on.

Mr. Gaz: Ian Gaz of Earthscapes Unlimited, 500 E. Gulf to Atlantic Highway, Wildwood, 34785. I'm aware of the issues. All I can do is apologize. This year, for whatever reason, whether it is the rain or construction, I'm not sure, but there are invasive species spread out along 80th Avenue and 80th Street. It's been extremely brutal. None of the chemicals work on it. In your Indian Hawthorne and bushes, you see a yellow green long weed. That has been a huge issue for us. We are looking into options. Last summer, this was not this big of an issue, but that's our biggest issue right now. Obviously, the rainfall in June and July is pushing 40 inches. It's on us, and we have to figure out a way to get that done. Unfortunately, it's a hiccup. All I can do is sit in front of you and say that we will correct it. We have had extra people out in the last few weeks. I hope you noticed that. I think the place is looking better. We don't want to have peaks and valleys, but sometimes you do and all we can do is correct it.

Mr. Gysen: The only question that I still have is we have an island on SW 80th Terrace that is part of the maintenance program.

Mr. Gaz: The one in the back?

Mr. Gysen: Yes. I think it's being neglected.

Mr. Gaz: It was trimmed. We talked to Phillip about putting in more plants.

Mr. Gysen: Correct. They own spots. It's not right with the rest of the landscaped area. If you can take care of that, I would appreciate it.

Ms. LaFrance: The plants on that island are very high on both ends, and it's very difficult seeing coming around. I know that they have been in there for 13 years. I don't know if it's time to replace them.

Mr. Gaz: They can be cut down even lower than what they have been. I've done it before. They are just going to be ugly at the start, but they will fill in.

Ms. LaFrance: They are not looking well right now. Something definitely should be done with them.

Mr. Gaz: The ones on either end?

Ms. LaFrance: Yes.

Mr. Gysen: The only other question is, Phil, are they going to take care of the sidewalk and fill it in?

Mr. Hisey: Yes. We will review that today.

Mr. Gysen: There is a small sidewalk at the back gate of 80th Street, from the street to the walk, near the fence. It's still bare. You can see roots. Maybe we can fill it in with plants or pine or whatever.

Mr. DiPiero: You need to take a ride around any of these communities in a car. In a truck, you don't see how visually impaired some of these intersections are.

Mr. Gaz: I understand.

Mr. DiPiero: In a car, you find out quickly that you can't see people coming. Someone is going to get hurt.

Mr. Flint: Mr. Colen, do you have anything to report?

Mr. Colen: No.

ELEVENTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Gysen, seconded by Ms. LaFrance, with all in favor, the meeting was adjourned.


Secretary / Assistant Secretary


Chairman / Vice Chairman