

**MINUTES OF MEETING
NORTHWOOD COMMUNITY
DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Northwood Community Development District was held Tuesday, July 18, 2000 at 9:00 A.M. at the Model Center, 1105 Conch Court, Wesley Chapel, Florida.

Present and constituting a quorum were:

Mike Lawson	Chairman
John Schajatovic	Supervisor
Walter Kehoe	Supervisor

Also present were:

John Daugirda	Assistant Manager
Darrin Mossing	District Staff
Mark Straley	Attorney
Dayne Piercefield	Engineer
Donna Holiday	Recording Secretary (by phone)
Ron Brown	
Tom Kelly	Resident
Robin Grynbal	Resident
Mike Brubaker	President, Homeowners Association
Betty Fisher	Resident, Architectural Review
Committee	

FIRST ORDER OF BUSINESS

Roll Call

Mr. Daugirda called the meeting to order at 9:00 A.M. and stated that all Supervisors were present at Roll Call with the exception of Mr. Floyd and Mr. Sikorski.

SECOND ORDER OF BUSINESS

Approval of Minutes of May 9, 2000 Meeting

Mr. Daugirda stated that all Supervisors had received a copy of the minutes of the May 9, 2000 meeting and asked for any additions, corrections or deletions.

There not being any,

On MOTION by Lawson seconded by Mr. Kehoe with all in favor the minutes of the May 9, 2000 meeting were approved.

THIRD ORDER OF BUSINESS

Public Hearing to Consider the Adoption of the Budget for Fiscal Year 2001, Levy of Assessments and Developer Funding Agreement

Mr. Daugirda stated I first will need a motion and a second to open the public hearing.

On MOTION by Lawson seconded by Mr. Schajatovic with all in favor to open the public hearing.

Mr. Daugirda stated we have previously circulated the proposed budget for Fiscal Year 2001. I have also handed out revised budgets for 2001, dated July 18, 2000 to the participants and to the Board. If you want, I can give

a general summary and then open the floor to public comment or the Board can follow my summary with its comments. Page 1 is the General Fund Budget. The columns to focus on are the left column, the present year budget which is the Fiscal Year that runs from October 1st to September 30th - the year 2000 budget and the right column, the proposed budget for the upcoming year, October 1, 2000 to September 30, 2001. The middle three columns show the actual revenues and expenditures through May, the projected revenues and expenditures for the rest of the Fiscal Year, and then the total projected budget. For comparative purposes it is helpful to look at what we had last year and what are proposing for this year. Revenues consists of maintenance assessments and Developer assessments. It is going from \$183,000 (+) to \$244,000 under this proposed budget. The next is the administrative expenses. There will be a slight change there. Those are the operating expenses for administration purposes, \$67,125 presently to \$67,575 proposed for the next year. In maintenance the security is presently being covered by the HOA so it is zero for this year and it is proposed for the C.D.D. to take that over for \$60,000. The balance of those items are essentially the same, landscape maintenance, lake maintenance, pool maintenance, repairs, and utilities are approximately the same. Expenditures are proposed at \$244,152 the same as Revenues. There is information about the assessments. We are looking at a gross assessment of \$140,000 (+) divided by the platted lots for a per lot assessment of \$350. Pages 2 through 6 include the explanatory notes. These are fairly straightforward and generic primarily because the Board is a knowledgeable Board. Their land development experts have been through this budget many times. With all of the underlying contracts, there have been bidding when required by statutes. For example, landscape maintenance and pond maintenance, etc. they previously solicited bids and took the lowest and most responsive bids. Pages 7, 8, 9, and 10 is the budget for the Debt Service Fund, Series 1995 and 1997. That means the District issued bonds for purposes of funding installation and construction of the infrastructure. There are amortization schedules attached relating to those two bond series, 1995 and 1997. The budgets that are constructed here, the expenditures track the amortization payoff schedule and the revenues include interest earnings and whatever is left that has to be raised to pay off the amortization payments are included in the revenues by way of assessments. They are fairly straightforward and set in stone. That is a brief overview of the budget process. We are looking for public comments and input from the Supervisors.

Mr. Mike Brubaker stated if we remember back to the last meeting, I presented an agenda asking for consideration of several things. The most important was a review of the existing contracts. My feedback from the residents of Northwood was very simple. We feel like there are two main issues. The management of the subcontractors is lacking. What we are paying for the landscape maintenance and the cleanup of the pool area we simply believe we are not getting the bang for the buck. In addition, there were several issues for consideration. The most important was a contingency fund for the continued maintenance of the structures controlled by the C.D.D, the lighting, the cabana, the pool area, all of the structures in that general areas. Mr. Lawson was in favor of that request. The current budget, unless I cannot find it, does not reflect that conversation at all.

Mr. Lawson stated the purpose of this budget, it is my understanding that the current contract fees that we have are what we have to go with next year. Have these contracts already been extended or do we have the ability to cancel?

Mr. Daugirda responded we have cancellation clauses in them.

Mr. Lawson stated for the purposes of the budget, on the basis of cost, that needs to be provided for in the budget based on historical experience. We definitely can pursue that the residents are finding it not being adequately taken care of. We either need to motivate the workers out there to do a better job or consider replacing them. There are a lot of people out there who could do this work as well. From a budget standpoint and the maintenance aspects, these costs have some good justification to them and it should be adopted. What do other districts do and what are the mechanics to put in place a contingency or reserve for future parkscape type maintenance issues? How do they collect reserves for a future fund to do necessary and additional repairs? Do they collect it through the annual assessment or is it done on a monthly basis?

Mr. Straley responded I can answer that. Meadow Pointe, for example, has consciously accumulated a surplus which gets carried forward from year to year. That surplus isn't really earmarked for any particular item but it is there to cover things like the damage that was done to landscaping as a result of the drought and such unexpected things. It is part of the Operating and Maintenance Assessment. They have a slightly higher O & M assessment than they would absolutely have to have simply to maintain some level of surplus.

Mr. Daugirda stated that is a non ad valorem assessment.

Mr. Mossing stated alternately though those surpluses were generated from the non ad-valorem assessment. One of the ways you can accomplish that is to just add some type of either miscellaneous or contingency line item to the landscape budget and then those funds would be used to offset any unscheduled maintenance that the Board feels is necessary.

Mr. Lawson stated for the record, Mr. Mossing is with Severn Trent. He does all the legal and accounting budgeting for the District. Mr. Mossing, do you know if other districts do anything on a monthly assessment?

Mr. Mossing responded no. It is all either covered through contingencies, additional line items as other maintenance, or sometimes if the landscape maintenance budget is at \$50,000 a year it will add in a 10% contingency and add \$5,000 for tree replacements, debris, etc. It is all accomplished through the annual assessments.

Mr. Daugirda stated on Page 6 of the budget is a spreadsheet on the maintenance schedules. You will notice on each of those there is a line item with a 10% contingency built in. We tried to anticipate some special project or to help generate a small surplus anyway.

Mr. Mossing stated I was not aware that the landscape contractor was inadequate. Is he doing an inadequate job? Are things not being completed that are in accordance with his contract or understanding of the services to be provided or are these additional items that are coming up out of the normal monthly contract amount?

Mr. Daugirda responded the primary concern is irrigation.

Mr. Brubaker stated there are two issues here. As you are driving into the community at night you notice that 50% of the lights are either damaged, bulbs burned out, misaligned, etc. It is going to take some money to get them back into their original configuration and then, secondly, more money to maintain them. Nowhere in the budget is that covered. That is just one example. After you drive into the community during the day, the very first thing that hits you is that the palm trees are very yellow. If you look at the contract under tree maintenance, unless someone

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can point it out, there is no fertilization of the palm trees. That is just an example of a review of the contract that needs to take place.

Mr. Lawson stated if the palm trees are that yellow, what is Central Florida Landscaping doing about it. Has this been brought to their attention? If they have professionals out there surely they can see there is a problem if the trees are yellow.

Mr. Brubaker stated I do not want to be negative but the point of the matter is these guys come in and mow. They do a great job mowing and they do a great job trimming. I would not call them landscape professionals. I think that is very obvious in the health of the vegetation all the way down to the irrigation system. The median irrigation system has not worked since I have been here and that is why the trees are dead. I went through the same drought that everybody else went through and it was a hardship watering on certain schedules, etc. but you could manage it. My problem is that there was no one out here managing through the drought and now we are going to have a huge amount of grass to replace.

Mr. Daugirda stated regarding the irrigation system issue, every communication I received from a resident was forwarded to Central Florida Landscaping to keep them advised. We have had a series of conversations with them. Let me give you their rationale. You can accept it or reject it. With the drought and the limited reclaimed water, we have had discussions with them since before April on this issue. The primary problem is that Northwood was the downstream user originally. As a series of other communities and other users were added to get the reclaimed water, there was inadequate pressure here. I worked with Central Florida Landscaping on this. We called the County (the reclaim water people), and we discussed this issue. After that conversation the County modified the days so that Meadow Pointe, one of the big users, had certain days and then Northwood, Lakes of Northwood, and some other users had it on the other days. The problem is that you are at the end of the line. The County in their long term plan wants to build a loop system so they can get more water and keep the pressure up. I have advised the Board of this problem as we've gone along.

Mr. Brubaker stated the fact of the matter is Meadow Pointe is at the end of the line. We are next to the end of the line. I do not see the same issues in Meadow Pointe. The County reported to me that Meadow Pointe was ahead of you on the line.

Mr. Lawson stated Meadow Pointe was established before Northwood so they had their infrastructure in their site first.

Mr. Daugirda stated I am just reporting what the County reclaim people told me. I have a series of documents and conversations with Central Florida indicating that they were repeatedly going out and unclogging and cleaning the irrigation valves, spray nozzles, repairing broken heads, etc. The problem is when you compare it to residential there is a difference in the size of the lines. In a residential situation you can water from a hose. It is a smaller diameter pipe mechanism but you can get adequate pressure to deal with a small area. With the community infrastructure there is a 4" main line with multiple zones and you need to have significantly more pressure to get it to shoot out. Most of the time there was not adequate pressure for this. Given the scope of the project, it is three to six minutes per zone. That was their explanation. I am not trying to justify them. The other option is to try to get an

augmentation well but SWFWMD is not readily granting permits. The County apologized and said they were sorry there is not adequate pressure nor water in their system. If you compare this to other communities, yes, we took a hit but every community I know of took hits. Meadow Pointe has significant plant replacements. Lake Bernadette has incredible problems in Pasco County with reclaimed water and they are looking at the same issues you are. This contractor did the best they could to mitigate the problems. They were repeatedly out here. One factor is the crisis, the drought.

Mr. Brubaker stated there is no doubt that is a factor. I live here full time and I know a significant number of people here. I have asked repeated times if anyone was working on the irrigation system. I do not know of anyone ever seeing anyone.

Mr. Daugirda stated they have represented this to me and I have no reason not to believe them.

Mr. Brown asked what are the conditions at this point in time? Have they gone through the system, checked it out and notified us of any defects that we can note to explain what is happening? When was the last time that somebody has gone through the system?

Mr. Daugirda stated within the last week.

Mr. Lawson stated that is a good idea. If they have their crews out they should be doing some kind of field log as to what they are finding at least. If they can show what they find on each date and what issues were corrected, etc. If it is a pressure problem that is something the County must help with. I know that Pasco County has been very aggressive with trying to assist developments with augmentation wells. The County cannot permit wells, only SWFWMD can. It is a battle between Pasco County and SWFWMD. SWFWMD takes the position that everything is a most impacted area and putting in a four or five inch well may be very difficult to get a permit for. At the same time, the size of that line and the length of roadway there, it would take more than one well to just handle that. You are looking at \$6,000 for one well. There is a possibility that it could be done. I have personally, as U.S. Home, met with Pasco County's Director of Utilities. What Mr. Daugirda is stating to you is extremely accurate. During the drought the demand for the reclaimed water was beyond their ability to handle it. That is when the County started to go to SWFWMD saying during these critical times and in this case it was the length of the drought, augmentation wells had to be provided to these developments. The County will allow you to hook to the reclaim system to pump the water through it. It is an ongoing situation.

Mr. Daugirda stated I would like to make a suggestion on how to go forward on this. I recommend that during the next sixty days we should have a site review with interested parties, Mr. Brubaker, Mr. Brown, Mr. Floyd or Mr. Schajatovic, myself, and the contractor. We can then get a complete analysis and explanation and get them to make some commitments in terms of what measures they can take. It can essentially be a punchlist.

Mr. Brubaker asked do we have a layout of the irrigation system with the time requirements for each system so we know what the demand is and what it takes to run this thing? How much time per zone do we get? How much time does the reclaim give us?

Mr. Daugirda responded based upon the pressure problems, at one time it was six minutes and now it is down closer to three minutes. There is even inadequate pressure in some of the zones. Given those limitations, I have asked them to try to prioritize the watering and try to save the highest priority landscaping.

Mr. Lawson stated there was a double backflow preventer installed that is towards the entrance of the project near Carlyse. That was actually installed by the County connecting potable water directly to the reclaim system and that was before the County even had reclaimed water available to the project. They were allowing the project to utilize proper water for all of its irrigation needs until such time as the reclaim water became available. If that is still in place, there may be a way of asking the County if that water can be made available during peak times. It is a double flow preventer and the whole purpose of that was if reclaim got pumped through that pipe, then that double preventer valve would keep that reclaim water from getting back into the fresh water. It is an option that can be discussed with the County. They may allow the water to come in at a peak time at night or maybe at a low demand time in the early morning hours, maybe to the main boulevard only.

Mr. Piercefield stated as late as yesterday I was talking to Bruce Kensey in the County Utility Department. They have basically given up on being able to keep the reclaim water system pressurized so everybody can irrigate at the same time. As another alternative, for golf courses because they have such a big demand for water, they will incorporate in one of the stormwater ponds overnight and then irrigate out of the stormwater pond. SWFWMD allows this. That allows you to have a big reservoir of water so you can pressurize your system with your own pumping system. You have their source of water but it is filled up over night. I think they will have to do this because it is very difficult to have enough water to keep the system pressurized because everyone wants to irrigate at the same time. If we are assessing the whole system we may look for one of the stormwater ponds to put this retreated water in because it is cleaner than the stormwater so it is not it is going to contaminate the pond. As long as it is not just a complete flow through like your ponds up to grade and you are turning the water into it. There would have to be a valve and meter so you would turn the reclaimed water into the pond when you wanted to bring the pond up to some irrigation level. If the pond was already full you could just use stormwater to irrigate with.

Mr. Daugirda stated we can work with Mr. Piercefield on that idea and see if we can get something this week.

Mr. Lawson stated that is a good idea and we need to explore ideas. Mr. Piercefield, are they doing this with ponds that are discharging into wetlands?

Mr. Piercefield responded yes you can do that. The idea is not to just have a flow through. If a pond is already up to grade and it is discharging into the wetlands, then you do not need to fill it up. The irrigation volume in the pond may be a foot of the pond between the outflow and a foot or so down from the outflow and then you would refill that.

Mr. Schajatovic stated that is very expensive for the pumps.

Mr. Piercefield stated yes for the pump to pressurize the system.

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Mr. Lawson stated you could limit it to just the --- landscape areas and then have the County do the residential. That might be more viable. To have a pumping station to cover all ---- lots, you are talking a pretty substantial amount of money.

Mr. Piercefield responded yes about \$15,000 to \$25,000 for the pumping station. The system is in place so you are talking about pump hookup.

Mr. Brubaker stated it sound like the County as Meadow Pointe keeps growing, as Northwood keeps growing, and all of these that are on this loop., they are not going to keep up.

Mr. Lawson stated the County is at the whim of the Tampa Bay Water Authority. It is all depending on what they can get.

Mr. Piercefield stated there is not enough reclaim water. This problem will never go away if you do not do one of the alternative methods. If you use potable water to augment your system, or wells, or surface water, you have about three choices. You would want to do the cheapest one. Using potable water and paying that rate is very expensive for irrigation.

Mr. Lawson stated negotiations with the County will have to take place. If they are unable to provide reclaim water and they never guarantee they will provide it so they will have the odds doing that. We need to explore whatever options that are reasonable. If it is just going to be a future situation, we have to deal with it.

Mr. Piercefield stated Mr. Kensey at the counted said they are going to be encouraging stormwater augmented use. It seemed to be the direction he would prefer to go.

Mr. Brubaker stated regarding the state of the neighborhood, the condition of many of the monuments and the brickwork is poor. There are several tiles that are falling off. That is another area in which we need to budget for. We need to bring them back up to their original condition and then provide for a contingency to maintain them better on a year to year or every two year basis. Regarding the pool area, most of the homeowners have really no problems with the actual pool itself. The contractor who takes care of the water and does the actual pool maintenance seems to be doing a good job. There is a lot of dissatisfaction in the cleanliness of the cabana and the surrounding facilities. It was brought to my attention not only by Ron Brown but also some of the other homeowners who live the area as well as visit the pool from time to time. It just received a very good power washing which I believe was funded through Mr. Brown and not necessarily the C.D.D. This is the type of maintenance we have been asking for quite a while. This Mr. Larry Easton character, I followed him in right after he has made his rounds. He will pick up a loose piece of paper here and there and make sure there is toilet paper. He cleans the toilet. The floor is filthy. I think we are paying him around \$200 per month and we are not receiving our money's worth.

Mr. Brown stated I did pay for someone to go in and clean up that pool area because I thought we needed to get a fresh start and get things going. You went into the pool area and commented that it shined. I was excited to hear that. I came out the next morning to visually inspect it my self and to my dismay somebody had let their dog into the cabana area and it went to the bathroom and defecated on the floor. We need to make a note that this kind of occurrence is happening and that we do need participation from the homeowners to keep people from doing this. I

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do not know anybody that would let their dog into their screen enclosure and have him dump on the floor. On the grass is one thing but not on the concrete floor inside the cabana. That is crazy.

Mr. Daugirda stated I have spoken to Mr. Brown and spoke to the residents. I have communicated the displeasure to Mr. Easton and essentially gave him final warning that he has to either shape up or ship out.

Mr. Brown stated I did the same thing.

Mr. Daugirda stated his response is that he is being paid \$175 for four visits per month. It is his recommendation that we increase it to two visits per week or eighth per month at \$280. Certainly for six months we should increase it to that given the amount of usage. Once per week is not adequate unless we have some sort of supplemental service. I checked around and I do have another contractor in the wings if you are dissatisfied.

Mr. Brubaker stated I would just like to see him do what is expected of him. In my opinion, if you are going to visit once a week, you need the power washer out there and you need to hose the place down. Walking in and carrying a broom is not going to cut it.

Mr. Lawson stated I agree a hundred percent. You should have a total outline of the scope of work for Easton or anybody else as to what they are going to do in their schedule. It should be very detailed so you have something to check. Does this Mr. Easton have any references?

Mr. Daugirda stated Mr. Easton was originally hired by the Developer. I just inherited him. I know he works on another U.S. Home project. I do have some references on an alternative individual who lives in Wesley Chapel who has small business of home repairs, cleaning, etc. I know his work is excellent and I have seen him work in other projects including my house, to my satisfaction.

Mr. Lawson stated I would request a proposal from this gentleman.

Mr. Daugirda stated his name is Dave Curtain. I will get a proposal.

Mr. Brown stated it appears that most of the damage that is occurring happens after hours. We talked to the security people about monitoring the pool area and removing anyone who persists in staying there after hours. We are going to contact the Sheriff's Office to address the issue about having people arrested for violating the no trespassing after hours rule. I do not like to put people in jail but at some point you have to make a statement.

Mr. Lawson asked is there signage stating there is no trespassing after hours?

Mr. Daugirda responded it is posted. We have had a history of vandalism and recently, within the last month or so, one resident (Cindy Rothwell) stepped forward and agreed to report an incident that she witnessed. I came out to the cabana and met with her and the officer. We were out there for three hours on a Saturday morning. Before that I notified the police and said increase the patrols. The guard is primarily at the guard's station but there is a roving officer and it was communicated to him to pay attention to the park as well as the construction sites. The problem is that it is very easy to access because it is a small fence and you can hop over it. Fortunately, neighbors have agreed to step forward. We sent letters for enforcement to the Police that Mr. Brubaker and Mr. Lunge (a City Police Officer) are designated agents of the District to enforce the trespass laws. I will be following up on that. Regarding that other report, after we laid it out, he was driving to the house where the kids lived and was going to

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have a motivated talk with the parents and the kids. I have not received a return call on that matter. We have a neighborhood watch and vigilant residents who are assisting on this. We have to catch the ringleaders.

Mr. Brown stated the only way to do this is to prosecute.

Mr. Daugirda stated it was reported and requested that they take appropriate action including prosecution.

Mr. Brown stated you have to say enough is enough at some point.

Mr. Brubaker stated I agree. There are certain people who are the repeat offenders here. I received a phone call from the Rothwells on night. There were a bunch of kids hanging out way after ten. They had called the County Sheriff. The Sheriff was not willing to do anything. She said you do not have the authority to run these kids off. Her response was that it is a homeowners association problem and they have nothing to do with it. I tried to point out that it is posted, there is a statute right on the sign, etc. that this is public land and it should be their jurisdiction. She said no, you are on your own. The C.D.D. needs to address this issue directly with the Sheriff's Office.

Mr. Daugirda stated I will call the Sheriff or the Station Manager for this area. I will ask that they vigilantly patrol our area. I will follow up in writing, too.

Mr. Lawson stated perhaps Mr. Straley can do it as District Counsel, pointing out that this is a government entity and this government through its residents are paying the assessments and taxes.

Mr. Daugirda stated I will work with Mr. Straley on that.

Mr. Brown stated we might have to start taking pictures of the kids out there after hours so we have proof that we have violators. It is not fair to the rest of the homeowners that there are a few people out there destroying community property. If one of those kids went over to a homeowners house and ripped the screens and tore the doors off the hinges like they do at the cabana, I think everyone would say that person needs to be prosecuted for vandalism and put in jail or fined. This is a private area owed by the C.D.D. I do not see a difference.

Mr. Daugirda stated I agree. If a kid did that at the Sheriff's Office would they say it is a private matter for the Sheriff? It is a stupid argument.

A resident stated I am at the pool quite often. On several occasions I have witnessed Central Landscaping using the cabana area for their lunch hour. They throw cigarette butts on the floor and leave their garbage. This has happened more than five times. I am not going to ask these men to leave although I tried it once but was told a couple of choice words. I go there with my son and would like to go into the cabana area but it is filthy after they leave. This is for residents, not contractors.

Mr. Brown stated no one needs to be in there except for residents.

A resident stated you can lock the doors and give us all keys, do whatever has to be done.

Mr. Daugirda stated I will talk to them after this meeting. That will change.

Mr. Brubaker stated I just want to comment on the security and the impact on the budget. In my opinion, the more important things such as maintenance and other things that we need to be spending on. My proposal would be to leave and address the security issues in conjunction with the homeowners association in the same arrangement it is right now. The fact of the matter is, all you are going to be doing is shifting money from one entity to the other. Mr. Brown and I had a very good discussion late last week about how to define the responsibilities of

the security company in much more detail and to include a roving tour through the pool area and really laying down the contract in much more definition. Take that security money off the C.D.D. budget and shift that into areas of light maintenance, lawn maintenance, monument maintenance, etc. I think we can hold the cost down much better in doing it that way than combining everything we need on one budget. I can tell you people's eyebrows are going to go straight up when all of this gets calculated as to what the increase is going to be.

Mr. Daugirda stated that is a good suggestion and this is a public hearing.

Mr. Brubaker stated I sent out a very lengthy letter and it is very simple. We need to better define what each subcontractor is supposed to do. I like the idea of an activity log that Mr. Lawson suggested. What are they actually doing? That is the basics of management. I would like to see a line item for the maintenance of each of the key infrastructure items. How much money is it going to take to bring it up to the original configuration and then a continued maintenance plan from that point on.

Mr. Brown stated as far as the monuments go, we do need to have a report on the condition of that and what it is going to take to bring that back up to original condition. I do not think we know how many tiles are actually missing or what needs to be done to bring it back up.

Mr. Daugirda asked are these on the signs or the panels, blocks?

Mr. Brubaker responded all of the above.

Mr. Daugirda stated because there was work being done. We got proposals for the sign panels.

Mr. Brown stated for instance the east monument as you come in on County Line Road, there are tiles laying on the ground. You are not going to be able to replace those tiles. We are going to have to address it quickly so we get them back up on the signs before they get destroyed and disappear. Once they are gone you will not be able to find a replacement. They are a unique item.

Mr. Daugirda stated we can take action if there are funds available in the budget.

Mr. Lawson stated right now there are no contingent funds in any budget. The budget we are discussing does not go into effect until October 1, 2000. If Mr. Brown can assess the District on behalf of the Developer to give us an idea of what is necessary to get things back in order. We can discuss that with the Developer and see if U.S. Home would be able to facilitate the District in doing some of these repairs today. We need to have a reserve budget established. The issue which I have is a legal issue at this point. It deals with the assessment. It is going up to \$350 this year and that is without any reserves. We need to start accumulating reserves. The question is how mechanically do we wish to do it. The problem we have legally with Pasco County is we cannot increase that assessment in the ad valorem tax. We are frozen beyond the \$350.

Mr. Straley asked is that what went out on the trim notice?

Mr. Lawson responded yes. Unfortunately, Pasco County's Property Appraiser is the only one who is making that determination. Mr. Straley and Mr. Daugirda and others on behalf of the District have discussed with him the law but he is not budging from this. We cannot come in now with a revised budget number higher than \$350 per lot. He will not accept it. The maximum residents will have to pay on the Operating and Maintenance Assessment will be the \$350. It cannot go any higher. That creates a problem as to how the District is going to

accumulate reserves to go forward next year. I would like to make a few suggestions. I think it is important that we start establishing reserves. Could we in the interim for a year have a contract with the Homeowners Association to collect on behalf of the District a monthly assessment that will be benefiting strictly to the District for reserve. On the 2001-2001 budget year we will make sure we have a reserve component put into those assessments going forward. At least during the 2000-2001 budget year it will give the District some ability to accumulate a reserve to handle some things that may occur next year. Mr. Straley is that something that is possible?

Mr. Straley responded yes.

Mr. Lawson stated as I said there is no way we can increase these assessments for reserves. Regarding the security, from my standpoint, security is there to provide services on the District property. The H.O.A. owns no property. It never has. It seems appropriate from a budget standpoint that that service is met. It is going to be the same amount the residents have to pay regardless if it is the H.O.A. contract or the C.D.D. It is the C.D.D. property that is being maintained. The C.D.D. owns all the common areas, therefore, the security services is really for the C.D.D. property. If U.S. Home, the Developer, is utilizing security regarding its construction site, in a separate contract, that is one thing. If they are utilizing the security services of the C.D.D. security, perhaps there should be some discussion of some cost sharing there. I do not know the details of that but we can certainly find out. That is why I felt it necessary to have these contracts in the C.D.D.'s name.

Mr. Brubaker stated you are exactly right that the H.O.A. has no property, therefore, why would they need security. Actually, in the C.D.D. documents that is one of the responsibilities of the C.D.D. We are really talking about the same thing. Where do you assess the money and through what entity do you do that? If you shift the security over to the C.D.D. then the H.O.A.'s budget for next year would be greatly reduced because it is largely driven by the security costs. If you maintain the current budget there, you would essentially have \$60,000 as Mr. Daugirda has budgeted here that could be put into some type of reserve. That would be one option. Mr. Daugirda, on this calculation for the \$350, essentially all that has been added to this is really the \$60,000 in security.

Mr. Daugirda stated there are a few minor ones in administration that went up less than \$500.

Mr. Brubaker stated that is quite a bit of an increase just due to the \$60,000.

Mr. Daugirda stated it is correct.

Mr. Brubaker stated the more I think about it, that is about right.

Mr. Lawson stated if you take the total budget, the total expenditures, and divide it by the total buildout which is 240 lots, you are at \$381. We reduced it to \$350. Technically it should be \$381 at this point. The Developer is picking up the difference as a subsidy to the C.D.D.

Mr. Brubaker asked what does the C.D.D. need to do for next year to increase it beyond the \$350?

Mr. Lawson responded lets assume all the common areas are developed, all the lakes are done, and this budget as it is today, is exactly the budget that the C.D.D. needs to operate (without taking into account any inflation). So over and above this, what will be the reserve requirement that is reasonable to accumulate annually. There are different things that will need to be done faster than other things. Painting may have to be done in three years versus something else. Perhaps pool repairs such as cracking should be a ten year type reserve. You can

anticipate that after ten years you are going to have to rework that whole pool. Those are the things to be determined and that would be over and above the \$350 or whatever it will be next year. As I said, this budget should be at \$381. We want to benefit the residents and to start projecting these assessments as realistically going forward. The faster we get out to buildout with the occupied homes, the more impact the assessment needs to have realistically. We do not want the Developer to be subsidizing and holding down the assessments to lot owners because by the time we are ready to turn it over, there will be a huge increase. It has to be gradual and consistent so eyebrows do not get raised without reason. Going from \$250 to \$350 may seem like a lot to some people but it is only \$9 per month.

Mr. Brubaker asked do we have enough in the budget now to bring the existing lighting, irrigation, and grass back to its original condition? Then it is how do we deal with the contingency? I do not see the hard numbers in front of me.

Mr. Lawson stated I was listening to Mr. Daugirda. He said on Page 6 of the maintenance schedule there is contingency items which he said could be used for perhaps repairs. There is about \$8,000 here plus a separate line item on the budget for \$2,000, so you have about \$10,000 which I do not think is going to be adequate.

Mr. Daugirda stated there are also some contracts that were issued that will reduce that a little bit. We had some maintenance on the two eastern ponds and that would eat into the contingency item. It is about \$50 per month on the Aquascaping pond maintenance and approximately \$3,500 for the landscape maintenance.

Mr. Brubaker stated that is why I am proposing to keep the security where it is at. I fully understand your argument. Keep the security where it is at and then budget in, if we can, whether you do it through a higher contingency factor and try to make up the difference to that \$60,000 number that is budgeted right now for security.

Mr. Lawson stated I suggest if Mr. Brown can assist the District with doing all of these items today are really necessary to get the visual impact that is needed for this project and compare it to what is already built in here. The difference can be put in under Repairs. The Developer is going to end up paying that amount. The maintenance assessments are frozen to the homeowners based on the private lots. The \$130,000 you see on that budget revenue will not go up for that year. What will go up is the Developer's contribution. Things are in a disarray out there and we need, at least from a budget standpoint, to incorporate them. It may be something the Developer would have the ability to get reimbursed for later. We need to take some affirmative action and at least put some mechanics in place to get these things taken care of. They have been in disarray too long. That is my suggestion and I think based on that, this item will have to be continued again.

Mr. Daugirda stated we can certainly continue the budget item for a month if that is your pleasure. It is probably the best way. That way we will have accurate numbers.

Mr. Lawson stated and we can talk to Mr. Straley some more about the H.O.A. for the occupied lots. The Reserve should only be paid by occupied home sites which is typically how it is always done with a H.O.A. If we really want to get some reserves set up for 2000-2001, then we need to do some calculations of what that will be. At the next budget meeting that can be discussed. Mr. Brubaker can get some numbers and discuss it with the residents and get a feedback if they are agreeable to that. If so, the District can enter into an agreement with the H.O.A. to

collect monthly or quarterly a reserve component just on behalf of the C.D.D. Right now we need a shot in the arm in the District to get these funds in to take care of these items.

On MOTION by Lawson seconded by Mr. Schajatovic with all in favor to continue the July 18, 2000 public hearing on the Budget and the Board Meeting until August 15, 2000 at the Model Center, Wesley Chapel was approved.

Mr. Lawson stated Mr. Daugirda, for that meeting please do the investigations and inquiries that have already been discussed so we have everything laid out. I would like August 15, 2000 to be the final budget meeting and get the budget adopted.

Mr. Daugirda stated I will do that. I will coordinate with Mr. Brown on that also.

FOURTH ORDER OF BUSINESS

Acceptance of the Audit for Fiscal Year Ended September 30, 1999

Mr. Daugirda stated this was distributed to you by separate document. It is similar to all the other audits we have received. Grau & Company on Page 1 indicates that the general-purpose financial statements present fairly in all material respects the financial position of the District as of September 30, 1999 in accordance with generally accepted auditing standards. There are some financial tables which are similar to what you review on a regular basis, namely the balance sheet and the Statement of Revenues and Expenditures as well as some supporting notes. Mr. Mossing and his Staff have reviewed those numbers and are in agreement with that in terms of our records. In the back of the report there are some opinion letters and they indicate on Page 17 that they test to make sure that our financial statements are in compliance with laws, regulations, and contracts. They said based upon their tests they discovered no instances of non compliance. Under Internal Controls Over Financial Reporting they noted no matters in our internal control systems and operations that they considered to be material weaknesses. On Page 20, under III. Compliance (5-8), there were no current year recommendations, there were no violations of laws, rules, regulations, there were no illegal or improper expenditures and no matters requiring correction. It is a positive audit and we recommend acceptance of the Audit for Fiscal Year ending September 30, 1999..

On MOTION by Lawson seconded by Mr. Kehoe with all in favor to Audit for Fiscal Year Ended September 30, 1999 was approved.

FIFTH ORDER OF BUSINESS

Construction Status Report

Mr. Daugirda stated Mr. Floyd is not with us. He usually gives us the briefing on that.

Mr. Piercefield stated we completed Unit 5 and Unit 7 which is the last construction activity. The barricades are down so you can drive the roads. The filter tubing for erosion control has been left in the curb inlets and is causing some problem with all the rains. This is an incomplete operation because there is a lot of water ponding in these roads.

Mr. Lawson asked is it ponding because of silt building up in front of these filters.?

Mr. Piercefield responded the filters are blocking but the water goes through the filters. The grass is up and it is keeping the erosion off of the lots from running into the road so we are not really getting any erosion.

Mr. Lawson asked in your opinion are we okay to remove the inlets because the grass buffer is holding the materials on the lots?

Mr. Piercefield responded yes. When the water ponds there it is obvious where it is ponding. It is not good for the roads for it to do that.

Mr. Lawson stated I agree.

SIXTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There not being any, the next item followed.

B. Engineer - Requisition List for 1997 Project

Mr. Piercefield stated there is a List of the Requisitions for the Project. There are no requisitions this month. We have actually issued requisitions up through 154. The balance as 7/13 in the Construction Fund is \$405,818. That is earmarked to finish up Unit 6 which is not under construction at this time. I have another item which I am calling the SWFWMD Project Inspection and Certification Consolidation. I have been working with Len Bartows, the Environmental Science Manager, for SWFWMD and Paul Demeris, the Director of Regulations. We have 16 surface water management permits or ERP permits. Each one of these permits has conditions and when you put these permits in an operations phase you are required bi-yearly to do an inspection and certification report that all above-ground facilities are being operated and maintained as authorized by SWFWMD. Additionally, some of these permits require monitoring of the surface water elevations and also the ground water elevations. Since this bi-yearly report for certification is triggered by the date it is put into operations, this is ongoing and costly. The purpose of talking with them is to consolidate them so once every two years we would inspect the whole project at one time. This would save the District all of this money because a licensed Engineer has to do this inspection. The intention is to consolidate them and then I would be able to do them all at one time. By the next Board meeting I will have a report do the Board in this manner.

Mr. Lawson stated I am familiar with what you are talking about. I agree that consolidation makes sense. I approve that methodology. We will wait until the next meeting for your follow up report on that.

C. Manager - Report on Number of Registered Voters - 392

Mr. Daugirda stated please turn to Tab C6 in the agenda package. There is a letter from Kurt S. Browning, Pasco County Supervisor of Elections stating that on June 1, 2000 the voter registration records indicated there are 392 registered voters in Northwood. The statute requires that each year we report that information and the Board's make a determination. I need a motion that the District as of June 1, 2000 has 392 registered voters.

On MOTION by Lawson seconded by Mr. Schajatovic with all in favor that the Northwood Community Development District has 392 registered voters was approved.

Mr. Daugirda stated that you provides you with notice on the population base of registered voters. Under Statute 190, during the early construction phase of a C.D.D., the selection process is by landowner elections. Each house gets one vote per lot. Unplatted vacant land is one vote per acre. After six years and 250 registered voters, when those two factors come together, there is a transitions to where two residents who are qualified electors or registered voters get the opportunity to run for election through the general election. The District was formed in April, 1995. Six year from that date would be 2001.

SEVENTH ORDER OF BUSINESS

Supervisors Requests and Audience Comments

Mr. Lawson stated I have none.

Mr. Kehoe asked did I hear a conversation about the pool area and bringing pets into the pool area? Are there any restrictions about pets in the pool area?

Mr. Daugirda stated I will double check but I know there is a sign posted about no trespassing and another with pool rules. I will check and if needed I can add that. In the past someone was bathing their pet in the pool and they were asked to refrain from doing that.

A resident stated they are not bathing the pet. They allow it to swim.

Mr. Daugirda stated that is still bad.

A resident stated and it is still happening.

Mr. Lawson stated we have to find out who the resident is and put him on notice. I never cease to be surprised.

A resident asked is it an H.O.A. issue or a C.D.D. issue?

Mr. Lawson stated it is on C.D.D. property, so the C.D.D. will have to take care of that.

Mr. Brown stated she has the name of the individual so we can write a letter. She has asked not to be mentioned.

Mr. Daugirda stated that is fine. We will follow up on that with the residents after this meeting.

Mr. Brown stated I suggest a letter to encourage them to respect other people's rights. I do not want it to be a condemning letter.

Mr. Brubaker asked is there still a vacancy on the Board?

Mr. Lawson responded we have continued that item for now.

A resident asked is the August 15th meeting open to the public?

Mr. Daugirda responded yes. The meeting was continued as well as the public hearing.

Mr. Brubaker stated at the last meeting the okay was given to purchase a shaded structure for the tot lots. What is the status of that?

Mr. Daugirda responded previously we got quotes from two companies that specialize in playground equipment. The first, A-Park, a Tampa firm has a structure for \$1,128. Architectural Awnings had a proposal of \$2,760. I do not remember the Board authorizing the purchase of either one of those because of the high cost. I think we need more work on that to find a more cost effective solution to this matter. We did follow up on the other items. Mr. and Mrs. Brubaker were very helpful in selecting a picnic table which has been installed at the tot lot. Also three more general purpose tables were installed at the pool. I think we need a little more work on the shade structure to find something more cost effective.

Mr. Schajatovic stated how about trees.

Mr. Brown responded trees make sense. Did the tables for the pool area include umbrellas?

Mr. Brubaker responded no.

Mr. Brown asked is that something we want to do? I know that maintenance is going to be an issue. If there is going to be vandalism there is no sense in putting them out.

Mr. Daugirda stated yes that is the problem we are having at the pool. It is an unattended pool. There has been vandalism at the cabana and the pool area. U.S. Home recently stepped up and made some repairs to the cabana structure to the screens and the kickplate. We appreciate that. There has been an ongoing vandalism at the pool in terms of people stealing or breaking the throw safety rings, bending the poles, etc. I have advised the Board of that in the past and we have basically instructed the pool contractor to replace the safety equipment so that we are in compliance.

Mr. Brown stated the vandalism happens after hours.

Mr. Daugirda stated unless you have someone who is willing to put out the umbrellas each day and remove them at night, the likelihood is that they would be stolen or broken.

Mr. Brown stated we really have to control the vandalism issue first and then we can go ahead with the luxuries.

Mr. Lawson maybe a resident committee could come back and give us some direction on the shade structure. I agree we need one out there. Regarding vandalism, with another District I have worked on, we kept flood lights on all night in the park area. I think you would have less people vandalizing. I realize it could interfere with the residents that abut up against it. That might not be viable in this District.

Mr. Daugirda stated we did follow up on that. I believe you mentioned that before. We did put additional lighting on the side of the cabana shooting out to the east as a deterrent. The residents thought there was adequate lighting from the street lights and the other lights.

Mr. Brubaker stated that lighting into the parking lot stopped a lot of activity in the parking lot. Unfortunately, the cabana at night is rather dark around the pool. They just moved from the parking lot into the cabana and then around the pool. If you light it with a downward diffused type lighting system which would minimize the impact to the residents, it might help.

Mr. Lawson stated the cost of lighting may be less than the cost of these constant repairs if we can minimize them by having the whole area exposed. Like bugs, they will avoid the light.

Mr. Brubaker stated regarding the shading and how that was brought up. My wife organized a young mothers' club and they were meeting at the tot lot to do some socializing. That was back in the winter when it wasn't so hot. After the sun started heating up in the spring and the summer, that whole activity just dissipated because of there was no shade to protect them.

Mr. Lawson stated I agree and I believe the Board agrees we need to do something about that. If we cannot find anything less expensive we will have to select one of the two bids that Mr. Daugirda spoke of. Pretty soon the summer will be over with and they will not need the shade. They requested it and I think it is a very good reason. We want the park to be used and the social camaraderie to take place out there. That is what the whole purpose of that is for. I do not want to sit on that. Let's get some good recommendations and make it happen.

Mr. Daugirda stated I suggest that within ten days if the parties can find something better that we implement it. If not, go with the low bid, A-Park.

Mr. Brown stated I think we should look into using trees too like Mr. Schajatovic suggested because that is an ongoing issue that we have to maintain that shade structure.

Mr. Lawson stated maybe Pasco County will build a structure for us.

Mr. Brubaker stated the tree comment was brought up at the last meeting. I believe the concern was that the leaves would end up in the pool.

Mr. Lawson stated I agree. I do not think I would want any trees around the pool area. It becomes more of a maintenance problem.

Mr. Brown stated around the tot lot. Something that will provide a minimum amount of shade initially but will eventually take over that little area.

Mr. Daugirda stated maybe after we adjourn Mr. Schajatovic, Mr. Brown and myself as well as anyone else who would like, could go over to the site and brainstorm and come up with a solution. There are some space considerations.

Mr. Brubaker stated one comment about residents responsibility for their own neighborhood. I am a big fan of that and that is the way it should be. As publisher and author of the Homeowners Association newsletter, in every one that I have ever written and I am up to the fourth one, I make it known that we need to be responsible and point out these things that are going on over in the pool area. Whether it has any impact I do not know but at least the awareness has been raised through that avenue as well.

Mr. Kelley stated if I understand correctly, each of the contracts are on a month to month status.

Mr. Daugirda stated we have cancellation provisions. I think what I am hearing from the residents is whether there is going to be a major shakeup with the contractors. If they do not conform their behavior in a positive way, that we seriously recommend to the Board that they be terminated and replaced.

Mr. Kelley stated it comes down to an activity log and what the expectations are. What are the expectations and are they being met?

July 18, 2000

Northwood Community Development District

Mr. Lawson stated I understand and we have addressed that already. Mr. Daugirda has been given direction on that issue to remotivate these specific parties. If he is getting an indication of status quo we will certainly change that situation.

EIGHTH ORDER OF BUSINESS

Approval of Invoices and Funding Request

Mr. Daugirda stated that is Tab 3 in your blue packet. There are two funding requests, 54 and 55, totally \$11,719.75.

Mr. Lawson stated on Funding Request #54, it appears at the bottom that U.S. Home had funded that previously. I have no further questions.

On MOTION by Mr. Lawson seconded by Mr. Schajatovic with all in favor Funding Requests 54 and 55 were approved.

On MOTION by Mr. Lawson seconded by Mr. Schajatovic with all in favor to continue the meeting to August 15, 2000 at 9:00 a.m.

Darrin S. Mossing
Assistant Secretary

Michael S. Lawson
Chairman

July 18, 2000

Northwood Community Development District

NOTES FOR 7/18/2000 NORTHWOOD MEETING

John Daugirda

- Tot Lot shade structure.

Maintenance contract - get proposal from Mr. Curtain for cleaning pool area.

Check sign - No Pets in Pool

Contractors and workers **SHOULD NOT** be eating in the cabana. Contact V.P. of company.

Monument tiles are falling off....need repairs.