

MINUTES OF MEETING  
HERON ISLES COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Heron Isles Community Development District was held on Thursday, November 2, 2017 at 10:30 a.m. at the Compass Group Conference Room, 961687 Gateway Blvd., Suite 201M, Amelia Island, Florida.

Present and constituting a quorum were:

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| Ricky Rowell      | Chairman      |
| Don Lyons         | Vice Chairman |
| Kathleen Blessing | Supervisor    |
| Justin Blessing   | Supervisor    |
| Robert Martyn     | Supervisor    |

Also present were:

|                 |                             |
|-----------------|-----------------------------|
| Dave deNagy     | District Manager            |
| Jason Walters   | District Counsel (by phone) |
| Daniel Laughlin | GMS                         |

**FIRST ORDER OF BUSINESS**                      **Roll Call**

Mr. deNagy called the meeting to order at 10:30 a.m.

**SECOND ORDER OF BUSINESS**                      **Audience Comments**

There being none, the next item followed.

**THIRD ORDER OF BUSINESS**                      **Approval of the Minutes of the August 3, 2017 Meeting**

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| On MOTION by Mr. Rowell seconded by Mr. Blessing with all in favor the Minutes of the August 3, 2017 meeting were approved. |
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**FOURTH ORDER OF BUSINESS**                      **Selection of Audit Committee**

Mr. deNagy stated this is the last year of our Audit Committee obligation with CPA firm, McDermitt Davis. Typically the board members serve as the Audit Committee. We will create

the committee, and at our next meeting in February, we will have an Audit Committee meeting prior to the regular board meeting to go ahead and the select RFP selection criteria. I am asking if the board will serve as the Audit Committee.

On MOTION by Mr. Lyons seconded by Ms. Blessing with all in favor to have the board serve as the Audit Committee was approved.

**FIFTH ORDER OF BUSINESS**

**Ratification of Agreements for FY18**

- A. All Repairs & Maintenance**
- B. The Lake Doctors**
- C. Martex Landscaping**

Mr. deNagy stated the pricing in all these agreements is consistent with what is in our FY18 budget. Unless there are questions, I look for a motion to ratify the FY18 agreement with All Repairs & Maintenance

On MOTION by Mr. Rowell seconded by Mr. Martyn with all in favor to ratify the FY18 agreement with All Repairs & Maintenance was approved.

Mr. deNagy stated the second agreement for ratification for FY18 is The Lake Doctors.

On MOTION by Mr. Rowell seconded by Ms. Blessing with all in favor to ratify the FY18 agreement with The Lake Doctors was approved.

Mr. deNagy stated the third agreement for ratification for FY18 is Martex Landscaping.

Mr. Lyons stated on the actual letter from Martex Services, they are saying they have three extra ponds. Where are those extra ponds?

Mr. deNagy stated I know Cheryl took a look at this. I would have to check with her. I can get back with you on that.

Mr. Rowell stated I believe we talked about this at the last meeting. They are on a new street they are developing. There are two or three back there I believe.

Mr. Lyons stated I knew I saw two, but I didn't know about the third one. If Cheryl showed it to you, I am fine with it.

On MOTION by Mr. Rowell seconded by Mr. Lyons with all in favor to ratify the FY18 agreement with Martex Landscaping was approved.

**SIXTH ORDER OF BUSINESS**

**Consideration of Resolution 2018-01,  
Amending the FY17 General Fund Budget**

Mr. deNagy stated all this does is reallocate dollars to show that we had a budget that fell within the confines of the money we received in the District to pay for all the services. There will be no line items with any overages.

Mr. Lyons asked the budget for the Homeowner's Association doesn't come from us?

Mr. deNagy responded it does not. It would be from Cheryl's group – LeLand, I believe. That does not show up under the District business.

On MOTION by Mr. Martyn seconded by Ms. Blessing with all in favor Resolution 2018-01 amending the FY17 budget was approved.

**SEVENTH ORDER OF BUSINESS**

**Other Business**

There being none, the next item followed.

**THIRTEENTH ORDER OF BUSINESS**

**Staff Reports**

**A. District Counsel**

Mr. Walters stated I don't have any action items for the board today.

**B. District Engineer – Discussion of Infrastructure Improvements**

1. Consideration of Conveyance of ROW Lot 376
2. Discussion of Updates to the Recreation Improvements and Assessing Final Cost Estimates

Mr. deNagy stated you got my email yesterday. Mr. Lucas needs some more input on the plans. They are on the Heron Isles CDD website. I would like to set a date to continue today's meeting. I would like for the board members to get back with Jim Lucas with any thoughts on changes to the plans that he has. They are at [www.heronislescdd.com](http://www.heronislescdd.com). I would like to continue the meeting to November 28 at 10:30. If you could get comments back to Jim Lucas by the 10<sup>th</sup> of November or the 13<sup>th</sup>, that would give him time to update what needs to be updated. On the 28<sup>th</sup> of November we can proceed with the plan for the improvements. That would be a Tuesday at 10:30 at this location.

Mr. Rowell asked wouldn't it be easier to have a workshop with him, to sit down as a board with him to go over stuff with him instead of us emailing him back and forth, giving our opinions, and having him piece it all together. I was under the impression we already did this last meeting at the hotel. My opinion is we should have a workshop with him and tell him what we want to do moving forward, which I thought we had already done.

Mr. deNagy responded that is not a bad idea. The problem is I will need to get Jim Lucas nailed down on a date for the workshop. This way we would go ahead and actually set a meeting so we could move forward with this. Jim is very difficult to get a hold of.

Ms. Blessing stated I would really like to get an estimate on all this before we go forward with any kind of financing.

Mr. deNagy stated the estimate will come from the thoughts you have. Jim went over the initial plans at the last board meeting, but I believe he did ask for any thoughts on changes that ya'll want to make to those plans. The plans are online. They are part of the record of proceedings because they were presented by the Engineer.

Ms. Blessing stated basically you have to decide how many parking spaces you would want and if you like where he put the pool. I think we should just give him some ideas and then let him come back.

Mr. Lyons stated I would like to have this group meet, even without him, to discuss our options. We can't meet separately because of the Sunshine Law.

Mr. deNagy stated if we did a workshop, we would have to advertise it just like we do a regular board meeting. The only thing is you can't take any action at a workshop as a board.

Mr. Walters stated I think it would be helpful to have a workshop in terms of you can brainstorm for hours, and you don't want to do that in a public meeting where we are a little bit

more constrained. If we had a workshop prior to that meeting, hopefully we could come to that meeting with a little bit more focused direction for Jim in terms of the design, and start getting estimates from there. We will have to get a notice together, so we have to pick a date that is at least a couple of weeks out so we can get our notice in the paper. It can be anytime. It is less restrictive. You don't need a quorum, we just need a designated time and location.

Ms. Blessing stated we can even meet at the park because that is where the pool is going to be, weather permitting.

Mr. deNagy stated if we can get the advertising done, we can do it the week of perhaps the 13<sup>th</sup>, but then we would have to set our meeting in December sometime. We would have to get those ideas over to Jim Lucas and give him time.

Mr. Rowell asked how much time between the workshop and the meeting would Jim need? Could we actually have the workshop on the 28<sup>th</sup>, and then have the meeting the following week or the week after into December.

Mr. deNagy responded yes, we could. Do you want to have a workshop at 10:30 on the 28<sup>th</sup>?

All board members agreed to do it on November 28 at this location.

Mr. Walters stated we can plan to do a meeting in early December.

Mr. deNagy stated we can set a meeting after we talk at the workshop and get that advertised.

Mr. Walters stated we are confined a little bit in terms of the budget on the facility. If you will recall from the previous financing, we had to carve out an additional funding portion in that financing, so it is set at a \$1 million, which should be sufficient to build what we are looking at. A million dollar financing would generate a rollover \$700,000 in construction funds, so that is about the mark we are looking for in terms of final dollars. We can do enhancements on other things off other funds, but that is going to be about where we want to land on construction dollars.

Mr. deNagy stated we will have to take a look at the maintenance costs and how you want to handle the pool and all. We can provide that.

Mr. Walters stated it will blend nicely into next year's budget as we consider all these things.

Mr. deNagy stated I don't have an update from the Engineer about the roundabout that we talked about. This is all I have from the Engineer.

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| On MOTION by Mr. Rowell seconded by Mr. Lyons with all in favor to schedule a Workshop on Tuesday, November 28, 2017 at 10:30 a.m. at the Compass Group offices was approved. |
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**C. District Manager**

Mr. deNagy stated I don't have a report.

**D. Property Manager - Report**

Mr. deNagy stated he will report on behalf of Cheryl. A copy of her report is located in the agenda package.

Mr. deNagy continued. There have been some issues with Martex Landscaping. Cheryl has talked with the owner, and they are reviewing crew assignments and are making sure those issues are addressed. We will follow-up with Martex to make sure that work is completed. Regarding aquatic issues, Lake Doctors has been providing maintenance to the 23 ponds, and there have been no major algae issues. There is a storm drain problem at 84079 Swallowtail Drive. Mr. Lucas is aware of it and is still looking into what may be causing that issues. The board will be updated as we find out more things. All Repairs and Maintenance is providing janitorial services and debris pick-up. Cheryl notes they have been providing that in an acceptable manner. There were some fence columns and tops that were knocked out during the hurricane. Some repairs have been completed. Still waiting on some parts. There was an area damaged by a vehicle, and we have sent those cost estimates to State Farm. The driver's insurance company will be paying for it. Regarding restrooms, we have had more damage to them. A verbal estimate for repairs has been received in the amount of \$1,000. Cheryl would like the board to consider locking the doors between 6:00 p.m. and 8:00 a.m. I am not sure the process of that. We don't have electronic locks where we can set a time for the doors to lock. We would have to acquire that. I want to open it up to the board to discuss because we keep having vandalism happen to our restrooms.

Mr. Rowell stated I think if you lock it, you are going to have more because they are going to actually break in. I think you need to beef up the video surveillance. If you had better

surveillance, you would have caught everything on camera from whoever went in and from whoever messed up the message boards.

Mr. deNagy stated okay, I can get back with Cheryl on the video surveillance.

Ms. Blessing asked do we have an Under Surveillance sign?

Mr. deNagy responded we can add one if there is not one. That is easy enough to do. It can't hurt. Right now she has an estimate of \$1,000 to make those repairs. We do have money in our budget for repairs.

On MOTION by Mr. Lyons seconded by Ms. Blessing with all in favor for repairs to be made to the restrooms NTE \$1,000 was approved.

Mr. deNagy stated there was damage to the message boards. Cheryl suggested getting those replaced at \$475 each. A copy of what they would look like is in your agenda package. I look for a motion to approve the expenditure for the message boards.

On MOTION by Mr. Rowell seconded by Mr. Lyons with all in favor to purchase two new message boards at \$475 each was approved.

Mr. Lyons how would we gain access to the video when damage does occur?

Mr. deNagy responded we would have to get with Cheryl. She would have the access to the recording.

Mr. deNagy stated we talked about the roundabout earlier – I did not get anything back from Mr. Lucas.

Mr. Lyons asked about the request from Cheryl for No Parking signs.

Mr. deNagy stated we can put No Parking signs there. I don't think that is a problem.

Mr. Rowell asked can we put a couple in front of the new park because they like to run up on-the sidewalk, so can we put a couple through there?

Mr. deNagy responded I will ask Cheryl to do that. Regarding the cluster mailbox area, Cheryl notes that lighting is needed. She has proposed an aluminum pergola. We have talked about it, and there would be electric available as well. She has a NTE cost of \$2,000. Stucco would be an additional cost. Other gazebo options are located in the agenda package.

On MOTION by Mr. Blessing seconded by Mr. Rowell with all in favor to install an aluminum pergola NTE \$2,000 was approved.

Mr. deNagy stated the overhead structure of the pavilion at the playground is not safe. Cheryl is noting it should be removed.

Mr. Lyons stated personally I would not like to have it removed permanently. I would like to have it rebuilt. The Heron statute that is up on top, the way it is built seems to be keeping the kids from being able to climb up there. That has been protected by that structure all this time. If you take off that top structure and actually put that back on, or put the roof back on, it is going to lower it down to where the kids can get to it. I would like to see it remain in the same design than for someone to just go in and repair it.

Mr. Martyn asked is that where one of the security cameras is located too?

Mr. Blessing responded yes.

Mr. deNagy stated I'll get back with Cheryl on this. Can we table this and bring it back to you at our February board meeting? If something needs to be done in the interim, we can address that.

Mr. Rowell stated the only concern I have is not she has put that area is not safe. We probably need to close it off or caution tape or something around it because now we all know that, if something happens and something falls on somebody, we are liable. We need to temporarily close that area until we get this fixed, and we need to move on it. I know people like to have stuff up there all the time.

Mr. deNagy stated if we are going to have another meeting in December, we can tape it off until then and bring it back at the December meeting. I'll ask Cheryl to go ahead and put some caution tape and close it off in the interim.

Mr. Rowell asked can we get Cheryl to come to the November 28 workshop?

Mr. deNagy responded oh yes, she was planning to be here today. I'll get with her and talk with her. The last item in her report are the conservation area trees. There are seven trees she would like cut down for a total of \$600. They need to be felled and left in place. Is there a motion to do the tree removal for \$600?

Mr. Walters asked are these within conservation easement areas?

Mr. deNagy responded yes.



Mr. Walter asked has she gotten a sign off from the water management district?

Mr. deNagy responded yes, she did mention this was per the St. John's River Water Management District. They cut them down and leave them.

Mr. Rowell stated the quote said removal.

Mr. deNagy responded she said in her report to be dropped, but I will make sure. That is all they can do. That is consistent with what I have done at other Districts. They just need to be dropped. So do I have a motion for tree removal at \$600 and just to leave those in place in the conservation areas.

Mr. Lyons stated I would like this to be tabled for her to go back and talk to them and make sure that they understand they are not removing the trees and see if his price is going to change.

Mr. Rowell stated I agree because the quote does say removal.

Mr. Lyons stated I can understand the extra money for removing it, but if they are not going to, maybe it will cost less.

Mr. deNagy responded okay, we will table that. I assume we are going to have a meeting in December, so we will talk about that then.

**NINTH ORDER OF BUSINESS**

**Supervisor's Requests and Audience Comments**

**Supervisor Requests**

Mr. Blessing stated I noticed there is a tree down in one of the lakes. Can we get them to pull that out of the water? It is Pond #13. Mr. deNagy stated he would get with Cheryl on that.

Ms. Blessing had nothing.

Mr. Martyn had nothing.

Mr. Lyons stated there is a lot of message traffic on the Internet about our Internet and our cable service. There is talk about trying to get somebody else in the neighborhood. Hotwire now has the infrastructure. I remember an earlier discussion where Comcast was approached, but they wanted us to pay for any damages that might occur if they were to install their infrastructure. Is there any way of getting around this or getting another provider in there? I know the front of the neighborhood I think the service is fairly well established, but from what I am hearing, the back of the neighborhood seems to be a problem. Their Internet keeps

disconnecting. It seems to be an issue. Maybe we can call Comcast. There is a lot of talk on that Neighborhood App about how people are not satisfied with Hotwire.

Mr. deNagy responded I can give you a little bit of background. The cable is not part of the CDD. I know originally the developer, when he came in and put the community in, I believe he signed a licensed agreement with Hotwire, so they have the agreement to provide service in the community. I can refer to Jason on this, but the community would have to break that license agreement somehow. That would probably be more of an HOA function than a CDD function in order for another provider like Comcast to come into the District.

Mr. Walters stated I think that is generally true. For a little background, oftentimes half the battle is getting a provider to come in in the first place because it is very expensive for them to put the infrastructure in. What ends up happening is the developer will try to find one provider who will do it, and as an enticement to that provider, they will say you have the exclusive right to provide service within the community. Those deals are complicated and vary in length and vary in the ability to break them. Generally any efforts to fight that or try to get it rearranged are done through HOAs because it is a private service, and it is not something we have any purview over. If they are not providing adequate service, that is one issue, and that should be addressed with whoever that is. Even sometimes if it is not exclusive, the question will be is Comcast willing to come in and run miles worth of cable at a large expense if they are not sure they are going to get a certain number of subscribers. It is a business issue at the end of the day, but if the HOA wants to get collectively involved and look at that agreement and see what their options are, I think that is a good idea.

Mr. deNagy stated you probably would want your HOA attorney to pursue that.

Mr. Rowell had nothing.

#### **Audience Comments**

Mr. Ken Lunden stated I am the guy with the sewer problem. Mr. deNagy responded yes, we sent that to the Engineer, Jim Lucas, and he is looking at that. We have not gotten a resolution from him on that issue.

Mr. Lunden asked can I get in touch with Mr. Lucas. Does he need me to walk the system. I know exactly what the problems are. Mr. deNagy responded yes. Mr. Lunden stated I have had two feet of water in my back yard for three days. Mr. deNagy stated I will give you his email address after the meeting.

Ms. Sheila Rodriguez stated at the last meeting, there were numerous homeowners complaining about Martex and their grass cleaning experience. They cut the grass so low at the backyards around the pond that it is dead. It is just brown. When they cut the grass, it is flying into the pond, and they leave debris in the pond. A lot of people are not happy with the cleaning. Mr. deNagy stated, okay, so the grass clippings are going into the pond – they should not be going into the pond. I will let Cheryl know so she can talk with Martex.

Another resident stated the problem I'm having is not that they are cutting it to low, it is that they are not cutting it at all. I can't imagine the last time was they cut around the ponds. I talked to Cheryl about it. She said the homeowners are responsible down to the waterline. If that is the case, that means Martex has less to mow, we should be paying less because now apparently most of the lots are sold. At the end of Bass Lane and the back of Commodore, I can't even tell you the last time they mowed.

Mr. Marty Sukotsy asked about vacant lots or lots are eventually going to go to the homeowner. He stated if I was coming into that neighborhood to buy a home, I would turn around and leave in some instances. The lots look like crap literally. There are weeds and dirt. I would say somebody get with the builders and have them be responsible to at least maintain that property until somebody buys it. They are vacant. It doesn't look good. Mr. deNagy responded he would talk to Cheryl about that. The HOA should have a contact to the builder to talk about the vacant lots and maintaining those lots. They fall under the same covenants and restrictions as any homeowner does.

Mr. Jon Pichney stated I believe some builder has a road going off Ablatross way into the back where that pond is in the back, my neighbor said they bought they two lots so they can go back and forth, they were trucking and stuff like that while they build back there. Mr. Lyon stated that pond you are talking about is not really a pond. That is supposed to be a source of dirt while they are doing construction. It is filled up with water. I know the kids have been playing with it. The builder wasn't happy about that when he found out about it. It is supposed to be a hole for them to go and pull dirt out of. Mr. Pichney stated the issue with my neighbor is there is going to be a lot of trucking going back and forth. After half way between the cul-de-sac and Graylon there are vacant lots with a dirt road that goes back there and all this trucking that is supposed to go back and forth back there. How long is that going to be? Is it years, or is there just going to be hole there where trucks go back and forth. It is going to Black Rock. Mr.

Pichney went on to describe the area and the problems. Mr. deNagy stated I am not sure if it is the CDD, but I will look into it and talk with Cheryl.

Mr. Greg Watson asked about the gazebo being unsafe and who deemed that unsafe?

Mr. deNagy responded Cheryl, our community manager here, did.

Mr. Watson asked what is unsafe about it?

Ms. Blessing responded the beams up at the top are rotten.

Mr. deNagy stated there are photographs in the agenda package.

Mr. deNagy also referenced that someone was talking about roving security. I will check with Cheryl, and it will be put on the agenda to talk about that at the next board meeting.

Ms. Donna Hooke stated concerning the cul-de-sac, if Mr. Lucas comes to the workshop, can we discuss about the cul-de-sac.

Mr. deNagy responded you can ask him outside the meeting. The intent of the meeting is to talk about our pool. If he is there, I would try to grab a hold of him afterwards.

Ms. Hooke asked can we include that into that meeting?

Mr. deNagy responded we actually were going to table that and bring it up at the next meeting. It will probably be December when we talk about that. It is up to the board. If they want that to be a part of the workshop, we can add it to the workshop.

Mr. Rowell stated we pretty much know what we want to do with the cul-de-sac, and we can't take any action at the workshop. I think it would best fit at the December meeting.

In response to a question, Mr. deNagy went over the process for running for a seat on the board.

Mr. Pete Henry asked for some background on how the pool issue started. Was a petition signed?

Mr. deNagy responded it really started in discussion with the board, and there was an interest about having some additional amenities for the community. That is the genesis of the talks.

Mr. Henry asked so there hasn't been any real input from the homeowners themselves?

Mr. deNagy responded your board serves as your representatives.

Mr. Rowell stated our plan was to do the preliminary legwork and to get a design and to get a cost and then send something out to the homeowners. That way we have all the legwork

done, and the homeowners vote yes we do it, no we don't do it. That was our plan, and we haven't gotten to that point yet.

Mr. Lyons stated to give you an idea of how slow this process goes, we first talked about this two years ago. It has been hard to get forward motion and get this far.

Mr. Henry stated one problem is with vandalism and everything else, and I don't think there is enough parking there.

Mr. Rowell stated we will work that out. We didn't want to send out something to the homeowners because all of these questions are going to come up, and we don't have answers to them at that point. We are trying to get all the questions answered that we want and then provide all the pertinent information to the homeowners on cost, upkeep, what it is going to look like, and all that.

Mr. deNagy stated input will be received from the homeowner, and it will be up to the board on how they want to proceed.

In response to a question about liability connected with having a pool, Mr. Walters stated we are entitled to sovereign immunity, and that limits are exposure in terms of if there was a suit, damages are capped per statute. We also have liability insurance for these types of things.

**TENTH ORDER OF BUSINESS**

**Financial Reports**

**A. Balance Sheet & Income Statement**

These are as of September 30, 2017 and are located in the agenda package.

**B. Assessment Receipt Schedule**

This item is located in the agenda package. You are 100% collected

**C. Approval of Check Register**

Mr. deNagy stated the total of the check register is \$78,833.12.

On MOTION by Mr. Rowell seconded by Mr. Martyn with all in favor the Check Register in the amount of \$78,833.12 was approved.

**ELEVENTH ORDER OF BUSINESS**

**Next Scheduled Meeting**

Mr. deNagy stated our next scheduled meeting will be a workshop on November 28, 2017, at 10:30 a.m. at the Compass Group Conference Room, 961687 Gateway Blvd., Suite 201M, Amelia Island, FL. Our next regularly scheduled meeting is February 1, 2018, but I imagine we will have a meeting sometime in December after our workshop.

**TWELFTH ORDER OF BUSINESS**

**Adjournment**

On MOTION by Mr. Rowell seconded by Ms. Blessing with all in favor the Meeting was adjourned.

  
Secretary/Assistant Secretary

  
Chairman/Vice Chairman