

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 7, 2019 at 10:30 a.m. at the offices of Compass Group, 961687 Gateway Boulevard, Suite 201K, Amelia Island, Florida.

Present and constituting a quorum were:

Ricky Rowell	Chairman
Don Lyons	Vice Chairman
Robert Martyn	Supervisor
Justin Blessing	Supervisor
Kathy Blessing	Supervisor

Also present were:

Ernesto Torres	District Manager
Jason Walters	District Counsel (by phone)
Cheryl Graham	Property Manager

The following is a summary of the discussion and actions taken at the November 7, 2019 meeting. A copy of the proceedings can be obtained by contacting the District Manager.

FIRST ORDER OF BUSINESS

Roll Call

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

SECOND ORDER OF BUSINESS

Audience Comments

Mr. Bill Harvey, 97529 Albatross, asked is the discussion item on the projects concerning the parking?

Mr. Torres stated yes, the parking lot is one of the projects that the Board is going to consider.

Mr. Bill Harvey stated before this Board decides to do any type of infrastructure in the community, I'd really like you all to consider sod in the medians and maintaining what you have currently. You're going to have more infrastructure to maintain when you can't even maintain

what you have now. The association paid \$30,000 for landscaping and it still needs more stuff. It needs more dirt, sod and mulch.

Mr. Greg Watson, 85078 Furtherview, stated on the same note, I think before we do anything, we need to put about \$100,000 in reserves in case we have an emergency like a road collapse or something like that. We've already had a drain collapse. I just think we need reserves before we pressure wash sidewalks or put in parking spaces. I know I want the mailbox cover, but even before we do that, we need reserves for emergencies.

Mr. Torres stated I'll speak to that when we go over the financials as well, but something that the Board did this year that's different from year's past is we actually established the capital reserves account and for this year we're depositing \$30,000 into that account. I'll also speak on some other strategies that I may have for you.

Mr. Greg Watson asked where did that \$30,000 come from? From the increase in assessments?

Mr. Torres stated yes. For 2020 we financed the capital reserves and we dedicated what we call a capital project improvement line and that's where some of these projects that the Board will consider will be funded from.

THIRD ORDER OF BUSINESS

Approval of Minutes of the August 1, 2019 Meeting

There were no comments on the minutes.

On MOTION by Mr. Blessing seconded by Mr. Rowell with all in favor the minutes of the August 1, 2019 meeting were approved.

FOURTH ORDER OF BUSINESS

Discussion on Projects; Priority and Funding Source

Mr. Torres stated we're looking for some additional Board guidance on if the projects that have been discussed in past meetings are something the Board wishes to continue to pursue and if so we will have to go to the next step, whether it's permitting, an architect, or just getting additional bids. When I looked at the financials for the end of the year there was some high variance there and it appears we've paid forward some of the expenses that the Board has approved with the understanding that the HOA was going to reimburse and that reimbursement hasn't happened yet, so we're working with Cheryl to get this done. Once we receive that reimbursement, we will have the CDD in a good financial state to put those revenues into either

your projects account, or even your capital reserves. Some of these projects can most likely be paid out of our projects account.

Mr. Blessing asked we have \$57,500 in the projects account for this year?

Mr. Torres stated for this year, but I'm saying there may be additional funds coming to us as well.

Ms. Blessing stated I think the caps around the development have to be done. They look horrible.

Mr. Torres stated so that will come out of your \$57,000 there.

Mr. Blessing asked at the last meeting did we choose clean or replace them?

Ms. Graham stated we voted to replace them, and Krystal Klean was the vendor chosen for the replacement. They said they can't do any work on them unless they're cleaned because nothing will adhere to it, so they've stepped back until that decision is made.

Mr. Blessing stated okay that needs to be taken care of.

Ms. Blessing stated I think the well pumps, since it's going to save the community money, should be a priority.

Ms. Graham stated I've been in communication with a vendor and for one deep well the estimated cost is \$11,000. That includes the drilling, everything installed, the permits and the pump.

Mr. Blessing asked will that cover all of our usage?

Ms. Graham stated I'm waiting on Martex to answer that.

Mr. Blessing stated why don't we just do one, and we can always add another if needed. Regarding the parking lot, I've been driving past that park every single day and I've seen the parking lot overflowed twice and there was an event both times. Other than that, I haven't seen the parking full, so to me, I'm not ready. If it's just for events that they have to park in the grass I think they'll be all right. Like Bill said, we have to maintain everything else and then worry about that down the road. We could potentially add the mail kiosk cover, a well pump, and get the fence caps replaced all within our \$57,500 budget for this year.

Mr. Greg Watson stated the postal service is looking at what the original agreement was with the developer. It sounds like they're willing to work with us to possibly put individual mailboxes at each house. We would have to pay for the mailboxes. It would probably be a \$30 to

\$40 assessment. They've already approved for us to install smaller cluster mailboxes every 16 houses.

Mr. Torres stated it sounds like we're going to table any further staff work on the mail kiosk cover and we will focus more on the fence caps. Looking at past meeting minutes a motion was approved for cleaning of the fence, playground, sidewalks, and also replacing the caps.

Ms. Graham stated the sidewalks and play structures were cleaned but it was a separate proposal for the fencing and that was tabled.

Mr. Torres stated so based on Board guidance today, the well pumps are priority, along with the fence caps.

FIFTH ORDER OF BUSINESS

Ratification of the Engagement Letter from Berger, Toombs, Elam, Gaines & Frank for Preparation of the FY19 Audit

Mr. Torres stated Berger Toombs is the firm that the Board selected during the RFP process. I've already signed and submitted this letter to the accounting firm; I just ask for a motion to approve.

On MOTION by Mr. Rowell seconded by Mr. Lyons with all in favor the engagement letter from Berger, Toombs, Elam, Gaines & Frank for the FY19 audit was ratified.

SIXTH ORDER OF BUSINESS

Ratification of Renewal of Lake Doctor's, Inc. Lake Maintenance Contract for FY20

Mr. Torres stated this increase has already been included in your budget so there is no impact to the FY20 budget regarding this.

On MOTION by Ms. Blessing seconded by Mr. Martyn with all in favor renewal of the Lake Doctor's Inc. lake maintenance agreement was ratified.

SEVENTH ORDER OF BUSINESS

Discussion on Converting to LED Streetlights

Ms. Graham stated I was contacted by Florida Power & Light; they're doing a state-wide upgrade to the streetlights in communities throughout the state of Florida. At no cost to the association or the District they will change out the light heads to convert them to an LED light, which would give it softer light, improve the lighting and also less maintenance on them. We

don't pay for the electricity costs to streetlights, just mainly maintenance costs so there would be a small reduction there. Once it's approved, they place the order right away and it takes 10 weeks to get them in.

On MOTION by Mr. Blessing seconded by Mr. Rowell with all in favor FP&L converting to LED streetlights was approved.

EIGHTH ORDER OF BUSINESS

Consideration of Resolution 2020-01, Setting a Public Hearing for the Purpose of Adopting Amended and Restated Rules of Procedure

Mr. Walters stated we have a 60 page comprehensive document called our rules of procedure that govern district operations and that's everything from meetings to procurement, to the audits and those type of things so I generally say about 85% of that is based on statute and 15% of that is based on best practices and your most efficient way to operate districts. About every four or five years we like to do a comprehensive update based largely on changes to the statutes that have occurred over those years and anything we've noticed that could be more efficient to the way we operate. We've included a memorandum that shows the larger changes and what prompted those. There's also a redlined document that shows a word for word change. For today's purpose we're not asking the Board to approve those changes. Whenever we make changes to our rules of procedure we have to do so by public hearing so that's the action we're looking for today is just the Board to approve setting a public hearing to consider those changes and then we will bring that back at our next meeting for the Board to finally consider.

On MOTION by Mr. Blessing seconded by Mr. Martyn with all in favor resolution 2020-01, setting a public hearing for February 6, 2020 at 6:00 p.m. for the purpose of adopting amended and restated rules of procedure was approved.

NINTH ORDER OF BUSINESS

Staff Reports

A. District Counsel

There being none, the next item followed.

B. District Engineer

There being none, the next item followed.

C. District Manager

There being none, the next item followed.

D. Property Manager - Report

Ms. Graham stated just to make everyone aware, we are now in the off-peak season for landscaping so Martex will still be in the community, but on a bi-weekly basis instead of a weekly basis for mowing. During this time is when they will start doing more trimming of the trees and things of that nature.

Krystal Klean came out and said their material won't adhere to the fence columns unless they're cleaned so I needed to bring that back to the Board for consideration to have all the crown caps cleaned, repaired and replacement for those that are beyond repair for a total of \$13,240.

Mr. Lyons stated I'm inclined to go back to HuGus because they quoted us \$8,875 knowing the condition of these things and if there's any cleaning, I would assume they would include that in their bid.

Mr. Torres stated HuGus was only doing pressure washing like Krystal Klean was. The prices did not include repairs. What you can do is give some Cheryl some time and if HuGus can come in under the \$13,240 then she can contract with them.

On MOTION by Mr. Blessing seconded by Mr. Rowell with all in favor Krystal Klean's proposal to clean, repair and paint the fence columns caps for a total of \$13,240 was approved if a lower quoted proposal is not available.

Ms. Graham noted the playground equipment is in need of improvement. Mr. Torres directed her to bring proposals to the February meeting for consideration.

Mr. Bill Harvey stated at the last HOA board meeting the board asked me to come to the CDD board and ask permission to handle the Christmas decorations for the community. Unanimously the board does not like the wreaths, so we'd like to enhance it. I know the CDD owns those, so we are requesting you guys turn that over to the HOA.

Mr. Torres stated we have a decoration line on our budget. Are we going to fund up to that and let the HOA take the reins?

Mr. Rowell stated they're going to handle everything so that line item is going to go away or go into something else.

Mr. Torres asked so what is this proposal for \$1,830?

Ms. Graham stated the \$1,830 is labor to install and remove these items. There are 26 wreaths along with the big wreath and garland for the pavilion that are owned by the CDD already.

Mr. Blessing asked could we use that \$1,830 to help the HOA buy some new stuff so they don't have to bear the whole thing and then it would be off our budget for the following years?

Mr. Bill Harvey stated the social committee came to the board and asked if they could handle the decorations. There's \$2,500 in their budget but if you have \$1,800 and you want to give some of that to us, that would help out. We're looking at less than \$1,000 to buy lights to decorate the community. The problem is they get put up late and they get taken down in February. Our solution is we will let the community get involved.

Mr. Rowell stated I think it's a good idea, but I think we should take that \$1,800 and maybe buy some sod and try to make some people happy and let them handle Christmas decorations.

Mr. Torres stated we budgeted \$1,500 for holiday decorations. \$1,800 is the quote I'm referring to. Cheryl, you'll just work with the HOA for the decorations.

Ms. Graham stated I'll have these items pulled and delivered.

Mr. Blessing asked we don't want to chip in for the holiday decorations at all?

Mr. Lyons stated we still have other things we need to fund. I agree with Ricky. I think we ought to put that money into sod and landscaping.

2. Cost Estimates for Transition to Well System for Irrigation

Ms. Graham stated as I mentioned earlier, I have been contacting Martex. I just need to know how they convert from city water to wells but it can all be worked out. The bigger thing was whether we need one well or two and I'm still waiting on that. I've given them a deadline of this Friday because it's been going on far too long.

Mr. Blessing asked could we just give you a limit?

Ms. Graham stated you can, and I'll go through Mr. Torres for the approval if it's acceptable.

Mr. Blessing asked the estimate was \$11,000?

Ms. Graham stated yes, for one deep well.

On MOTION by Mr. Blessing seconded by Mr. Rowell with all in favor an amount not to exceed \$15,000 for the purchase and installation of a well was approved.

Ms. Graham noted some erosion has occurred around a lake in phase three that will require fill dirt to level out. Mr. Torres and Ms. Graham are to work to obtain quotes and make the repair between meetings for ratification at the next meeting.

Mr. Blessing asked while we're doing that, do we know the areas that need dirt and sod along the median?

Mr. Graham stated it would be easy to identify those areas along the median so I can do it all at the same time if you want.

Mr. Blessing stated, yes just get us an estimate.

TENTH ORDER OF BUSINESS **Supervisor's Requests and Audience Comments**

Audience Comments

Mr. Bill Harvey stated it was brought to my attention there are some sidewalks that are raising up from the roots of the trees. Some people have fell going down Commodore but throughout the community there are several spots. During Halloween it was a big topic on Facebook because kids were falling. I'll look at the Facebook post again to see the exact location and give it to Cheryl.

Mr. Torres stated at minimum if there are spots like that, we need to spray them to identify them right away and if they do require shaving, we need to bring that to the Board.

Mr. Bill Harvey asked did you guys get a quote from Charles Aquatics for the lakes? The reason I ask is I do this for my church, and I got two quotes, Lake Doctors and Charles Aquatics and Charles Aquatics was half the cost of Lake Doctors so there's more savings there. The only other thing is the irrigation. I don't know if Martex is breaking the sprinklers every time they mow but it seems like every week they mow there is another sprinkler that's broken. They broke the no soliciting sign at the front, so we really need to look at that a little closer. The sprinkler at Albatross and Heron Isles is shooting straight up in the air like a fountain.

Ms. Graham stated I will get with Martex.

Mr. Bill Harvey asked what's the deal with the landscaping? When are they going to do Breezeway Court and finish up the juniper they still have to replace? I was told a month ago that was supposed to be fixed. We're getting into the non-growing season now so putting plants in is not feasible.

Ms. Graham stated I'll go over everything with you.

Mr. Dan Hubbs, 97556 Albatross, asked are we still mowing Heron Isles Parkway in front of the Black Rock Park community where they're putting all the trees in? Secondly, I heard someone mention earlier about turning the private roads over to the county and that we wouldn't be responsible for them anymore. That's never going to happen?

Mr. Rowell stated that's never going to happen. The county will not take our roads. They've got all they can handle now.

Mr. Dan Hubbs stated another thing is a lot of the lights are broken on Heron Isles Parkway. Is there any interest in repairing those?

Ms. Graham stated yes, I have an electrician that's going to go check all of those.

Mr. Rowell asked is there something in Martex's contract that says if they break it, they will fix it?

Ms. Graham stated I would hold them to that if so.

Mr. Rowell stated we probably need to look into adding that to the next contract because if they're breaking all of this stuff why are we paying to get it fixed?

Ms. Graham stated I agree.

Mr. Blessing asked Ms. Graham to get an estimate from an electrician on getting flat lights to help prevent further damage.

Mr. Lyons stated we have a pothole on Coral Reef. Can we get our engineer to take a look at it?

Ms. Graham stated we just need to get that filled.

Mr. Lyons stated it's right across from a drainage spot so I'm worried it might be a sinkhole in the making.

Ms. Graham stated I'll get that checked.

Mr. Greg Watson stated you all were talking about the fence and the caps. If we get them cleaned, repaired and painted is that going to alleviate our problem with stains on them or is this going to be something we have to throw money at every three or four years or do we have

another way we can go? My second thought is the property right behind the mailboxes never gets any care from anyone. It's nothing but weeds and the shrubs by the mailboxes are bad. The shrubs behind that wall should have been taken care of years ago and now they're just overgrown.

Mr. Torres stated I think at the next meeting we need to have Martex here.

Supervisors' Requests

Mr. Martyn stated we were supposed to have police protection starting November 1st. Are they patrolling?

A resident stated I see them here all the time.

Mr. Martyn asked do we maintain all the way to Black Rock Road?

Mr. Torres stated I'd have to look at the district boundaries. If it's determined that it's not then we need to make adjustments to Martex's contract.

Ms. Graham stated based on the original agreement that the developer had with the county the developer was required to put that road all the way up to Black Rock Road and had to take on responsibility for the maintenance of it. The big pond right there has been removed from the district's responsibility and all of the maintenance on that side is theirs to take care of. Just the median is Heron Isles CDD's responsibility. Since there's another community there maybe that can be revisited.

Mr. Torres stated I want to check the county's website.

Ms. Blessing stated several meetings ago I had asked about the homeowners' association budget and their collections and if there was any way we could get that \$100 a year onto the tax collections.

Mr. Walters stated that's not something we can put on our tax roll. From an assessment standpoint we've got very strict guidelines as to what can be included in those.

ELEVENTH ORDER OF BUSINESS Financial Reports

A. Balance Sheet & Income Statement

Copies of the financial statements were included in the agenda package.

B. Assessment Receipt Schedule

Mr. Torres stated you are fully collected based on the county roll.

C. Approval of Check Register

Mr. Torres stated the check register totals \$62,813 and your utilities total \$31,505.57.

On MOTION by Mr. Rowell seconded by Mr. Blessing with all in favor the Check Register was approved.

TWELFTH ORDER OF BUSINESS

**Next Scheduled Meeting – February 6, 2020
at 6:00 p.m. at the Association of Realtors,
910 S. 14th Street, Fernandina Beach, Florida**

THIRTEENTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Rowell seconded by Mr. Lyons with all in favor the meeting was adjourned.


Secretary/Assistant Secretary


Chairman/Vice Chairman