

MINUTES OF MEETING
DEER RUN
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Deer Run Community Development District was held Wednesday, May 26, 2021 at 6:00 p.m. in the Island Club, 501 Grand Reserve Drive, Bunnell, Florida.

Present and constituting a quorum were:

Robert Porter	Chairman
Mark Dearing	Vice Chairman
Gail Lambert	Assistant Secretary <i>via Zoom</i>
Bob Barnes	Assistant Secretary

Also present were:

Ernesto Torres	District Manager
Katie Buchanan	District Counsel
Michelle Rigoni	Hoping Green & Sams <i>via Zoom</i>
Peter Amans	District Engineer <i>by telephone</i>
Heather Chambliss	Amenity Manager
William Viasalyers	Field Manager

FIRST ORDER OF BUSINESS

Roll Call

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

SECOND ORDER OF BUSINESS

Audience Comments

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the March 24, 2021 Meeting

On MOTION by Mr. Dearing seconded by Mr. Barnes with all in favor the minutes of the March 24, 2021 meeting were approved as presented.

FOURTH ORDER OF BUSINESS**Consideration Items****A. Proposal from Riverside Management Services, Inc. for Amenity Management, Pool Maintenance and Janitorial Services**

Mr. Torres stated before you move on that proposal it would be wise to look at the proposals for janitorial and pool maintenance. There is not that huge of a savings, but at the last meeting the Board asked me to get additional proposals and they are in the agenda package.

Mr. Porter stated I like the idea of saving money if we can and in our typical contract we have the right to fire them with a 30-day notice if we are not happy.

On MOTION by Mr. Dearing seconded by Mr. Barnes with all in favor the Riverside Management Services, Inc. agreement for amenities and recreation director at \$63,000 and assistant manager services at \$15,750 was approved, the proposal with Aquatic Xpress Pool Services for pool maintenance was approved, and the proposal with Inca Cleaning & Management for janitorial services was approved.

B. Proposals for Pool Maintenance

- i. Aquatic Xpress Pool Services - \$10,200**
- ii. Poolsure - \$10,500**

Mr. Torres stated RMS is \$15,750.

C. Proposals for Janitorial Services

- i. J&G Commercial Cleaning Services, LLC \$31,200**
- ii. Vanguard Cleaning Systems \$18,300**
- iii. Inca Cleaning & Management - \$14,029**

Mr. Torres stated RMS is offering janitorial services at \$18,720. The scope is the same at three days per week.

D. Proposal for AC Maintenance

- i. ATEC Air & Hearing, Inc.**
- ii. All Volusia & Flagler Hearing & Air, LLC**

This item was taken later in the meeting.

E. Resolution 2021-05 Approving the Proposed Budget for Fiscal Year 2022 and Setting a Public Hearing

Mr. Porter stated tonight we will approve this budget or some variation of this budget that will be advertised for a public hearing and at the public hearing we will adopt whatever level you feel that everyone wants. This is to get the process started and after the public hearing we will adopt the final budget, which can be any number that does not exceed what is in here. We have set up reserves and most of the expenses are based on contracts that we have; contracts for managing stormwater, managing the amenity center, the contracts we just voted on and that kind of thing. We reflect what we are actually spending on utilities and so forth.

Ms. Buchanan stated the CDD does have a website, deerruncdd.com and the agenda package and the documents you are reviewing are available on the website.

Mr. Porter stated if you have questions, you can contact Ernesto. We have a posted meeting schedule but if we don't have anything on the agenda, we will cancel that meeting.

Mr. Torres stated there were some changes to the budget, one was adding Poolsure contract at \$9,240 and the other consideration is on section 5 and that is the Lakeside swale. We received some discussion at the last meeting about what we could do. Dredging is an option but is \$30,000 and I did not include that on this budget, but if the Board chooses to consider that then we need to add that to the budget before we approve this level. At the next meeting we will not be able to increase it.

Mr. Porter stated I would not be willing to spend \$30,000 to dredge that.

Mr. Torres stated we will approve the budget with one change and that is adding the \$740 increase and it will be \$651,000.

Mr. Porter stated District costs for operation and maintenance will go up as the community builds out because the District will have more common areas they have to mow, we will have more residents, we will need to up the amount of chemicals that go in the pool and that kind of thing. It will go up as time goes on. Currently Horton pays the same amount of O&M on all future lots that you pay for being here. Essentially, Horton is paying more than half of the operation and maintenance at this point. You are not paying for the new people coming in, we have been paying for the people moving in.

<p>On MOTION by Mr. Barnes seconded by Mr. Dearing with all in favor Resolution 2021-05 approving the proposed Fiscal Year 2022 budget as amended and setting a public hearing at 6:00 p.m. on August 25, 2021 at this location, was approved.</p>
--

FIFTH ORDER OF BUSINESS

Discussion of Lakeside Conveyance Swale

Mr. Barnes stated the swale on Lakeside has been a concern of mine and we may have come up with a solution for the odor issue and William can speak to that.

Mr. Viasalyers stated since the last meeting Mr. Teagle provided us with information that he was not versed in but learned about regarding odor control of lakes and small bodies of water. We contacted the lake vendor and they have never used the product, but they are willing to give it a shot to see if it helps with the odor and we are going to pursue that option and see if we can eliminate the odor.

Mr. Barnes stated we are working to address the issue there and I have had discussions with a number of the residents and if we can control the odor, we can look at the next steps down the road.

SIXTH ORDER OF BUSINESS

Discussion of Freedom Section Accessibility

Mr. Porter stated there are two sections, the Freedom section and a section in the back that are both gated that have private streets that have a homeowners' association and the homeowners' association is responsible for maintaining the streets, landscaping and so forth behind the gate. They are private communities. Someone has asked whether or not the CDD bond money was spent and that kind of thing and when Horton bought the community we bought it from the bondholder and at that point there were six houses in here. What had been done with the initial bond was the road that goes from S.R. 100 all the way to U.S. 1, some offsite and onsite water, sewer, reuse and so forth, but none of the more recent roads and none of the stuff in the Freedom section or behind the other gate. When Horton got involved we refinanced the bond and generated \$3 million in additional money and that \$3 million got spent on this amenity center and Horton contributed something like \$500,000 to \$600,000 in addition to that to finish it and get it put together. None of the District's money was spent to develop either of the gated sections. They are private and if the HOA says people who aren't there aren't allowed then people who don't live there aren't allowed. They pay the same assessment everybody else does for the CDD. In addition to that they pay another assessment just to their HOA to take care of the private streets and the gates.

SEVENTH ORDER OF BUSINESS**Discussion of City of Bunnell Resolution
2012-01 Adopting Golf Cart District**

Mr. Barnes stated someone had asked about the possibility of making this a golf cart community. I contacted the city manager, asked what it would take to make it a golf cart community and he called back and said in 2012 the city passed Resolution 2012-01 effectively making the entire Grand Reserve Community a golf cart community. The only thing we are missing at this point is the signs at the entrances to let people know that it is approved for golf cart use. If you look at state law 316.212 it talks to the requirements for a golf cart, it is very basic, it is not a street legal golf cart, essentially any golf cart it just needs lights on the front and back. If they are used at night you need to have a full street legal golf cart but the approval that was done for our community was only for daytime use, but the police are aware of it and golf carts are acceptable on our roads.

Mr. Porter stated acceptable on the roads; you can't drive them on the sidewalks. That's great, signs are cheap, let's buy whatever we need.

EIGHTH ORDER OF BUSINESS**Staff Reports****A. Attorney**

There being none, the next item followed.

B. Engineer**1. Update on SJRWMD Correspondence**

Mr. Amans stated the report is about our interaction with the St. Johns River Water Management District in regard to the compliance letter they sent to us early this year. We got a letter in January as a second notice and when we dug into it we found they had sent a first notice in May 2020 that we never received. We coordinated with them, the CDD authorized us last time to start researching the history behind it. There was a lot of research done since the beginning of the construction of the golf course and prior to that and we put together a memo summarizing our findings. I had just sent it to Ernesto electronically right before this meeting and you may not have had a chance to see it yet. We looked at compliance issues that began in 2008, there were some interactions with the St. Johns River Water Management District about these compliance issues. Some of the things came up later in 2009, 2012 and in 2015 there was a map developed by a consultant saying here are all the areas that need to be maintained, the District signed off on it and have made progress reports since then. The last progress report was submitted in 2020 and

all these reports, no problems ever came up as these are areas that you are not maintaining or you are over mowing or these are areas that you need to vegetate and all of a sudden in 2020 a couple months after that progress report was submitted, we received the initial letter saying there are a lot of these areas not addressed. What we believe is happening is there are two different departments, one that reviews the progress reports being submitted and these progress reports are being submitted by Terracon. They are submitting these reports on the areas that have compliance issues. There were 18 areas that the District sent to us saying there are issues and basically these should be conservation easements and they are cleared or being mowed. We believe the majority of those areas are addressed and should have a separate finding here. There may be a couple areas that the golf course needs to adjust the mowing program on, maybe scale back and they may work from the survey and reclass some of these conservation easements plats.

Mr. Porter stated basically, we have a problem you are trying to address it. What I'm going to suggest is that we authorize you to continue, if there is specific action we need to take such as meet with the golf course or whatever, I'm going to ask the Board to authorize me to work with you if it is something that has to be done between meetings so we can get it done. I have been in the development business for 30 years so I have a good idea of how these things work. Send me a report of what is going on and I will get back with you and we will figure it out.

On MOTION by Mr. Barnes seconded by Mr. Dearing with all in favor the Chairman was authorized to act on behalf of the District in relation to issues with the St. Johns Water Management District.

C. Manager

I. Approval of Check Register

On MOTION by Mr. Barnes seconded by Mr. Dearing with all in favor the check register was approved.

2. Balance Sheet and Income Statement

A copy of the financials was included in the agenda package.

3. Presentation of Number of Registered Voters - 451

Mr. Porter stated there are 451 registered voters residing in the District. The way this is set up is there is a landowner election that elects all five of the Board members and over time when we get to 250 registered voters and the District is six years old, then two seats go to general election and that happened at our last election cycle and that is when Bob Barnes and Gail Lambert were elected. November a year from now there will be two more seats that will be on the general election and only one person left from the landowner. The year after that it is all residents.

4. Amenity Manager's Report

Ms. Chambliss stated at the last meeting I discussed that our a/c units have never been serviced and they are three years old and I would like to see if we can implement an a/c preventive maintenance service. I had two quotes but one of them has changed. It was \$1,200 but it has changed to \$750 per year and they would come out and clean the coils and we have four units and it would also give us 20% off of labor and services if we need it, 20% off service calls, and 10% off system installation if we need it. It also gives us 24/7 emergency service. Our other bidder was \$419.80 for the year and the only discount they give us is on parts if needed. I went over the reviews for that company and they were not very kind. I feel the other company would be more reliable for us.

Mr. Porter stated I'm comfortable hiring the one you recommend.

Ms. Chambliss stated on the Poolsure proposal the last time they quoted me it was \$875 a month and I talked to them and he said he could change it to \$775 per month.

Mr. Porter stated if you can get them to do it for less, that is a wonderful thing. Ms. Chambliss stated the Chief of Police spoke with me about worst case scenario if we get hit by a hurricane maybe using our facilities to house their officers during a hurricane because unfortunately, the police station is under construction and it may not be up to code when a hurricane hits. I told him I would have to ask you because I didn't know if there would be any issues.

Mr. Porter stated I'm all in favor of that. Tell him they are welcome to use it if we have a hurricane. We will be happy to have them here.

5. Field Manager's Report

Mr. Viasalyers stated I continue to meet with the vendors bi-weekly, the most recent item we addressed are some areas behind 104 Grand Reserve leading up behind 116 Grand Reserve, the lake levels are very low and the roots left behind were exposed and the landscaper cleaned that out.

NINTH ORDER OF BUSINESS

Audience Comments

Mr. Porter stated I did hear you and I made a note to talk to the HOA about putting some signs up in front of the gates that explain that those are private communities.

A resident asked why can't you work with the golf course to clean out the Lakeside swale, why pay \$30,000?

Mr. Viasalyers stated it is owned by the CDD and doesn't involve the golf course.

Mr. Porter stated we are going to try this chemical treatment that hopefully helps with the smell. We are not giving up on it, but we have to find something that is more affordable.

A resident stated the pond behind us is beginning to get algae on it and soon it will look like the one on Lakeside.

Mr. Barnes stated there is a significant difference; that was never an open water area and to spend \$30,000 to make it something that it has never been doesn't make any sense, from the standpoint of the people in the community spending your money appropriately. What we want to do is try to restore that area to get rid of the odor and make that area acceptable so it is something that doesn't affect the homeowners so they can sit on their patio. As to the other ponds every time the water level gets low you get algae and as soon as we get the water flow back with the afternoon storms, that water improves and Applied Aquatic sprays it on a regular basis.

Mr. Viasalyers stated as to Lakeside our efforts have already drastically improved that area. We reduced the height restrictions that were previously there with the 6-foot vegetation overgrown restricted any access to the natural conservation area so we had our aquatics vendor spray that area and knocked all that down which has created a stagnant odor and we are going to work on that. We have made a lot of effort already with an economical approach.

Mr. Porter stated when we hit hot weather especially when we are not getting much rain we get algae bloom start to grow. We have an aquatic company that treats it, but they are strictly regulated by the State of Florida in terms of what they are allowed to put in, the amount and how

often they can do it. All of this water ends up in the creeks and wetlands and from time to time we are going to see algae.

A resident stated at the 100 exit there is a fountain with three bubble heads that were recently repaired. The bubble heads are so low in the pool you don't see them so you can't benefit from the repair that was done and I think we should see the water bubbling on top of those heads.

Mr. Viasalyers stated when I came in this evening they were bubbling just fine. If you want to go with me we can look at them together.

A resident asked did I hear correctly that there was never water in the swale on Lakeview?

Mr. Porter responded it was never open water.

A resident asked why don't you fill it with dirt and plant grass?

Mr. Porter stated that is also not doable. In Florida there are a lot of rules about what we can and cannot do. We try to protect wetlands and water quality and that kind of thing.

A resident asked being a golf cart community and allowed to drive on the streets does that mean golf carts have insurance?

Mr. Porter stated that is a question for the city, not the CDD.

A resident stated at the end of Grand Par is a cul-de-sac and a city park. No more houses can be built in this area. Is there a plan to clean this up, it has concrete and trash there and contractors pull over and throw their debris there.

Mr. Viasalyers stated I have been in communication with Joe Walter and he said he will take care of that area.

Mr. Porter stated I have worked for Horton for the last 20 years and we will get Horton to clean that up.

A resident stated I was under the impression that if we rent this area we are not allowed to use the pool and rent this area. I understand if you have a party of 50 you would take up the whole pool but can there be a limit put on the amount of people if you rent this out?

Mr. Porter stated in general we don't let people use the pool if they are renting a room because of having wet bathing suits on the furniture and water on the carpets. We are trying to protect the property.

A resident asked what about renting the outside for a kids party?

Ms. Chambliss stated the policies say that residents can bring four guests and not have to rent, but after four guests if you are going to have a gathering you need to rent the facility and if you rent the facility you are not allowed to use the pool. I think residents should have access to the pool over a guest or visitor and when you have someone with 50 people at a party, that takes away from 50 residents because I can only have 120 on the pool deck. I haven't yet had 120 people on the pool deck, but this weekend we had 75. If we had a party of 20 people we would have been at capacity.

Mr. Porter stated we adopt rules and they are subject to change. If we have a rule that doesn't work we can change it. We try to set rules that we think will accommodate a majority of the people.

A resident asked why is alcohol allowed at the pool on weekends? Many groups brought their own music and stuff and maybe it is because Heather isn't here manning the ship.

Ms. Chambliss stated I was here this weekend. I was under the impression that people are allowed to bring alcohol to the facility, but I'm not allowed to provide it.

A resident stated there were three cases of beer cans in the trashcan from one party. Some of the people were tanked. Do we have a rule about alcohol?

Mr. Torres stated it is my understanding that it is allowed here if you bring your own, but I did not think it was allowed on the pool deck.

Mr. Porter stated in general you are not allowed to have any drink or food at the pool and that is the health department rule.

Ms. Chambliss stated I was under the impression that it was the pool wet deck. Nobody has defined what the pool wet deck is but from what I understand from the health department is that you can't have food or drinks within 6-feet of the pool edge and in the pool. That is what I have been trying to implement but if we are not allowed to have alcohol on the pool deck, I will send out a message to let everyone know they can't have it.

Mr. Porter stated I don't live here and I don't want to tell you how close to the pool you are allowed to be with a beer. I think that is subject to health department rules. As a group you should think about what you would like to do. We don't want to do anything that is illegal.

Ms. Chambliss stated I was here this weekend and there were people drinking on the side and I did get onto them because they started off in the pool and I told them they can't do that it is against the policies, you need to be at least 6-feet from the pool. I have been documenting things.

A couple weeks ago there was someone who had a glass bottle on the side of the pool and at this point I'm sending letters, I can pinpoint who they are and what household they are in and once I have three violations I'm sending it to the Board and the Board takes it up after that.

Mr. Porter stated if we have someone who will not follow the rules we have the right to suspend their privileges. Hopefully, it won't get to that stage.

Mr. Barnes stated it has been done already.

Mr. Porter stated I don't want it to happen all the time because we don't need to get into a war but we do have the right to suspend privileges. There should never be glass bottles on the deck. If the rule is there is no alcohol within 6-feet of the pool, maybe we will get a couple signs to put up that says no alcohol within 6-feet of the pool, no glass bottles on the deck.

Mr. Barnes stated if anyone sees something like that, let Heather know what time you observed it. This facility is recorded 24/7 and if she has the information she can figure out who it is.

Mr. Porter stated don't get in a confrontation with anybody. It is better to take notes and tell Heather.

Mr. Torres stated we have always had the rule that alcohol is allowed in this facility for special events such as rentals or a District sponsored event to bring your own, never to be sold or shared. Alcohol is never allowed at the pool, anywhere.

Mr. Porter stated let's get some signs to make that clear.

Mr. Torres stated if the Board wants to bring that back for a policy change we can do that.

Mr. Porter stated the rules are on the website, go through them and if there is something that needs to change we can do that. We have to come up with a set of rules that fits most folks, we are not going to make everybody happy. We will have the public hearing and we need to hear from everybody what you think we should do.

Mr. Barnes stated Heather and I have been working on the rules and the changes to the rules to provide better clarity to address some of the situations that were in the rules when originally published before we had any experience with the facility.

Mr. Torres stated we have a meeting on July 28th and I recommend Bob and Heather bring their proposed changes to that meeting and if it requires a public hearing we can set it for the same date of the public hearing for the budget.

A resident asked is there any consideration to have doggie stations set up with doggie bags?

Mr. Porter stated that is something the District can do. We don't have it in our budget because we have to pay for the installation then the maintenance.

A resident asked what about a dog park?

Mr. Porter stated that is something we may want to consider for the next budget year and we can start talking about things we would like to see. We just approved the budget to set the public hearing and we don't have any capital improvements in it.

Mr. Barnes stated we had a lot of discussion about parking and created a towing plan and state law requires signs every 25-feet and we didn't want to have signs everywhere. One of the things we talked about is no parking signs such as we have at the entrance to Grand Reserve that are nice, don't look bad and we could put those in specific areas where people are parking who shouldn't be parking. It worked very well.

A resident stated there was some talk about trees and shrubs being allowed behind people's houses and the ponds. Has anything been done about that?

Mr. Torres stated that is difficult to regulate and the standard is the engineer would not be in favor because it would alter drainage and access to the easement would become difficult. It was staff's recommendation that it is not a good idea.

A resident stated that should be passed on to the residents.

Mr. Barnes stated that was discussed at the last meeting and my phone number is on the website and you can call or stop by if you have questions.

A resident asked how do I find out about the items you approved earlier in the meeting?

Mr. Torres stated the agenda is posted before the meeting and the minutes of this meeting will be approved at the next meeting. The pool service contract changed from RMS to Aquatic the janitorial services changed from RMS to Inca Cleaning and they approved the air conditioning maintenance program and Poolsure.

A resident asked are we allowed to park on the swale?

Mr. Barnes responded parking on CDD property is not allowed.

Mr. Porter stated if you have questions you can get in touch with staff through the website you don't have to wait for a meeting.

TENTH ORDER OF BUSINESS

Supervisor's Requests

There being none,

On MOTION by Mr. Dearing seconded by Mr. Barnes with all in favor the meeting adjourned at 7:18 p.m.



Secretary/Assistant Secretary



Chairman/Vice Chairman