

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, March 27, 2024 at 6:00 p.m. at the Island Club, 501 Grand Reserve Drive, Bunnell, Florida.

Present and constituting a quorum were:

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|----------------|---------------|
| Andre Poulin | Vice Chairman |
| Greg Dean | Supervisor |
| Gary Garner | Supervisor |
| Shannon Martin | Supervisor |

Also present were:

| | |
|-------------------|--------------------------------|
| Darrin Mossing | District Manager |
| Katie Buchanan | District Counsel by telephone |
| Peter Armans | District Engineer by telephone |
| Kayla Rinker | RMS |
| Rich Gray | RMS |
| Natalie Klum | RMS |
| Alison Mossing | RMS |
| Several Residents | |

FIRST ORDER OF BUSINESS

Roll Call

Mr. Mossing called the meeting to order at 6:00 p.m. and called the roll.

SECOND ORDER OF BUSINESS

Public Comments

A resident stated I moved here in December and the neighborhood was pitch black. The lights came in three months later, and put a pole in the middle of my property, they ripped up my lawn, I called the HOA and they directed me to FPL and they came out today and there must be something wrong with the light and I asked them about the sod and they said I have to put in a separate claim for the sod to be replaced.

A resident asked is it a homeowner issue if the light doesn't work or to fix the area around it?

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Mr. Mossing stated we have your address and will look at it but that is an FPL responsibility. I doubt we have any control of where the poles are installed. We pay for streetlighting costs, but the installation is the responsibility of FPL.

Mr. Poulin stated the lights at the Links are the responsibility of the Links HOA not the CDD.

THIRD ORDER OF BUSINESS**Engineer's Report**

Mr. Armans stated I will stay on the line for items 5, 7 and 8. Outside those items I don't have additional comments.

FOURTH ORDER OF BUSINESS**Memorandum Regarding Annual Ethics Training & Annual Form 1 Filing**

Ms. Buchanan stated this is a reminder to the board that you are now responsible for completing four hours of ethics training prior to the end of the year, 12/31/24. The memo included in your agenda package has some links that are available for free training as provided by the State. You can watch those videos on your own time for free. Then you keep a record yourself and when you file your form 1 in the summer of 2025 there will be a box for you to check that says, I have completed by training that is required for 2024. You are required to complete the training on a calendar year basis, but you report it the following summer.

FIFTH ORDER OF BUSINESS**Consideration of Conveyance of Phase 4 Improvements**

Mr. Mossing stated there are certain documents that were included in your agenda related to this matter. Peter, do you want to give the board an update of what you have completed and the progress of your review of those improvements?

Mr. Armans stated based on our current understanding in communication with Katie and D.R. Horton, there are three parcels within Phase 4. There are two open spaces on one parcel that has a pond. Those are the only pieces in Phase 4 that are being conveyed to the CDD. The roadway, stormwater inlets, stormwater pipes and water and sewer are going to the city. Again, just talking about Phase 4. Today, we did an inspection of the three properties that will be going to the CDD. We have some minor items that we will be coordinating with D.R. Horton, some dead spots in the sod and so forth, those are minor. However, we are working with D.R. Horton

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and counsel on some of the permits that are related to the storm system in Phase 4. We have to make sure that those permits are filed with the current entity for the maintenance responsibility. Once we sort through all of that we would probably give a recommendation that we are ready to move forward with the transfer of those properties.

Mr. Mossing stated this is part of the overall development plan for the district to take ownership of certain improvements related to the stormwater management system. Even though the total cost for those improvements was approximately \$2.4 million that D.R. Horton paid, we have no money, we are not paying for these improvements, we are just accepting them for maintenance. That is part of a completion agreement that they signed when we issued the bonds originally to complete these improvements. There is no cost associated with those. Katie, do you have anything to add?

Ms. Buchanan stated generally speaking it is the district's obligation to accept the improvements that were in the improvement plan that was adopted. We always want to make sure that they are in good condition before we take them over. That is why we appreciate Peter and Rich reviewing them onsite with D.R. Horton in advance of the conveyance process.

Mr. Mossing stated a common request from our district auditors are the value of those improvements that the district is being conveyed. I want to get with Peter to break out the \$2.4 million, how much of that is related specifically to those three parcels for record keeping purposes for our financial records. Is the city going to accept this section of roadway.

Mr. Armans stated based on my conversation earlier today with D.R. Horton they have already accepted it. We have a bill of sale that reflects that. Katie is also looking into their claim that this document has been executed. That document basically states that the city is going to take over the potable water system, the sanitary sewer system, and the storm collection system, which are the pipes and structures, excluding the stormwater ponds, basically excluding three parcels. Only one of those three parcels have a stormwater pond. I want to clarify there is one pond and the two other parcels are just open spaces that require mowing.

Mr. Poulin asked are they accepting the roadway or the infrastructure under the roadway? The city has not taken responsibility for roadways in the last few years.

Mr. Armans stated according to the bill of sale it says that they are taking the roadway. According to the call I had with D.R. Horton it sounded like they also understand the city is taking the roadway and the infrastructure below it.

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Mr. Poulin stated along with the things that are not completed now should we table this to the next meeting?

Mr. Armans stated we are not asking for board action at this meeting. We will keep working with the developer on getting all the paperwork addressed. Once that is ready to go we will come with a recommendation for that, probably at the next meeting. If the board chooses to they can decide to have an action to execute this transfer contingent upon us addressing the permitting issue and addressing the couple minor things we saw to be repaired, but that is up to the board.

Ms. Buchanan stated I agree, it is up to the board.

Mr. Poulin stated we will wait until the next meeting.

Mr. Dean stated anything that we have spoken to Horton about that the city agree to I would like to verify and get something in writing from the city.

Mr. Armans stated I will send you the bill of sale that was forwarded to us by D.R. Horton and you can forward it to the board.

Mr. Mossing stated Katie, I think the board would like your opinion that the document has the city taking over the roadways from a legal perspective.

Ms. Buchanan stated I understand.

SIXTH ORDER OF BUSINESS

Discussion of Irrigation Guidelines

Mr. Mossing stated this was discussed at the last meeting.

Mr. Dean stated I'm pretty sure we approved it.

SEVENTH ORDER OF BUSINESS

Discussion Regarding Ponds

Mr. Mossing asked Peter did you have any discussion on the ponds that you need to bring up?

Mr. Armans stated I do not. It is on here in case you have any questions.

Mr. Dean asked what is the status of repairs on the last stormwater pond?

Mr. Gray stated from the inspection. There are probably three or four open items, those are the replacement grates. I'm working with D.R. Horton on trying to track down where I can get the grates because of the different sizes. Outside of that what is left on the stormwater inspection report is part of Phase 6 that is A1, B1, E1, F1 and that is going to be taken over by

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D.R. Horton. They are going to absorb that cost because when they filed the permit with the city they had to restructure it for Phase 6, so they are going to cover the cost of any issues on that.

EIGHTH ORDER OF BUSINESS

Consideration of Remediation Planting on Areas 4 & 11

Mr. Armans stated these are areas that the water management district agreed that these items have to be replanted. The district has seen the planting plan, they approved them and in the agenda is the cost to install these plants.

Mr. Gray stated I did get three proposals. Starting with Yellowstone for Areas 4 and 11 across from Fairway Court where the lift station is and the other one is a little bit down from Birdie Way, which is the smaller parcel. The bigger area is Fairway Court and is almost a quarter acre. It was close to 460 plants combined that need to go in there. I did speak with t. Johns River Water Management District, we are trying to time this so we can utilize the rainy season, but I told them we are still 60 – 90 days out because this is the starting process. I wanted you to see the prices.

Mr. Dean stated when we first discussed this you had an estimate from a Company for about \$10,000. Did the plan change that much since then?

Mr. Armans stated no, the planting plan has not changed. It is the original planting plan. We did not get specific quotes at that time. I don't think it was our estimate, at that time D.R. Horton was on the board and that number was probably put out without getting estimates.

Mr. Mossing stated looking at the proposals two of them are comparable and one appears to be an outlier but they all bid the same quantities. There was lack of detail on the higher proposal, the other two seem to be comparable even though they are outside the engineer's estimate.

Mr. Poulin stated it is way outside the funds we have available in this budget.

Mr. Mossing stated we have \$190,000 capital reserve. We did a significant increase this last year. We discussed this a little bit prior to the meeting.

Mr. Poulin asked wasn't the additional funds for the irrigation system?

Mr. Gray stated the total irrigation with the control cabinet, pump and everything was at \$96,000 we went additional if we were going to do additional improvements to the irrigation system itself. I don't believe all \$196,000 was going to be placed towards the irrigation system.

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Mr. Mossing stated your question was are you going to have the money, maybe, but certainly this cost was not contemplated when the district adopted the budget.

Mr. Poulin stated the challenge I have with this is we have some funds left over but we sold the capital improvement increase last year for the irrigation system. I don't think it is fair to the residents to have to now fork out \$45,000. We need to look at our budget towards the end of the year and see what we have left in our operating budget and possibly budget this into next year's program.

Mr. Mossing stated there is a budget workshop scheduled for April 10th, we are going to talk about that under the manger's report.

Mr. Poulin asked will the county understand that we are working on this and it will probably be in next year's budget? Is that something the engineer can relay to the county?

Mr. Mossing asked is this time sensitive, the completion of this work from the water management district?

Mr. Armans stated it is in the sense that if the water management district feels like we are not being proactive or we are not addressing the issue. They could issue another warning letter or something. We have been proactive and have been communicating with them. If the board is not ready to move on this we can communicate with them and let them know what our plan is and we will find out pretty quick their take on that. If we do nothing, that is a concern.

Mr. Mossing stated I can give you some guidelines that may help. The chair mentioned to place this dollar amount in the fiscal year 2025 budget, which is where it will be addressed. If that gets adopted, assessments get certified again, we begin to receive our assessments for fiscal year 2025 at the end of November t. The timeframe we would look to start that project would be around December 1. It is planting so I don't know that the weather is a factor in when that project is started. Our request to the water management district would be that we would have funding around December 1, 2024.

Mr. Armans stated we can bring that up to the district. I don't know if Rich has been in communication with the district, unless you want us to take over communication with the district again. Let us know what you would like us to do.

Mr. Mossing stated going back to our budget issue, cash flow wise, we could use those funds and put that in the budget and replenish that with next year's budget. That way the project could go forward at an earlier date. You are basically borrowing those funds.

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Mr. Poulin stated let's bring that up at the budget meeting next month.

NINTH ORDER OF BUSINSS

Consideration of State Board of Administration Account or Money Market Account for Investment of Excess Funds

Mr. Mossing stated the district is now starting to accumulate excess funds, even if it is in the shorter-term basis. The State Board of Administration is an investment pool set up for state and local governments. It is an allowable investment under your simplified investment plan that was probably adopted in 2008. You are very limited on what you can invest in, savings accounts, certificates of deposit, U.S. Treasuries, or the investment pools. We generally recommend a money market account or the State Board of Administration. They yield similar interest rates, a money market is slightly more secure as it relates to your funds, but the State Board account can be established quicker, it is easier to work with and it is specifically for governmental agencies. My recommendation would be to approve the State Board of Administration.

On MOTION by Mr. Garner seconded by Mr. Dean with all in favor staff waws authorized to open an account with the State Board of Administration to invest excess funds.

TENTH ORDER OF BUSINESS

Consideration of LED Lighting Agreement with FPL

This item tabled.

ELEVENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Ms. Buchanan stated as a follow-up to conversations we had last month I did provide Supervisor Garner with some information in connection with any modifications they wanted to make to scopes of work. At this point I'm in a holding pattern until the board gives direction on next steps.

B. District Manager – 2024 General Election

Mr. Mossing stated there is an election this year and the qualifying period is from June 10th to June 14th with Flagler County. This is a reminder for the board and for anyone interested

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in becoming a member of the board of supervisors. There are three seats that will be up for election this year. There is a specific qualifying period and all that information is available online with the supervisor of elections for anyone interested. The qualifications are that you are a U.S. citizen, a resident of the district and registered voter in Flagler County.

I mentioned earlier there is a budget workshop scheduled for April 10, 2024. It was a previous recommendation that we schedule at a different venue than here because of the potential crowd. I think we should have it here. There are costs associated with the other places, conflicts. Is there a time the board would like to have that workshop.

Ms. Martin stated if there is a concern about the number of people who will fit in this room, maybe we can make it available online, not for people to participate on a Zoom call because that could be chaotic but there is certainly a way we can broadcast the meeting so everyone can see it in real time as it is happening. Maybe Zoom where they can see what is happening but will be not able to participate.

Mr. Mossing stated I'm sure we can make the Zoom option available. There has been a request for streaming capability that is a little more complicated, but we will look into that.

C Operations Manager

1. Report

Mr. Gray gave an overview of the field operations report, ongoing maintenance items and the fire suppression system.

2. Yellowstone Report

Mr. Gray stated Yellowstone will be completing their contractual pine straw, they will start next week and have everything done by Friday.

D. Amenity Manager

Ms. Rinker stated we were asked to obtain three quotes for the pickleball windscreen. One is \$620, one is \$633, and the other is \$662. I know we are able to purchase these, but we wanted to run it by you to make sure this is something you are interested in us getting.

Mr. Gray stated we can get with the pickleball group and see which one they would like to have.

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On MOTION by Mr. Dean seconded by Mr. Garner with all in favor staff was authorized to purchase the pickleball windscreens in an amount not to exceed \$700.

TWELFTH ORDER OF BUSINESS

Supervisor’s Requests

Additional comments: RFPs ready for Katie for review, Easter event was great, Phase 5 is underway, new mailboxes are in, curb work, speed bumps will be fixed when Phase 5 is completed.

THIRTEENTH ORDER OF BUSINESS

Public Comments

Additional comments: Construction truck traffic, can Zoom be set up for all meetings, staff attends by telephone, Kayla, Natalie, & Rich do a great job, is someone available during the day to police the drivers of construction trucks, excessive speeding by trucks is an ongoing issue, need better street sweeping, put agendas on PowerPoint during the meetings, construction entrance/exit, when new homes are built the amenity center will be overrun, look into a new amenity center and things for kids to do, fix speed bumps, weeds on golf course pond, maintenance is not taking place in Phase 4, ponds in Phase 4 are a mess, phase 4 still being maintained by D.R. Horton, during a storm a tree came down and leaning on another tree which is the responsibility of the golf course, responsibilities of CDD and HOA, construction trash, blinking light at 100 entrance, put site plan on website, encouraging residents to review documents on the CDD website, who caused damage to preserve area that is being replanted.

FOURTEENTH ORDER OF BUSINESS

Approval of Consent Agenda

- A. Approval of the Minutes of the January 24, 2024 Meeting**
- B. Balance Sheet as of January 31, 2024 and Statement of Revenues and Expenses for the Period Ending January 31, 2024**
- C. Assessment Receipt Schedule**
- D. Approval of Check Register**

On MOTION by Mr. Garner seconded by Mr. Dean with all in favor the consent agenda items were approved.

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FIFTEENTH ORDER OF BUSINESS

**Next Scheduled Meeting – May 29, 2024 at
3:00 p.m. at the Island Club**

Mr. Mossing stated the next meeting is scheduled for May 29, 2024 at 3:00 p.m. in the same location. We do have a budget workshop scheduled for April 10, 2024 at 6:00 p.m.

On MOTION by Mr. Garner seconded by Ms. Martin with all in favor the meeting adjourned at 7:27 p.m.

DocuSigned by:

Darrin Mossing

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Secretary/Assistant Secretary

DocuSigned by:

Adam Garner

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Chairman/Vice Chairman