

**MINUTES OF MEETING
WINDWARD
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Windward Community Development District was held Wednesday, **August 16, 2023** at 2:00 p.m. at 7813 Four Seasons Boulevard, Kissimmee, Florida.

Present and constituting a quorum were:

| | |
|-----------------|---------------------|
| Jimmy Clark | Chairman |
| Susan Moss | Vice Chairperson |
| Marvin Morris | Assistant Secretary |
| Gretta Akellino | Assistant Secretary |

Also Present were:

| | |
|--------------------|-------------------|
| Jason Showe | District Manager |
| Kristen Trucco | District Counsel |
| David Kelly | District Engineer |
| Andy Hatton | Field Manager |
| Robert Hendrick | Juniper |
| About 75 residents | |

FIRST ORDER OF BUSINESS

Roll Call

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

SECOND ORDER OF BUSINESS

Public Comment

Mr. Mullins asked how many tracts of land does the CDD maintain in four Seasons?

Ms. Trucco stated we would have to review what has been formally conveyed to the district and get back to you on that.

Mr. Mullins stated there are 58 tracts that you maintain in Four Seasons. That includes details for retention ponds and wetlands. I want to make sure that you know that you are supposed to be maintaining those tracts, all tracts in here and that is not happening. Who is in charge of the replacement of plants and trees right now that is going on?

Mr. Showe stated Juniper is in charge of installing, Andy is our CDD representative to ensure they are complying with the contracts that we authorized on behalf of the district.

Mr. Mullins asked does the plan show that you are tearing up the entire community as you are replacing when it should be broken down into certain areas like starting at the entrance getting that completed, moving down the boulevard getting that completed, going to the roundabout and getting that completed. Why is it such a mismanaged install, where you are tearing up everything in our community?

Mr. Showe stated that is the way the vendor is proceeding with the work.

Mr. Mullins asked is there no plan as to how that is to be installed?

Mr. Hatton stated we do have a plan and will be putting that into effect Monday and we will be working our way from the front to the back. Everything will be done in segments. I don't disagree, it wasn't great plan.

Mr. Mullins stated at least we will have a plan starting Monday. Will that include mulching?

Mr. Hatton stated some of that will be done separately by another vendor.

Mr. Mullins asked what color are the annuals in the entrance?

Mr. Morris stated I have no idea.

Mr. Mullins stated there is a good reason for that because we haven't had annuals for four months at the entrance, although we have been charged for those annuals.

Mr. Hatton stated the reason there are no annuals is because we are redoing the landscaping.

Mr. Dodge stated I see you have insurance coverage. Is that slip and fall? Also there was a moving violation on your roads.

Mr. Showe stated we have insurance coverage that covers all CDD infrastructure and to the extent there is a clam made that involves a moving violation of a vehicle that would be handled through our insurance company and the police would be involved as well.

Mr. Dodge stated there is a road south of here that the cement trucks use as a dump area and there is no stop sign.

Mr. Showe stated it is likely that it has not yet been turned over to the district and it is not finished. When the roads are finished, they have to be brought into compliance before they are turned over for maintenance to the CDD.

Mr. Dodge asked if Southwest Florida Water Management has an issue and there is a lawsuit would you be covered by insurance?

Mr. Showe stated that is a very general conversation, so possibly. It depends on the issue.

Mr. Dodge stated the entrance along Sandy Ridge Road on the left there is a wall level with the road and goes down 7 – 8 feet. There is a section that has deteriorated and some portion has fallen into that water area. If that continues it would be the whole wall. I foresee Southwest Florida coming in and looking that over and having a severe problem with that.

Mr. Showe stated we appreciate it; we have both our engineer and field manager here and they can take a look at that.

Mr. Dodge stated irrigation. Along the back entrance that has been kept in really good shape but the last couple months it has all died and being replaced now. I was told by Andy about two weeks ago there was an irrigation issue. What happened in that section that would stop the irrigation.

Mr. Hatton stated I'm not sure what zone you are in but there are several timers throughout the community that control the decoders for your house so the area beyond where you live those are on individual notes still. We are going through the process of getting them set from their everyday multiple times a day schedule, which is excess. Those are not on the community timers. I can't speak on why or when they get switched over.

Mr. Maskell stated in the CDD engineer's report from 2017 it referenced potable water distribution, reclaimed water distribution and a wastewater system. According to the report both the potable water system and wastewater system are being conveyed to Toho once they certify them complete. What is the status of that and what is the impact financially as those things transfer from the CDD to Toho?

Mr. Kelly stated we convey the tracts as they are completed and certified and Toho accepts those. There is no monetary issue, they are just accepting them.

Ms. Betts asked is the petway stations, is that CDD? If it is can we have an idea about when we can get some on the backend?

Mr. Hatton stated we have four, five days a month mostly down Four Seasons Boulevard.

Mr. Peltier asked who is paying for the trees to get eliminated, all the new shrubs we put in, all the irrigation repairs from all the damages on all the boulevards that are somewhat being taken care of?

Mr. Showe stated KHov is paying for all of the major landscape renovations that are occurring on CDD property right now and any of the irrigation issues that were caused by construction are being repaired as well.

Mr. Peltier asked that is not being charged back to the CDD or HOA?

Mr. Showe stated no.

Mr. Peltier asked who is in charge of managing this and taking care of it and oversight? I know Andy with GMS.

Mr. Showe stated Andy is working with Juniper on all those projects that have been approved.

Mr. Peltier stated I don't see much supervision here. Why are we laying sod in the heat of the summer? A lot of the sod is dying. You aren't keeping up with the irrigation. We should have a guy out here seven days a week making sure the irrigation is working. He should basically be fixing the irrigation. There are a lot of things going on that we have pictures of; things are not being taken care of and managed. Every time we turn around there is a new guy for Juniper out here not only for the HOA but the CDD. When I had construction projects I had the same supervisor on there taking care of the project because I knew from start to finish it would get done right. You seem that every other week you got a new property manager out here.

Mr. Hendricks stated I don't disagree with what you are saying. Dave Mullens is our inhouse designer, he is taking full responsibility for this entire project going forward until it is completed, which will be about three weeks. As far as irrigation we tear out the grass and fix the irrigation when we put in the new grass and as much water as can put to it we do. Is it enough with the drought? It's not.

Mr. Peltier stated sprinkler heads get broken and the water goes on the street all weekend. The community is very concerned that a lot of the grass being put down is dying. How do you pay these guys? Aren't they supposed to give you a landscaper report when they turn in a bill?

Mr. Showe stated the contract calls for once a month wet checks. They submit a report to Andy for all the repairs.

Ms. Osterblom stated my concern is with landscaping and I'm not the only one having issues. It is embarrassing when visitors come. It took six months and they shut our water off and I lost my lawn. Prior to that issue the ground cover hasn't budged in a year and a half. When we

purchased we were told that they were going to replace any dead trees, bushes, whatever and none of that has been done. What's going to happen when they get out of here?

Mr. Showe stated the CDD has no interest in your private lawn, those issues should be addressed to the HOA. That is not anything that this board has oversight for.

Ms. Weber stated you pay Juniper and we are paying Juniper, that seems like a conflict of interest. How can we be sure that Juniper isn't double dipping, that they are not billing the CDD and HOA for the same work?

Mr. Showe stated the CDD has a specific contract that includes a map and full scope of services they provide and before any invoice is paid it is reviewed by Andy to make sure they are performing the work outlined in the contract.

Ms. Weber asked why is Juniper on CDD property putting sod onto the sand? You are supposed to put mulch or something. The sand in this hot weather it is not going to take. It looks horrible. My two brothers came to visit looking to buy in here then decided not to because of the way it looks.

Mr. Hendrick stated sod is either mud grown or sand grown. Your Zoysia was purposely purchased from a sand grown field so it takes better.

Ms. Weber stated it is not working.

Mr. Hendrick stated that is a lack of water. We are doing everything we can, but it is a heavy drought. We made a lot of improvements in the last couple of months, upgraded your team, and the amount of people we had. We had challenges that we had very little control over and water is one of them.

A resident asked are the palm tree stumps going to be ground down?

Mr. Showe stated yes.

A resident stated you mentioned there not being enough water. Is that a CDD or HOA issue?

Mr. Hatton stated it is a Toho issue and the drought.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the July 19, 2023 Meeting

On MOTION by Mr. Morris seconded by Mr. Clark with all in favor the minutes of the July 19, 2023 meeting were approved as presented.

FOURTH ORDER OF BUSINESS

Public Hearing

On MOTION by Mr. Morris seconded by Mr. Clark with all in favor the public hearing was opened.

A. Consideration of Resolution 2023-08 Adopting the Fiscal Year 2024 Budget and Relating to Annual Appropriations

Mr. Showe stated Resolution 2023-08 adopts the fiscal year 2024 budget and attached to the resolution is the proposed budget. Any changes the board makes today will be made to this budget and attached to the final resolution.

Mr. Showe gave a PowerPoint presentation that went through an explanation of a community development district, how they are governed and their responsibilities, transition of the board to general election, the method of levying and collection of assessments, purpose of a CDD, checks and balances, items located on the website, the proposed O&M increase to \$2,139 the debt service of \$960 and if approved after the public hearing the total on the tax bill is \$3,099 and last year that was \$2,210, highlighted the increases in the of administrative portion and field services and outlined the areas that were adjusted since the proposed budget was approved and the letter went out to the residents.

Mr. Showe stated this increase has been discussed at these meetings and the reason the increase keeps happening is that the CDD picks up new areas to maintain and as they are turned over we have to maintain them. All 553 units are paying including the ones still owned by the developer so as we grow the amount of lots paying doesn't increase. All lots are assessed equally even though they are vacant. The budget is based on the costs needed to manage the CDD areas of responsibility. The developer is funding all the current landscaping efforts that are going on. Developer funding is not expected to continue in future years so there may or may not be an increase next year. If there are unspent assessment funds they get retained in the general fund and we will put those towards future capital projects. At this time the budget does not include any capital reserves for repair and replacement. At some point this board will have to look at how we maintain the infrastructure going forward. If the expenditures exceed the budget the CDD enters into a deficit funding agreement with the developer to cover those expenditures. The individual debt on the lots can be paid at any time and you can contact our office to get that payoff amount.

Mr. Rounick stated in previous years the budget was deficit funded when the developer owned a good portion of the land. Now we are picking up the deficit funding that the developer wouldn't pay for. I don't think it is appropriate.

Ms. LeDuc asked who is ultimately responsible and where does the buck stop in the CDD?

Mr. Showe stated as GMS is the district manager it is our job to oversee the contracts, Andy is there once a week to make sure all the vendors are performing the onsite contract services. The ultimate folks is the board, if they feel they are not getting the value from the services they are paying for we can bid those services out at any time.

Mr. Hoffer stated I have extensive experience in development and what is being discussed here this afternoon. I strongly believe in continuous education and improvements. The format of the proposal that was submitted to us, in the interest of improvements, understand ability, clarity, etc. I submitted a number of comments. The proposal is 18 pages it is a challenge going through the 18 pages and find the critical data required to fully analyze the economics and I strongly encourage the board in the future to review the format being used. It would save time if we define the basic parameters upfront, I submit this list of 10 factors and urge in the interest of improvement. understating, clarity and completeness

Mr. Showe stated our fiscal year starts October 1 and ends September 30. This budget will be from October 1, 2023 through September 30, 2024. As to contingencies and reserves, there are some minor contingencies in some account lines typically for maintenance and repair items. As to reserve funds, there are no reserve funds. I will get you the information on the four bond issues. The two bond issues that are passed onto you the information is in the budget, the other two are not applied to the individual lots. Unit costs: I can pull some invoices and get those unit costs. I will provide you the contract with Juniper. The proposed increase is just the new areas of responsibility that the CDD will maintain, the new streetlights that will be needed and irrigation.

Mr. Maskell stated the largest single line item in the budget was water and sewer and went from \$58,000 in 2019 to \$532,000. The description states estimated cost for water and sewer services with Toho Water Authority, guardhouse, irrigation meters and other. That does not give us the information on where we are spending over half a million dollars. The potable and reclaimed water and wastewater when it is turned over are we going to see a reduction in this \$532,000? Another large line item is the electric. When the decision was made to lease these things instead of buying them did someone do a cost comparison for lease versus purchase? What is the cost of

upgraded light fixtures? As decisions are made regarding landscaping and water use, are we looking at landscaping solutions that minimizes irrigation and landscape needs?

Ms. Gasparro asked why are you not requesting an RFP for the vendors? Fountain maintenance is going up, the new vendor is overpriced.

Mr. Hatton outlined the responsibilities of the vendor for the fountain maintenance.

Mr. Showe stated we do go out for bids and have a feel for what things cost in the marketplace. We would not bring anything to the board we are not comfortable presenting. The board would have to authorize a formal RFP for landscape maintenance services.

Ms. Groark stated I lived in Celebration and my CDD is \$500 and has not gone up; it has gone down. You said the CDD goes up because of labor costs, but that doesn't happen in Celebration. Has the water bill gone up that much? Who is liable for it? It should not be us having to foot the bill if someone is not doing their job, whether it is Toho, Juniper or you.

Mr. Showe stated I can't speak on Celebration CDD. We manage district that have a \$200 assessment up to \$4,000 assessment and it depends on the infrastructure that you maintain, the level of service and the amount of homes.

Ms. Trucco stated our budget reflects what we own and what we maintain.

Mr. Chronowski stated percentage of area CDD is responsible for?

Mr. Showe stated today about 75% but it will be much more by October 1. We believe this budget represents 100% buildout. Each lot pays the same whether developed or not.

We have had public comments and I will bring it back to the board.

Mr. Morris stated Jason and your financial people made the budget.

Mr. Showe stated we prepare it and distribute it to the board for discussion and approval.

Mr. Morris stated that is correct, however, you don't take into consideration the people who are paying for this. I see a number of items and the board is going to rubber stamp it anyway. It shouldn't be that way and next year there will be more homeowners on the board and we are not going to approve it. Nobody wants to see all these thousand dollar a year raises. What action do we take for the next calendar year?

Mr. Showe stated the proposed increase is \$889.

Mr. Morris asked does that include payments from KHov?

Mr. Showe stated right.

Mr. Morris stated \$889 is absurd in my opinion. You have landscape maintenance then you have landscape contingency. Why? What is it for?

Mr. Showe stated the landscape contingency is for any plant replacements because those are not included in your maintenance contract.

Mr. Morris asked what is facility maintenance?

Mr. Showe stated that is any repairs that Andy needs to make or coordinate so when we repair stop signs or sidewalks, all the miscellaneous items that is where the money comes out of.

Mr. Morris stated you show \$3,800 on the budget and we are budgeting \$10,000. Why?

Mr. Showe stated we would like to have some contingencies so if we get to a point where we don't have funding, we can fix things.

Mr. Morris stated assessment administration \$5,000. What is that?

Mr. Showe stated that is contracted through the GMS contract for us to perform the assessment administration process.

Mr. Morris stated you don't take into consideration the people who live here, you don't take into consideration the costs associated with that. You should try to base the budget so that it may make some sense, but you don't do it and I think it is a shame.

Ms. Trucco stated this board has heard me discuss before there was an issue on the HOA and the maintenance of the verge area that the CDD does not own and efforts are being taken now to take care of that issue. There is a benefit to having a landscape contingency from my perspective. In future years when you go through this budget process just to remind the residents here that the budget was presented to the board 60 days ago. That is required under Florida Statutes. Within the two months before the budget hearing we encourage you to reach out to GMS if want backfill for any of these items and want to see specific contracts. Jason has said it is all public records and all our documents are subject to review by all of you. I work with GMS extensively in other CDDs and they are extremely responsive and whatever document and backup for the numbers in the budget they will provide that to you. Moving forward if there are specific questions you are always welcome to reach out to Jason and his team.

A resident stated you listened to everybody's comments and we got the budget but it seems like your next action is to vote on the budget. So, everything we said is just garbage.

Ms. Trucco stated the board has the ability to reduce the assessment, they can do that today. They can't increase it today. They do have some discretion based on your comments.

A resident asked what happens to the money at the end of the year if it is not used?

Mr. Showe stated anything that is left in the general fund at the end of the year we will start building a capital reserve account.

Mr. Morris asked is there a capital reserve fund currently?

Mr. Showe responded no.

Ms. Trucco stated that is something a lot of boards choose to increase assessments to start developing a capital reserve fund or to do other projects that the CDD wants to do.

A resident asked who is responsible for the boulevards right now?

Mr. Showe responded the CDD.

A resident asked for how long?

Mr. Showe stated in perpetuity, while the CDD exists.

A resident stated when October comes you will still be maintaining it.

Mr. Showe stated yes. We have been trying to get an agreement with the HOA for the verge area, the CDD is maintaining the trees for now. Your CCNRs as far as I can tell indicate that the homeowner and HOA are responsible for that turf itself.

A resident asked the new sod being put down is paid for?

Mr. Showe stated the developer is funding that project.

Ms. Trucco stated I have been in touch with the HOA's attorney. We are trying to get there. We believe the HOA has certain responsibilities. We are trying to get on the same page. KHov is taking action to remediate that.

Mr. Showe stated we will bring it back to the board for consideration.

On MOTION by Mr. Clark seconded by Ms. Akellino with three in favor and Mr. Morris opposed Resolution 2023-08 was approved.

B. Consideration of Resolution 2023-09 Imposing Special Assessments and Certifying an Assessment Roll

Mr. Showe stated next is Resolution 2023-09 that imposes the special assessment on the tax roll. Attached to this resolution will be the adopted budget and the tax roll.

A resident asked if we don't do the assessments, what would be impacted?

Mr. Showe stated this resolution is the one that puts the assessment on the individual tax bills. If this board didn't approve this resolution, we would have to individually collect all those

bills from each individual homeowner and that is one of the benefits of a CDD, that the assessments are collected on the tax bill.

Mr. Morris asked do we have to approve this resolution?

Mr. Showe responded yes.

On MOTION by Mr. Clark seconded by Ms. Moss with all in favor Resolution 2023-09 Imposing Special Assessments and Certifying an Assessment Roll was approved.

On MOTION by Mr. Clark seconded by Ms. Akellino with all in favor the public hearing was closed.

FIFTH ORDER OF BUSINESS

Consideration of Fiscal Year 2023/2024 Deficit Funding Agreement

Mr. Showe stated the next item is consideration of the fiscal year 2024 deficit funding agreement with KHov. We enter this agreement with the developer while the property is still under construction. If the expenses exceed the budget, the developer will fund the deficit. This is intended to provide protection for the residents.

Mr. Morris asked what is the amount they are going to give us?

Mr. Showe responded in the budget they have agreed to fund \$105,000. This agreement is for anything beyond that. If we take over a new area and it is three times the cost, we anticipated they would fund that for fiscal year 2024.

On MOTION by Mr. Clark seconded by Ms. Moss with all in favor the fiscal year 2023/2024 deficit funding agreement with K. Hovnanian at Mystic Dunes, LLC was approved.

SIXTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Ms. Trucco updated the board on conveyance of property to the CDD to enable the electrical improvements to be made.

B. Engineer

Mr. Kelly provided an updated regarding engineer items.

C. Manager

i. Approval of Check Register

On MOTION by Mr. Morris seconded by Mr. Clark with all in favor the check register was approved.

ii. Balance Sheet and Income Statement

A copy of the balance sheet and income statement were included in the agenda package.

iii. Presentation of Series 2018A-1 and 2018 A-2 Arbitrage Rebate Report

A copy of the arbitrage rebate calculation reports for the 2018A and 2018A-2 bonds was included in the agenda package.

iv. Review of Fiscal Year 2024 Meeting Schedule

Mr. Showe stated the meeting schedule is the same with the exception of the meetings being held at 1:00 p.m. if that is okay with the board.

On MOTION by Mr. Morris seconded by Ms. Akellino with all in favor the fiscal year 2024 meeting schedule was approved.

D. Field Operations

There being none, the next item followed.

SEVENTH ORDER OF BUSINESS

Other Business

There being no comments, the next item followed.

EIGHTH ORDER OF BUSINESS

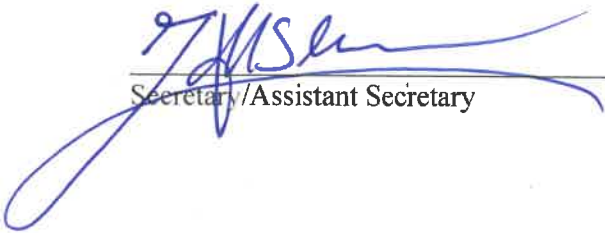
Supervisor's Requests

There being no comments, the next item followed.

NINTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Clark seconded by Ms. Moss with all in favor the meeting adjourned at 3:47 p.m.



Secretary/Assistant Secretary



Chairman/Vice Chairman

