

MINUTES OF MEETING

LIVE OAK LAKE COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Live Oak Lake Community Development District was held Friday, September 30, 2016, at 10:30 a.m. at the District Office, 313 Campus Street, Celebration, FL 34747.

Present and constituting a quorum were:

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| Scott Stearns | Chairman |
| José Rios | Vice Chairman |
| Walter Beeman | Assistant Secretary |
| Kimberly Locher | Assistant Secretary |

Also present were:

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| Gary Moyer | Manager: Moyer Management Group |
| Sarah Sandy (<i>by phone</i>) | Attorney: Hopping Green & Sams |

FIRST ORDER OF BUSINESS

Call to Order

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

SECOND ORDER OF BUSINESS

Roll Call

Mr. Moyer called the roll and stated a quorum was present for the meeting.

Mr. Rios was not present at roll call.

THIRD ORDER OF BUSINESS

Public Comment Period

There being none, the next order of business followed.

FOURTH ORDER OF BUSINESS

Administrative Matters

A. Appointment of Supervisor to Fill the Unexpired Term of Office for Seat 3

Mr. Moyer stated a vacancy currently exists on the Board, and we will keep this item on the agenda for future meetings until a successor can be appointed.

B. Oath of Office

This item not being addressed, the next item followed.

FIFTH ORDER OF BUSINESS

Approval of the Minutes of the August 26, 2016, Meeting

Mr. Moyer reviewed the minutes and asked for any additions, corrections, or deletions.

Ms. Sandy stated I sent some comments to Ms. Mona Slaughter that I do not think were incorporated. Overall, it was some additions to the motion boxes in terms of adding the not-to-exceed amounts and some cleanup items.

On MOTION by Mr. Beeman, seconded by Ms. Locher, unanimous approval was given to the minutes of the August 26, 2016, meeting, as amended.

SIXTH ORDER OF BUSINESS

Matters Pertaining to Impact Fee Credits with the City of Saint Cloud

A. Line Extension Agreement for Northwest Lakeside Groves

B. Line Extension Agreement for Twin Lakes

Mr. Moyer stated these agreements are with the City of Saint Cloud to assign impact fee credits for upsizing certain facilities that the District will be paying for or has paid for so that the District will then get those credits. That is the purpose of these agreements.

Ms. Sandy stated that is correct. For the Board's knowledge, subsequent to the District receiving the impact fee credits, we will be able to sell those to builders that are pulling permits with the District. The funds can be used for any lawful purpose that the District would like to use them for. We would set up a supplemental construction fund, and those funds can be used to acquire additional infrastructure or make repairs. The agreements are for acknowledgement among the City, the developer, and the District. The impact fee credits will be coming to the District.

Mr. Stearns stated we were able to successfully negotiate getting credits back for upsizing the lines, and then those will be passed to the District, to be reimbursed from the builders. We need approval of the agreements so that we can execute the agreement. The other parties have approved the agreements.

The record will reflect Mr. Rios has joined the meeting.

On MOTION by Mr. Beeman, seconded by Ms. Locher, with all in favor, unanimous approval was given to (1) the line extension agreement with the City of Saint Cloud and Narcoossee Land Ventures, LLC, for the upsizing of potable and reuse water mains for Northwest Lakeside Groves, and (2) the line extension agreement with the City of Saint Cloud and Narcoossee Land Ventures, LLC, for the upsizing of potable and reuse water mains for Twin Lakes, and to authorize execution by the Chairman.

SEVENTH ORDER OF BUSINESS

Pond Maintenance

A. Consideration of Proposals for Pond Maintenance

Mr. Stearns stated we received a proposal from Landform of Central Florida, who is the contractor that the HOA selected to do onsite maintenance since this is a full-maintenance community. The HOA went through the vetting process, and they were

selected. They are also the installers, so they provided the lowest cost for installation, and we felt they were best qualified to perform the maintenance. We are looking for the HOA to manage maintenance and mowing of the pond facilities on behalf of the District. The price of \$8,100 per month is for the buildout of the community for 29 ponds. We have only 13, so I think it will be more like \$2,000 to \$2,500 per month. They are working to revise this to provide to us. I think it is inherent that they will be the most cost effective since they are mowing everything around it, and we have more leverage than we do with someone else coming in. I will ask the Board to approve me signing the agreement so we can move forward, subject to review by legal counsel and the manager. The ponds are done, so we would like to get started on them in the next month or so and not need a special meeting just for this.

Mr. Beeman asked if we used a not-to-exceed amount of \$2,500, do you think that would be sufficient?

Mr. Stearns stated yes.

Ms. Sandy stated we would ask for a motion to authorize the HOA to include in its service contract with Landform an amount not to exceed \$2,500 per month for pond maintenance services for the District. The Board will also authorize staff to work with the HOA to draft a cost-sharing agreement that we will bring back to the Board for consideration.

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| <p>On MOTION by Mr. Beeman, seconded by Ms. Locher, with all in favor, unanimous approval was given to authorize the HOA to include in its service contract with Landform of Central Florida an amount not to exceed \$2,500 per month for pond maintenance services for the District and to authorize staff to work with the HOA to draft a cost-sharing agreement for the Board's future consideration.</p> |
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B. Consideration of Request for Environmental Permit Transfer

Ms. Sandy stated this is in connection with the District's acquisition of the phase 1 stormwater ponds and improvements. The District will be responsible for maintaining those, both the land and the ponds. This document is needed in order to transfer the permit from the developer to the District. I am requesting the Board approve the request for transfer and the affidavit supporting the request for transfer, for execution by the Chairman. At that time, we will submit it to SFWMD to get those transferred.

Mr. Stearns stated we are basically transferring them to an operation mode.

Mr. Moyer stated yes. It is their form, and we cannot change their form.

On MOTION by Mr. Beeman, seconded by Ms. Locher, with all in favor, unanimous approval was given to the request for transfer of the environmental resource permit and the affidavit supporting the request for transfer of the environmental resource permit from Narcoossee Land Ventures, LLC, to the Live Oak Lake CDD.

C. Consideration of Right-of-Way Utilization Agreement

Mr. Moyer stated I distributed a right-of-way utilization agreement for landscape, hardscape, street signs, and irrigation if the Board has no objection to consider it at this meeting or if you want to consider it at a future meeting.

Mr. Stearns stated I would like to consider it today so we can move forward. We can amend the agenda to include this item. Nolte Road is completed, and we are getting ready to go through the process of conveyances. The road has pavers in it. We put them in a concrete foundation in a decorative style. They are in the County's right-of-way, so they require a right-of-way utilization agreement because they will not maintain it; the District will maintain it. This agreement has to be executed before they will accept the road. This was discussed with counsel a couple months ago, but when we received a punchlist, we realized that we needed to get this resolved. The agreement is between the District and the County for maintenance. We are maintaining irrigation and landscaping, which was approved by the County on the plat, but they will not approve the pavers on the plat. This is the County's form, and it clarifies that it is our obligation to maintain these things. The installation is well above and beyond typical paver installation. Instead of doing just a sand bed, we put a full concrete bathtub under it, so they will probably hold up better than the asphalt. We wanted to make sure it would be there forever.

Ms. Sandy stated the Board can entertain a motion to amend the agenda to add this item.

Mr. Beeman asked has Ms. Sandy seen and reviewed the agreement?

Ms. Sandy stated I have not. We received it late yesterday. If the Board is willing to consider the agreement, I will ask that it be subject to review by legal counsel. It is the County's standard form of agreement, so they are not usually open to changes.

Mr. Stearns stated that is why it stopped two months ago because they told us that they are not going to negotiate this form. We thought it would be maintained by the developer, but then we realized it would be a District issue. So we needed to bring it to the Board.

Ms. Sandy stated the District has to maintain other hardscape and irrigation, so this is part of the plan. This is a document that needs to be executed in order to make it happen.

On MOTION by Mr. Stearns, seconded by Mr. Beeman, with all in favor, unanimous approval was given to amend the agenda to include consideration of the right-of-way utilization agreement with Osceola County for landscape, hardscape, street signs, and irrigation.

On MOTION by Mr. Beeman, seconded by Mr. Rios, with all in favor, unanimous approval was given to the right-of-way utilization agreement with Osceola County for landscape, hardscape, street signs, and irrigation, subject to final review by legal counsel.

EIGHTH ORDER OF BUSINESS

Matters Pertaining to the Audit Selection Committee

A. Consideration of Appointing Audit Committee Members

Mr. Moyer stated today is the end of our fiscal year, and we need to go through the process to select an auditor so they can audit our financial statements for last year. In order to do that, we need to appoint an audit selection committee. The Statute is written for bigger governments than special districts. A county or municipality would probably have people in the community who have experience with accounting and would appoint a separate auditing committee. Because of the size of the District and Board member familiarity with the financials, most CDDs appoint the Board members to serve as the audit committee members. This is a formal process, so I will ask the Board to formally appoint itself as the audit selection committee.

On MOTION by Ms. Locher, seconded by Mr. Beeman, with all in favor, unanimous approval was given to appoint the Board members to serve as the audit selection committee members.

B. Consideration of Setting Initial Audit Selection Committee Meeting

Mr. Moyer stated we will have this before your next regular Board meeting. At that meeting, the committee will approve the ranking and scoring criteria, which will be

included in the request for qualifications for auditing companies. Then the committee will rank those qualifications based on that criteria.

NINTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Ms. Sandy stated regarding the developer funding agreement for the budget, I spoke with counsel for the developer, and they are approving the form as is. We have it executed on behalf of the developer and just need it executed on behalf of the District. The acquisitions that the Board approved at the last meeting are coming online. We are putting the documents together, and we need to have those done soon.

B. Engineer

There being nothing to report, the next item followed.

C. Manager

i. Financial Statements, July 31, 2016

Mr. Moyer reviewed the financial statements contained in the agenda package and available for public review at the District office during normal business hours.

Mr. Moyer stated we are over budget on some line items but we expected that because of the bond issuance activities.

ii. Check Register and Invoices

Mr. Moyer reviewed the check register and invoices contained in the agenda package and available for public review at the District office during normal business hours.

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| On MOTION by Mr. Beeman, seconded by Ms. Locher, with all in favor, unanimous approval was given to the check register and invoices. |
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iii. Management Services Agreement with Severn Trent Services

Mr. Moyer stated at the last meeting, the Board approved Severn Trent stepping in to do accounting and the secretarial services. I will continue to provide the management services. The agreement that I had with Severn Trent is they would take that over as of June 1, 2016. The agreement did not specify that, so what is in the agenda package now has an effective date of June 1, 2016. There is no reason to have a lot of papers, so we just substituted the first page with the June 1 effective date. To Severn Trent's credit, they would not process their own payments because they had the question of the effective date. The intent was for June since the auditor would come back and say they should not be paying themselves outside the effective date. This is really a housekeeping item. I will ask the Board to approve the agreement effective as of June 1, 2016.

On MOTION by Mr. Beeman, seconded by Mr. Rios, with all in favor, unanimous approval was given to the management services agreement with Severn Trent Services, effective June 1, 2016.

TENTH ORDER OF BUSINESS

Other Business

There being none, the next order of business followed.

ELEVENTH ORDER OF BUSINESS

Supervisor Requests

Mr. Beeman asked are we in the process of doing anything to get the website up?

Mr. Moyer stated we already have a website: www.LiveOakLakeCDD.org.

Mr. Beeman asked does it follow the requirements of the State?

Mr. Moyer stated yes.

Mr. Beeman asked when did we do that?

Mr. Moyer stated we probably did it as soon as the District was set up. If Mr. Stearns or anyone has any pictures we could use, please forward them to me. Ms. Brenda Burgess maintains all our websites, and she just selected a picture to use.

TWELFTH ORDER OF BUSINESS

Adjournment

The next meeting is scheduled for October 28, 2016, at 11:30 a.m.

On MOTION by Ms. Locher, seconded by Mr. Stearns, with all in favor, the meeting adjourned at 10:50 a.m.

Gary L. Moyer, Secretary

M. Scott Stearns, Chairman