

**MINUTES OF MEETING
BEACH ROAD GOLF ESTATES
COMMUNITY DEVELOPMENT DISTRICT**

The Board of Supervisors of the Beach Road Golf Estates Community Development District held a Regular Meeting on May 17, 2021, at 1:00 p.m., at the Bonita National Golf and Country Club, 2nd Floor of the Clubhouse, 17671 Bonita National Boulevard, Bonita Springs, Florida 34135.

Present at the meeting were:

Barry Kove	Chair
Daniel DiTommaso	Vice Chair
Joseph Grillo	Assistant Secretary
Peter Leyon	Assistant Secretary
Denise Kempf	Assistant Secretary

Also present were:

Chuck Adams	District Manager
Greg Urbancic (via telephone)	District Counsel
Sal Dona	Resident/HOA President
Denise Germano	Resident
Ralph Tanen	Resident

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Adams called the meeting to order at 1:00 p.m. All Supervisors were present in person.

SECOND ORDER OF BUSINESS

Public Comments

There being no public comments, the next item followed.

THIRD ORDER OF BUSINESS

Discussion: Transfer of Lake and Preserve Maintenance to the CDD

Mr. Adams discussed the transfer of the lake and preserve maintenance to the CDD. An Agreement is in place with the Bonita National Master HOA (HOA) for them to maintain some of the CDD's on-site assets but, since the lakes and preserves involve regulatory permits and

can be a community liability, it makes better sense for the District to take over the operation and maintenance (O&M) for those particular assets. He noted that the District, as a governmental entity, has sovereign immunity, which limits financial liability in the event of an accident or the like; the HOA does not have the same type of protections. The cost to take over the O&M of the lakes and preserves was built into the proposed Fiscal Year 2022 budget, should the Board approve the transfer.

Mr. Kove referred to the letter from the Vice President of the HOA Board that was addressed to Mr. Adams and stated that he had the following issues with the letter:

- The letter being written before the Board voted on this matter.
- He felt that the person who wrote the letter should not be speaking on behalf of the BNMHOA Board.
- If the HOA Board voted on this, he felt that the letter should have come from the President of the HOA Board, on behalf of the HOA Board.

Mr. Adams stated that he spoke with the HOA Board President and Vice President prior to one of the last CDD meetings to gauge interest in the transfer. He recalled some of the benefits and protections to the CDD, by having the O&M transferred to the CDD.

- Mr. Kove was concerned about the letter being the only written documentation related to the transfer.

Mr. Adams stated that the letter is a public record, since everything he receives automatically becomes a public record.

- Mr. Kove voiced his opinion that, as a matter of protocol, the letter should have been from “President to President”, rather than it being sent to Mr. Adams.
- Mr. Kove had an issue with the letter wording making it sound like it was a suggestion.
- Mr. Kove took issue with the statement in the second paragraph about the HOA having no expertise in this maintaining the lakes and preserves, since they have completed the work for the past five years. He wondered if the CDD should have the lakes and preserves evaluated or audited by an engineer to make sure nothing was missed or done incorrectly.

Mr. Adams stated that Master Associations and HOAs are generally geared toward amenities and Declarations and Covenants enforcement. If an entity does not have in-house expertise, professionals can be hired to oversee/perform the work. Last year, as the permittee, the CDD completed the Five-Year Annual Monitoring and Reporting required by the permit and, during that time, the HOA was comprised of Developer representatives, who have expertise in

this type of thing. The current lake maintenance contractor, SOLitude Lake Management, is doing a great job maintaining the lakes. He discussed the lake bank restoration project and future plans and concluded that the CDD will have a system that is in top-notch condition.

Given Mr. Adams' comprehensive overview of what is going on with the lakes and preserves, Mr. Kove stated that he was confident in Mr. Adams' ability to determine that everything is satisfactory.

Mr. Kove stated that the CDD needs to go over the Agreement with the HOA Board and manipulate it so that it is clear that the CDD is taking over a specific section and not everything. Mr. Adams stated that, if the CDD and the HOA Boards agree to this and the CDD budgets it for Fiscal Year 2022, an Addendum to the Agreement would be prepared to remove O&M of specified items from the prior Agreement with the HOA.

Mr. Adams discussed areas and systems that will be transferred to the CDD by Lennar, past work, obligations put on the CDD by other entities in order to develop the land and community such as the Panther Mitigation Project. The Addendum will be very specific in listing the items and areas for which the O&M responsibilities are being transferred to the CDD.

Regarding whether the preserve area could be developed, Mr. Adams stated that there is an easement over it by various governmental and regulatory agencies that prevents it from ever being developed.

Mr. DiTommaso stated, while he agreed that the transfer makes sense, he had questions about it, from a budgetary standpoint. He asked if the golf course driving range pond would be part of the transfer and, if so, are there any unique expenses associated with that and whether the proposed \$92,000 budget for the work would be sufficient. A Board Member questioned what the CDD would be "giving up" for the first year for the \$92,000 and asked if there would still be enough funding for littoral plants and planting in other plantings, etc. Mr. Adams stated that the \$92,000 amount was based on the actual amount that the BNMHOA currently expends, with a very small contingency built in. Given his relationship with SOLitude, he was confident that they can perform the work within that budgeted amount or possibly at an even lower price. Regarding the planting program, as a capital project, those expenses could come from the Construction Fund and have no impact on the CDD's O&M budget. Mr. Adams explained that the Construction Fund is for the initial development of the community. Funds from the Construction fund can be used for the littoral planting project because the littoral plants are required by the regulatory agencies.

Mr. Adams confirmed that the driving range pond is part of the transfer but the facilities within the driving range are not; no unique costs were anticipated for this pond.

Discussion ensued regarding financing storm damage repairs, etc.

Mr. Urbancic stated that, in the matter of lake and preserve maintenance being transferred to the CDD, it is important to remember that, the CDD is ultimately responsible for the maintenance and making sure it is done and done correctly; the CDD is the party that must answer to the regulatory agencies if there are any issues.

On MOTION by Mr. Kove and seconded by Mr. Grillo with all in favor, the transfer of lake and preserve maintenance to the CDD, in conceptual form, and authorizing Staff to prepare the Addendum to the Agreement with the Bonita National Master HOA for consideration at a future meeting, was approved.

FOURTH ORDER OF BUSINESS

Consideration of Resolution 2021-03, Approving a Proposed Budget for Fiscal Year 2021/2022 and Setting a Public Hearing Thereon Pursuant to Florida Law; Addressing Transmittal, Posting and Publication Requirements; Addressing Severability; and Providing an Effective Date

Mr. Adams presented Resolution 2021-03. He explained the annual budget preparation, deliberation, public hearing and adoption process and reviewed the proposed Fiscal Year 2022 budget, highlighting any line item increases, decreases, adjustments and new line items, compared to the Fiscal Year 2021 budget, and explained the reasons for any adjustments. As proposed, assessments were projected to increase slightly. In response to the question, Mr. Adams confirmed that Lennar’s invoices pertaining to the lake bank work will be paid from the Construction Fund. It was noted that the CDD assessment increase does mean that the HOA fees will go down. Mr. Adams noted that the HOA fees should no longer include the cost for the work being transferred to the CDD.

As to whether the \$5,000 budgeted would be sufficient for the Engineering line item, Mr. Adams stated it would be sufficient because the District Engineer’s invoices are related to construction, including the lake bank erosion repair project, and are paid out of the Construction Fund. Since this will be just a stormwater management type of district, once the construction aspect is completed, the budgeted amount will be enough. In response to a

question about traffic issues, Mr. Adams stated that the HOA is handling the Traffic Study but, if traffic adjustments at the entrance are necessary, the CDD can pay for them from the Construction Fund. It would be ideal to complete necessary work before the snowbirds return.

A Board Member stated that he received many emails about the left turn signal coming in the gate. He believed and the initial thought was to wait until after the Traffic Study; however, he felt that the sign needs to eventually be moved and questioned if it really must wait until the Traffic Study is completed.

On MOTION by Mr. Grillo and seconded by Mr. DiTommaso, with all in favor, Resolution 2021-03, Approving a Proposed Budget for Fiscal Year 2021/2022 and Setting a Public Hearing Thereon Pursuant to Florida Law for August 16, 2021 at 1:00 p.m., at the Bonita National Golf and Country Club, 2nd Floor of the Clubhouse, 17671 Bonita National Boulevard, Bonita Springs, Florida 34135; Addressing Transmittal, Posting and Publication Requirements; Addressing Severability; and Providing an Effective Date, was adopted.

FIFTH ORDER OF BUSINESS

Consideration of Resolution 2021-04, Designating Dates, Times and Locations for Regular Meetings of the Board of Supervisors of the District for Fiscal Year 2021/2022 and Providing for an Effective Date

Mr. Adams presented Resolution 2021-04.

On MOTION by Mr. Kove and seconded by Mr. Leyon, with all in favor, Resolution 2021-04, Designating Dates, Times and Locations for Regular Meetings of the Board of Supervisors of the District for Fiscal Year 2021/2022 and Providing for an Effective Date, was adopted.

SIXTH ORDER OF BUSINESS

Update: Lake Bank Erosion Repair Project

Mr. Kove gave the following update:

- M.R.I. Underwater Specialists (MRI) was on schedule to complete the south side of the community within a week to 10 days.

- Upon completion of the south side, the crew will move north and reevaluate work completed, including movement of irrigation, and redo the slope angles, evaluate the grass and bring down pipes that rose. The timing is good, as the water level is low.
- In about three weeks, work would move to the coach homes; the engineering team is nearing completion of that area so work will be able to commence.
- Inspectors and MRI noticed that cypress trees are being cut down and trimmed very aggressively; therefore, it might be wise to have the HOA send a notification to property owners about what can and cannot be done to the trees.

Mr. Adams stated that cypress trees are protected and cannot be harvested and none of the plant materials within the conservation area should be touched. "Conservation Area – Do Not Enter" type of signage should already be installed around the perimeter. Property owners may cut vegetation back to their property line and vertical overhang, all the way skyward, and subterranean, for root invasion. Property owners have the responsibility to trim to avoid damage from overhanging limbs from an adjacent property. He discussed a property owner in another community who must pay a very high financial penalty because he had several conservation area trees removed and committed other violations to the conservation area when his pool was being installed. Mr. Adams would have the District Engineer inspect the area to make sure the conservation area perimeter has adequate signage and, if not, now is the time to have it installed, using funds from the Construction Fund. Regarding who should notify property owners, Mr. Adams stated that, right now, it should come from the HOA, since the HOA currently manages that area; however, he was willing to assist the HOA with the communication. Later in the year the CDD will send a notice about the assessment increase and the notice will include a detailed explanation of what the CDD is taking over and why, along with the amount.

In response to a comment that approval is necessary to remove trees, etc., so they should be notified that it is not their property before they have anything removed, Mr. Adams stated that since the property owner knows it is not their property, they should know that they cannot remove trees, vegetation, etc. Mr. Kove stated that the inspectors and MRI noted that more than 20 cypress trees have been removed.

A Board Member noted that he found a downed sign and wondered if signs were being knocked down. He suggested that someone periodically walk the area to inspect the signage.

Mr. Adams stated that the conservation area maintenance crew visits twice each year and one task is to make sure the signs are in place.

Discussion ensued regarding the complimentary emails about MRI.

SEVENTH ORDER OF BUSINESS

Update: Streetlight Installation Project on Bonita Beach Road

Mr. Adams stated the design phase was completed. He executed an amendment to the Agreement because, based on the design, the number of streetlights decreased by three or four. It was hoped that the project would commence by the end of the year.

EIGHTH ORDER OF BUSINESS

Acceptance of Unaudited Financial Statements as of March 31, 2021

Mr. Adams presented the Unaudited Financial Statements as of March 31, 2021. He noted that on-roll assessment collections were at 119% and off-roll collections were at zero. The overage for on-roll was probably because most off-roll units transitioned to on-roll and, and the lack of collections for off-roll was likely because, if any units were still off-roll, it is not unusual for the builder to wait as long as possible to pay the assessments, since they are constantly closing on lots.

In response to the question of anything upcoming that the Board should be aware of, Mr. Adams stated that MRI is supposed to begin inspecting the interconnecting pipes for blockage today. Now is the appropriate time for the inspection and to address any blockages or defects, since there is still a Construction Fund. Discussion ensued regarding the inspections process.

In response to the question of whether the audit was taking longer than normal, Mr. Adams stated that the audit must be completed and filed with the State by June 30th each year. When presented, the Board is essentially accepting the audit; it is not “approval” of it, since it is a third-party audit. He noted that the past two audit seasons have been challenging because of the pandemic. Mr. Urbancic stated that he transmitted the auditor letter to the auditor. As to whether there were any issues with the audit, Mr. Adams stated that there were none; it is a standard, clean audit.

Mr. Adams presented the April 19, 2021 Regular Meeting Minutes. The following changes were made:

Lines 119 and 133: Change "Fox Rock" to "Foxrock"

Line 164: Change "2020" to "2022"

On MOTION by Mr. Grillo and seconded by Mr. DiTommaso, with all in favor, the April 19, 2021 Regular Meeting Minutes, as amended, were approved.

TENTH ORDER OF BUSINESS

Staff Reports

A. District Counsel: *Coleman, Yovanovich & Koester, P.A.*

Mr. Urbancic noted that a legislative bill to change the limit on sovereign immunity for governmental entities failed to pass so, for now, the limit amount would not change. A bill passed changing some of the advertising requirements.

B. District Engineer: *Banks Engineering, Inc.*

There being no report, the next item followed.

C. District Manager: *Wrathell, Hunt and Associates, LLC*

I. 1,127 Registered Voters in District as of April 15, 2021

Mr. Adams stated that this information was provided for informational purposes.

Mr. Kove noted MRI would not begin working with residents regarding gutter tie ins until after the rainy season, at which time the HOA will be notified so that residents can be notified. Mr. Adams felt that this should be a matter between MRI and the residents, directly, and that the CDD probably does not need to be involved at all.

II. NEXT MEETING DATE: June 21, 2021 at 1:00 P.M.

o QUORUM CHECK

The next meeting will be held June 21, 2021 at 1:00 p.m.

ELEVENTH ORDER OF BUSINESS

**Audience
Requests**

Comments/Supervisors'

Resident Denise Germano stated that MRI plans to propose a unique system for her complex and asked for her Association to be notified of what the system would be so that they

can plan, especially if MRI is not going to offer underground gutters. If any funds are available for this work, her Association would like them. Mr. Adams stated that the tie in from the gutters to the work that is being done along the lake bank is not a CDD matter; it is a financial responsibility of the homeowner or, in this case, the sub association. Ms. Germano asked for a rendering of the CDD property boundaries and the areas that are not CDD property to be provided to residents. Mr. Adams stated that the District Engineer would review the area and determine the signage needs and, when funding is available, he would like to have the area surveyed and place signs directly on the property line.

Resident Ralph Tanen discussed lakes and aeration in some lakes and asked if aeration should be required. Mr. Adams stated that, per the Land Development Code, aeration is only required in ponds over 12' in depth, from the control elevation to the lowest point in the pond. He noted that the CDD could still consider aerating any of the ponds.

Discussion ensued regarding concerns about the lack of aeration in some ponds. A suggestion was made to analyze the Lake Maintenance Contract, with regard to aeration, when the work transitions to the CDD.

Resident and HOA President Sal Dona stated that he was pleased to hear about the vegetation around the lakes and going beyond basic vegetation to address erosion might be considered. He asked about the process to approve capital improvements and who approves them. Mr. Adams stated that the CDD Board approves the capital improvements. Regarding timing of the lake bank work, Mr. Adams stated that it should wait until water levels are higher to ensure better success.

TWELFTH ORDER OF BUSINESS

Adjournment

There being no further business to discuss, the meeting adjourned.

On MOTION by Mr. Kove and seconded by Mr. Grillo, with all in favor, the meeting adjourned at 2:25 p.m.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

Cop EAL
Secretary/Assistant Secretary

Lany/ke
Chair/Vice Chair