

**MINUTES OF MEETING
LEXINGTON OAKS
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Lexington Oaks Community Development District was held Thursday, April 27, 2006 at 8:30 a.m. at the Lexington Oaks Clubhouse, 26304 Lexington Oaks Boulevard, Wesley Chapel, Florida.

Present and constituting a quorum were:

Peter Hanzel	Chairman
Don Peters	Vice Chairman
Patricia Dwyer	Assistant Secretary
Maxine Carlson	Assistant Secretary

Also present were:

Andy Mendenhall	Severn Trent
Bob Fernandez	Severn Trent
Shawn Millard	Site/Community Center Manager
Joe Marino	Withlacoochee River Electric Co-op
Tom Rohrer	OLM
Rebecca Bennett	Hospice
Numerous Residents	

FIRST ORDER OF BUSINESS

Roll Call

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

SECOND ORDER OF BUSINESS

Pledge of Allegiance

The Pledge of Allegiance was recited.

THIRD ORDER OF BUSINESS

**Approval of the Minutes of the March 13,
March 23, and March 30, 2006 Meetings**

Mr. Hanzel stated each Board member received copies of the minutes of the March 13, March 23, and March 30, 2006 meetings and requested any additions, corrections or deletions.

Ms. Dwyer stated the spelling of Pimlico should be corrected on pages two and three of the March 13, 2006 minutes.

Mr. Peters stated on page seven of the March 13, 2006 minutes, the 16th paragraph should be, "Mr. Millard responded we received two bids..."

On MOTION by Mr. Peters seconded by Mr. Hanzel with all in favor the minutes of the March 13, 2006 meeting were approved as amended.

Ms. Dwyer stated on page 12 of the March 23, 2006 minutes, the second motion should be, “and Ms. Carlson abstaining the One Source proposal...” On page 15, the 17th line should be, “Mr. Hanzel stated Ms. Peters from the HOA...” On page 10, the first line should be, “Mr. Millard responded no, 30 hours...” and the sixth line after the motion should be “Mr. Millard responded I called them.”

Mr. Peters stated on page 14, the second line from the bottom should be, “I also received an email from Mr. Rygiel ...”

On MOTION by Mr. Peters seconded by Ms. Dwyer with all in favor the minutes of the March 23, 2006 meeting were approved as amended.

Ms. Dwyer stated on page five of the March 30, 2006 minutes, the spelling of Mr. Hendrick should be corrected and after the last sentence, “Ms. Dwyer agreed it is a problem,” should be added.

On MOTION by Mr. Hanzel seconded by Ms. Dwyer with all in favor the minutes of the March 30, 2006 meeting were approved as amended.

Mr. Hanzel stated Mr. Marina, the District Manager for the Withlacoochee River Electric Co-op, is here to answer any questions.

Mr. Marina stated there is concern regarding community lighting levels along Lexington Oaks Boulevard and Mr. Hanzel requested we review this and make suggestions. The initial request was for lighting around the roundabout. Any work we perform will be at cost because we are not for profit. We need to know what the scope of the work is. Is it for the entire road and what light level is required?

Ms. Dwyer responded there is concern children are getting on the bus in the dark. What can be done to increase the lighting?

Mr. Marina responded when any electrical system is designed, the loading levels must be reviewed to determine how much will be on the new installed circuitry. When this line system was installed we matched the fixtures with the cabling in the ground. We must determine if the present system can handle an additional load. It gets expensive when an entire new electric circuit or multi circuits need to be installed after landscaping, roadways and sprinklers are completed. Do you have a map or illustration indicating where you want additional lighting? A computer lighting design may not match what your eyes see out in the field at night. I suggest you go out at night with a map to see where the additional lights should be installed. We can do this if you wish.

Mr. Peters stated installing a streetlight near the monuments will resolve the issue.

Mr. Marina asked where do you want the lights?

Mr. Hanzel responded if you provide a map we can identify the locations.

FOURTH ORDR OF BUSINESS

Manager's Report

A. Consideration of Resolution 2006-5 for General Election

Mr. Mendenhall stated Resolution 2006-5 is an administrative item giving Pasco County the ability to set up the next election for seats 1 and 2.

Mr. Hanzel stated seat 3 and 4 are expiring.

Mr. Mendenhall stated the resolution can be adopted amending the seat numbers.

<p>On MOTION by Ms. Dwyer seconded by Mr. Peters with all in favor Resolution 2006-5 Requesting the Pasco County Supervisor of Elections Conduct an Election for Two Seats of Supervisors in Conjunction with the General Election to be held in November, 2006 was adopted as amended.</p>

Mr. Hanzel stated this is a straight forward legal document and I am concerned about signing it unless those changes are made.

Mr. Mendenhall stated I can present it to the Chairman for signature after the changes are made.

Mr. Hanzel stated this is fine as long as the Board agrees.

There was a consensus from the Board to authorize the Chairman to sign Resolution 2006-5 when amended.

B. Consideration of OLM Landscape Maintenance Bid Package

Mr. Mendenhall stated the enclosed OLM Landscape Maintenance Bid Package outlines what contractors will bid on for District landscaping services. We are seeking a motion to accept this so we can proceed further down the time line.

Mr. Mendenhall read the time line, a copy of which is attached for the record.

Ms. Carlson stated my questions are based on the first copy I received.

Section 1.2 of the RFP states “Upon expiration or termination of any existing contract for landscape maintenance services, Contractor shall perform the services on a month-to-month basis until either Party has provided the other Party written notice...” If we terminate them why would we give them a month-to-month?

Mr. Rohrer responded to cover your services in the interim period if you decide to make a change in the service provider.

Ms. Carlson asked if we cancel their contract today, do we keep them on a month-to-month?

Mr. Rohrer responded if a contract is terminated by cause or expiration and a decision is not made to renew, or if the bid proceedings are occurring again, this gives everyone the option to go month-to-month with the current contractor until a decision is made to renew with the contractor or negotiate a contract with another firm.

Ms. Carlson asked is this an interim situation?

Mr. Rohrer responded yes.

Ms. Carlson stated Section 1.3, Bidder Instructions states, “If a Bidder to whom a Contract is awarded forfeits and fails to execute the Service Agreement within thirty (30) days after first receiving written notification of award, the Contract award may be annulled at the Owner’s option.” Does this mean once the contract is given to someone and they cannot come up with the terms or agreement, we begin this process again?

Mr. Rohrer responded yes, or you can select from the other bidders.

Ms. Carlson asked can we go to Company C or D and choose from one of them if Company A gets the bid but cannot sign it in 30 days?

Mr. Rohrer responded yes.

Ms. Carlson stated Section 1.5, Proposal Delivery states, “Please submit bids to Severn Trent, all completed Proposal Bid Forms and addenda shall be submitted in a sealed...” It states all proposals will be publicly opened at the above referenced offices of the District Manager.

The bidding vendors will meet at the office of Severn Trent for the public opening of these bids and the CDD will not be present. Can this be worded so Severn Trent can come here to open the bids with the CDD and vendors present?

Mr. Fernandez responded we can arrange this if you like. The distinction is the administrative process of opening the bids and tabulating them is purely an administrative process. It is not something the CDD has a say over or is in a position to change in any way. The CDD has a say over what those bids include and who are the most responsible bidders. This is when your discretion comes in.

Ms. Carlson stated on Tuesday the bids are opened at Severn Trent with the vendors present. The CDD is not present. On Thursday we receive the bids. A day can be eliminated if we all did this at one time. Is there any reason once the bids are open we cannot begin discussing them?

Mr. Fernandez responded this gives us the opportunity to organize the information and tabulate it so the Board can evaluate it rather than going through the bulk of the proposals. The reason for the time in between is to give us a chance to package the information and make determinations whether the bids are responsible and complete. If a determination is made a bid is not responsible and complete nothing is gained by the Board spending time evaluating and deliberating over it. It is an administrative process to decide whether the specifications put forward were met.

Mr. Peters stated Severn Trent's job is to do the paperwork, filter it out, give us the responsible bidders and then give us time to review them and ask questions.

Mr. Hanzel stated send an email to the Board asking if anyone wants to be present to witness the process.

Mr. Fernandez stated if more than one Board member attends, it must be an advertised meeting.

Mr. Hanzel stated we will limit it to one member.

Ms. Carlson stated another district had bids opened in a similar fashion and before the information reached the Board there was gossip in the community about who was the lowest bidder.

Section 1.8, Examination of the Site states, "Each bidder is required to have visited the areas where the Work is to be done..." Can this be a mandatory visit for anyone who bids? We

had situations where landscapers said they did know certain sections were part of the bid and it becomes a confusion issue.

Mr. Rohrer responded this can be changed. A pre-bid meeting is scheduled with all the contractors to answer questions and typically there are questions regarding landscape boundaries.

Ms. Carlson stated under the Exterior Landscape Maintenance Service Agreement, Article Two-Scope of Work states, "Contractor shall provide all materials, equipment and labor required and/or inferred to perform all tasks identified..." Will the CDD be charged for anything other than what is in the contract? Will we get periodic bills due to the increase in fuel?

Mr. Rohrer responded no.

Ms. Carlson asked what constitutes 87% under Article Four-Payment, Section 4.3?

Mr. Rohrer responded a grade key is attached. In the scoring we grade the inspection and if there are major issues not addressed a total point deduction is taken in the category. The system shows the contractor is performing the work outlined in the specifications.

Ms. Carlson asked can you explain the difference between Section 5.1 and 5.2 under Article Five-Termination?

Mr. Rohrer responded Section 5.1 is the owner's right to terminate and Section 5.2 is the contractor's right to terminate.

Ms. Carlson stated the contractor can terminate within 60 days and we can terminate within 30 days.

Under Article Eight-Landscape Maintenance Inspections, Section 8.3, Monthly Landscape Maintenance Inspection, the owner is the CDD, the District Manager is someone from Severn Trent and the consultant is OLM. Three people are decreased to two on the visits. It is someone representing the CDD and/or the District Manager. If Mr. Millard is not available it is someone from Severn Trent and someone from OLM. Will the same person from OLM conduct the inspections every month?

Mr. Rohrer responded it will generally be the same consultant. There are cases when we rotate consultants every 18 months to get a fresh set of eyes on the property.

Ms. Carlson asked when do these inspections take place?

Mr. Rohrer responded after the initial inspection, every 30 days.

Ms. Carlson asked will the consultant stay all day or make a run through and then go see the other six properties they need to observe for the day?

Mr. Rohrer responded initially a half day will be needed on this site.

Ms. Carlson asked will you be able to cover the site and talk to our representative as well as the person performing the landscaping in half a day?

Mr. Rohrer responded I think this will be an appropriate amount of time.

Ms. Carlson asked will a bush hog be used as mentioned under Mowing in Exhibit A, Service Description and Specifications?

Mr. Rohrer responded this will be removed to tailor the agreement to this development.

Ms. Carlson asked can you remove palm pruning under Tree Maintenance? We do not have palm trees in Lexington Oaks. Is this agreement tailored to our CDD or is it a generic document?

Mr. Rohrer responded it is a generic contract. We made a number of applications in the irrigation section. We left this in thinking if palms did appear on the property we wanted it covered. We can delete it.

Ms. Carlson asked will the contractor leave equipment on the property overnight?

Mr. Rohrer responded we can state in the agreement equipment is not to be left on the property overnight.

Ms. Carlson stated the District had an experience with someone leaving their equipment after being requested not to, creating a vandalism problem and destruction of our property.

Under the Irrigation System section it states, "Contractor shall be responsible for performing a complete irrigation evaluation at commencement of contract or as needed." I do not understand the phrase "as needed". Will the bidder conduct an inspection of this irrigation before they submit a bid?

Mr. Rohrer responded we are not asking them to do this. We will provide zone and controller information to help them.

Ms. Carlson stated we are having problems with irrigation and do not want any surprises after the contract is awarded. It may help if they conduct an inspection before they bid.

Mr. Hanzel stated we asked for two contracts. It is normal to have a landscape company responsible for what they call rotary heads and items on the surface. It is up to the District to be responsible for the main lines, etc. Our current contract is to our benefit. Luke Brothers takes care of everything whether it is underground or on the surface. The proposal we originally requested was for two bids asking for this. Did this request get to you as part of the agreement?

Mr. Rohrer responded was this changed to keep it general and not as a secondary option?

Mr. Mendenhall responded my understanding was there was going to be two options.

Mr. Hanzel stated this agreement is the same as our current agreement with Luke Brothers. I was informed by several vendors this may raise the costs. Luke Brothers originally thought they were responsible only for irrigation issues on the surface but our contract stated they were responsible for all irrigation work. I have no problem leaving this in, but I am concerned with how the bid will be coming back to us.

Mr. Peters stated on March 23, 2006 I opposed approving the OLM contract for professional services for the exterior landscape maintenance bid package with an irrigation alternate RFP. I do not see going through this twice. There is a basic contract and what happens if you have an addition saying you are responsible for everything relative to irrigation.

Mr. Hanzel stated this is what we wanted because the two bids can be astronomically different and we may have to go with the more reasonable one.

Mr. Rohrer stated I read Luke Brothers contract and it basically states they are responsible for everything. When they got in here did they renege on the contract?

Mr. Hanzel responded yes.

Mr. Rohrer stated this is a lot to include in a contract. Are the pumps included?

Mr. Hanzel responded if the pumps control the water for irrigation they were included. A separate company did an analysis of the irrigation system.

Mr. Rohrer stated we can provide the second option. This contract states the contractor will be responsible for main lines, lateral lines and sprinkler heads. Any item such as pumps, controllers, valves and wiring can be included in the second option

Mr. Hanzel stated the District has been paying for the pumps.

Mr. Rohrer stated it appears Luke Brothers is not responsible for the pumps.

Mr. Peters stated this is a gray area.

Mr. Rohrer stated the problem with all inclusive irrigation maintenance in the contract is the arrangement of paying for insurance policies. This is a serious item for the contractor. They must go out on a limb and say how much it will cost if a worse case scenario occurs with a pump.

Mr. Peters stated we need to know if we must budget for repairs to the pumps, etc.

Ms. Carlson asked is it common to mow St. Augustine grass areas 46 times per year?

Mr. Rohrer responded 42 to 46 times is common.

Ms. Carlson asked does 52 times a year for bed weed control mean every single flower bed is weeded 52 times a year or the weeding will take place 52 times per year?

Mr. Rohrer responded we include the 52 times per year frequency to make sure the contractor takes time every week to weed an area. If not, the weeds get out of hand.

Ms. Carlson asked can a fourth category be added to the seasonal color installation to include winter annuals?

Mr. Rohrer responded yes.

Mr. Hanzel stated one reason we went from four to three in the present contract was the cost. The cost will increase if we go to four.

Ms. Dwyer stated I think four is necessary.

Mr. Peters stated if three are well maintained four may not be needed.

Mr. Rohrer stated four is extravagant and it is more a timing issue of when the installations occur and how they are maintained. .

Ms. Carlson stated I agree with three if they are well maintained. What is trenching in the mulch category?

Mr. Rohrer responded this is not applicable in Florida. We took the trenching out because it is impossible to trench the soils here. In other areas the contractors trench to make definitions between the turf and the flower beds.

Ms. Carlson asked what is the one item which will turn landscapers away from bidding on this job? We want to receive more than one bid.

Mr. Rohrer responded we are giving them the irrigation option so hopefully this will not turn them away. If we were including the insurance policy as the only option it would frighten them.

Ms. Carlson asked how many bids do you anticipate we will receive if the irrigation issue is removed?

Mr. Rohrer responded a minimum of four or five.

Ms. Dwyer asked what is the meaning of the word “inferred” under Article Two – Scope of Work?

Mr. Fernandez responded it is saying all materials, equipment and labor required to get this job done whether it is required or inferred and whatever is required as a contractor you need to provide. It is morally encompassing than just required.

Mr. Rohrer stated in some cases these specifications were challenged by contractors. We assume the contractors bidding the job are qualified professionals and know the specifications described in the pre-bid meeting cover what the scope of work is and what our expectations will be. It is a prudent system and works well.

Mr. Fernandez stated OLM is involved in the process because of their expertise and are using a document they are familiar and successful with. If we change this document and introduce language they do not have years of experience in working with we create variables for them which otherwise would not be there. I recommend remaining with the language presented because they know it works.

Mr. Rohrer stated the irrigation issue is the biggest change. This is a team effort and works well between the owner, OLM and the contractor.

On MOTION by Mr. Hanzel seconded by Ms. Carlson with all in favor the OLM Landscape Maintenance Bid Package was approved as amended.
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The record will reflect Mr. Millard joined the meeting.

Mr. Fernandez asked can we give Mr. Millard the opportunity to review the document and add his recommendations?

Mr. Hanzel responded he can give his comments to Mr. Rohrer.

F. Consideration of District Sign Guidelines

Mr. Mendenhall stated attached are sign guidelines for consideration by the Board.

The three guideline options were read to the Board, a copy of which is attached for the record.

Mr. Sheil stated the type or location of signs is not addressed in these guidelines. Under the current deed restriction document there is one type of sign, the For Sale/For Lease sign put in the corner of the lot of a house to be sold. If you are addressing posting of signs for meetings such as the monthly HOA or CDD meetings, it makes sense they will be located along the Boulevard or the entrance gate to fairly announce the meetings affecting the community. Any other type of signs such as campaign signs should not be allowed. The boulevard has turned into a Las Vegas strip without the neon and the community does not want this. My suggestion is we define what the signs are and where they should be placed.

Ms. Dwyer stated the county has a no sign ordinance.

A copy of the Pasco County Code Enforcement notice for signage was distributed, a copy of which is attached for the record.

Mr. Mendenhall stated no matter what type of policy is developed for the CDD it is still superseded by Pasco County ordinance. They can remove the signs and issue fines. Most districts do not define a policy; they just allow the county to enforce it. Unfortunately, the county does not enforce this and the CDD has authority to remove signs. If the Board is interested in a sign similar to the one at Meadow Pointe we can research this. My community has a smaller sign used for noticing meeting dates and times which has been effective. The Board can do what it wants but must keep in mind it is the jurisdiction of Pasco County.

Mr. Peters stated the county has zero tolerance regarding signs. Option 2 with the addition of #4 from Option 1 so the HOA and CDD can put their signs up four days prior to the meeting will work.

<p>On MOTION by Ms. Carlson seconded by Mr. Peters with all in favor Sign Guideline Option 2 to follow the county sign ordinance with the addition of #4 from Option 1, both the Master HOA and the CDD may place their signs up to four days prior to the meeting, but must remove them the next day after the meeting was accepted.</p>

Mr. Hanzel stated Mr. Millard can type a notice for the newsletter and for Mrs. Larkins' email stating "effective June 1, 2006 the only signs authorized on the boulevard will be CDD and HOA signs. All others will be subject to disposal." Any resident can notify code enforcement to enforce the county ordinance.

D. Consideration of American Consulting Engineers of Florida, LLC Agreement

Mr. Fernandez stated a letter from American Consulting Engineers of Florida, LLC with their rate schedule was distributed. Does the Board have any comments before this schedule is incorporated into a contract?

Mr. Peters asked when will this become effective?

Mr. Fernandez responded the Board can authorize the rate schedule incorporated into the standard contract document and authorize the Chairman to sign.

On MOTION by Ms. Carlson seconded by Mr. Peters with all in favor staff was authorized to incorporate the basic fee schedule from American Consulting Engineers of Florida, LLC into a contract and the Chairman was authorized to modify and execute the contract.

E. Consideration of Accepting King Engineering Mitigation Service Agreement

Mr. Mendenhall stated enclosed is the King Engineering Mitigation Service Agreement the Board discussed at the last workshop. Mr. Millard met with a representative from King Engineering to inspect the different mitigation areas to understand what areas are CDD property and make sure there was not anything being overcharged to the District.

Mr. Hanzel stated the issue is we are constantly charged \$16,000 to \$20,000 to perform reports or studies. I contacted SWFWMD to see if a representative will come to a meeting to discuss what legally is required. They will be happy to discuss with us what is wrong with our ponds and give us a neutral, fact finding statement on the conditions of the ponds and what we must do to meet state requirements. They are available May 11, May 18 and June 8, 2006. I am not sure what King Engineering wants to charge us for is needed.

Ms. Dwyer stated a workshop is scheduled for May 18, 2006.

Mr. Hanzel stated I will inform Mr. Black from SWFWMD of this date.

Mr. Mendenhall stated if Mr. Black from SWFWMD attends the May 18, 2006 meeting the Board may want to postpone making a decision today on the King Engineering and Florida Native Nursery contracts.

On MOTION by Ms. Carlson seconded by Ms. Dwyer with all in favor consideration of the King Engineering and Florida Native Nursery contracts were tabled until after meeting with SWFWMD.

FIFTH ORDER OF BUSINESS

Attorney's Report

There not being any, the next item followed.

SIXTH ORDER OF BUSINESS

Engineer's Report

There not being any, the next item followed.

SEVENTH ORDER OF BUSINESS

Staff Report

A. Site and Community Center Manager

Mr. Millard stated I request the Board approve sending a maintenance employee to the two day CPO training for \$299.

Mr. Hanzel asked is a travel cost involved?

Mr. Millard responded no. I informed the employee this is a requirement for the position.

Mr. Hanzel asked why did we not do this for Kyle?

Mr. Millard responded his schedule never allowed it.

On MOTION by Mr. Peters seconded by Mr. Hanzel with all in favor \$300 to send a maintenance employee to the two day CPR Certification course was approved.

Mr. Millard stated I invited Ms. Rebecca Bennett, from Hernando Pasco Hospice, to this meeting to explain to the Board their request to utilize the facilities for a one day camp for children.

Ms. Bennett stated Hospice has a Children's Assistance Program and one of the activities is a one day camp to help children deal with grief. We are requesting the use of the Lexington Oaks facilities on June 15, 2006. There will be approximately 30 children, ten volunteers, eight staff members, a nurse and lifeguards present.

Hospice literature, a newspaper article and a camp agenda was distributed and is attached for the record.

Mr. Hanzel asked will you accept our liability in case of an accident or injury?

Ms. Bennett responded we use a liability release form.

On MOTION by Mr. Hanzel seconded by Ms. Dwyer with all in favor Hospice was authorized to use the facilities on June 15, 2006 for ten hours with the \$150 fee being waived.

Ms. Bennett asked do you want us to invite the media?

Ms. Carlson responded yes.

EIGHTH ORDER OF BUSINESS

**Consideration of Site and Community Center
Manager Job Description and Performance
Appraisal Form**

Mr. Hanzel stated this item was previously discussed.

There being no questions or comments,

On MOTION by Mr. Peters seconded by Mr. Hanzel with all in favor the Site and Community Center Manager Job Description and Performance Appraisal Form was approved.

NINTH ORDER OF BUSINESS

Consideration of Florida Native Nurseries Proposal for Quarterly Mitigation Service

This item was previously tabled.

ELEVENTH ORDER OF BUSINESS

Audience Comments

A resident stated his concern regarding the District sign guidelines affecting the value of homes in the community.

TENTH ORDER OF BUSINESS

Supervisor Requests

Ms. Carlson asked is Mr. Mendenhall our District Manager?

Mr. Mendenhall responded we use a team approach to our Districts. Mr. Fernandez and I are both available to the District.

Ms. Carlson stated a vendor was contacted by Mr. Ricciardi and was confused because he identified himself as representing Lexington Oaks. I am not familiar with Mr. Ricciardi.

Mr. Fernandez stated Mr. Ricciardi is a District Manager with Severn Trent and assists with follow-up issues. When we return from a meeting a list of items which need to be done is compiled for follow up by Mr. Ricciardi and Ms. Jackson.

Ms. Carlson asked if a Board member has a question and emails you the question, do you then email the question to the rest of the Board?

Ms. Mendenhall responded according to the Statute; if I as District Manager receive a question, concern or commentary from an individual Board member, I am not allowed to act as a conduit of the information to the other Board members from that Supervisor. I cannot act as a conduit of information because it violates the Sunshine Laws. I can relay questions which are brought to me and let the Board know of issues which come up.

Mr. Fernandez stated we must be careful not to convey which Supervisor brought the subject up. We cannot be the conduit to communicate to any of you how another Supervisor feels about an issue which will come before the Board for a vote.

Mr. Hanzel stated we had this discussion with Rizzetta & Company and Mr. Robin told us in essence if I wish to send a message to the District Manager and my name is taken off of it you can disseminate the information to the Board.

Mr. Fernandez stated if we do not identify who the comment is coming from then there is no violation.

Mr. Hanzel stated we can do this, it will save time.

I sent a letter to Luke Brothers asking them for clarification regarding a fuel surcharge bill sent to us in the amount of \$679.80. A copy of the letter is attached for the record. I spoke to residents in Meadow Pointe II and this is not a common practice within the industry. I recommend we do not pay Luke Brothers a fuel surcharge.

I received a letter from the HOA regarding a gate service fee from January 2005 to February 2006 in the amount of \$1,400. My letter to Mr. Galaris regarding this matter is attached for the record.

Ms. Dwyer stated I want to address the issue of a conflict of interest in the hiring of Mr. Hendricks. A copy of Ms. Dwyer's statement and a copy of Section 112.312 of the Florida Statute are attached for the record.

Mr. Hanzel stated I did not speak to Mr. Robin, I emailed him. The issue is perception and you opened the door on this. My thought is to transfer the supervision of Mr. Millard to another Supervisor.

Ms. Carlson stated I agree. The word perception is however someone perceives or understands something. The case where the conflict was perceived between my son and me was never researched. I called the corporate office of One Source in Georgia to ask if anyone called to see if there was a conflict of interest for me and there was not. The perception was made and Mr. Robin went along with it without researching if any One Source contract coming before the Board profited my son. The corporate headquarters will guarantee in writing from their lawyer there is no conflict of interest because my son only gets a percentage or commission off of a contract he signs. He never signed a contract with One Source for Lexington Oaks. It was the perception which took place and I accepted it. In this case, Ms. Dwyer, the perception is there right or wrong and it is up to you to accept it.

Ms. Dwyer stated the conflict of interest is completely erroneous considering the fact all five supervisors will evaluate Mr. Millard. In your case the attorney said there was a conflict of interest.

Mr. Hanzel stated I will leave it in Ms. Dwyer's hands if she wishes to relinquish supervision of the facility, which I encourage because of the perception of this within the community.

TWELFTH ORDER OF BUSINESS

Approval of the Financial Statements and Check Registers

Mr. Mendenhall stated enclosed are the questions and accounting answers to the March 2006 financial statements. I can review them with Mr. Peters or discuss them now.

Mr. Peters stated go through the list in the event the Board has questions.

A copy of the questions and answers from the accountant to the March 2006 financials is attached for the record.

Comments of the Board to the Questions and Answers

1. Mr. Peters asked did you review the accrual sheets. There is a bill from Severn Trent for \$5,381. The last page indicates management fees of \$3,750 with contingent, assessment roll, etc. totaling \$5,381 for March. This is not included in the March year to date so the picture is worse than it shows.

Mr. Fernandez stated the management fee is the expenditure rate.

Mr. Mendenhall stated I will get clarification on this.

Mr. Peters stated we are looking at the first half of the year and I want to make sure we know what we are speaking about.

2. Mr. Peters stated I am not sure why there is a \$2,000 per month charge for assessment roll services by Severn Trent?

Mr. Mendenhall stated I will get clarification.

Mr. Fernandez stated the accountant indicates the assessment roll services Severn Trent charges are \$1,000 per month. There is no budget line item matching this because the budget was set up based on the way Rizzetta & Company charges for these services.

Mr. Peters stated I do not know where Rizzetta & Company placed their assessment roll services.

Mr. Hanzel asked what does this service encompass?

Mr. Fernandez responded the main item is the assessment roll analysis.

Mr. Peters asked do we supply information to the county if someone moves and for the person buying the house?

Mr. Fernandez responded yes.

3. Mr. Hanzel asked why does this come out of Operation and Maintenance when it is a bond expense? It should come out of the expenditures for the bond funds.

Mr. Mendenhall responded this is an operating expense for the District. It will appear under the General Fund because it is for the operation of the District. It is related to the bonds.

Mr. Fernandez stated the bond funds are only allowed to be spent on the construction project, if the original bond issue included these as charges for the bond funds.

Mr. Hanzel stated Mr. Robin made a statement our current bonds are generating income of interest because everything was not spent. Where does this interest go? We never allocated funding for these items and will be overextended in our budget.

Mr. Peters responded in this case, the \$6,874 is the year-to-date charge under the Trustees Fees and we did budget \$8,500. These are the annual Trustees Fees so there will not be another \$6,000 next month.

Mr. Mendenhall stated the District is under budget and the total for the year should be the \$6,873. Unlike most of the items in the bond which are project items happening once, this charge occurs yearly for SunTrust handling of the bonds. It shows up as Operating and Maintenance in the General Fund as an expenditure because it occurs every year.

4. Mr. Peters stated for six months we had an annual budget of \$3,000 for Arbitrage Rebate and after six months we are at \$9,800. Does this continue and can we expect to have another \$9,800 at the end of the year?

Mr. Mendenhall responded I believe it is an annual expense. I will check and get back to the Board.

4a. Mr. Hanzel asked what did they disseminate? What is their function and do we need them?

Mr. Fernandez responded it is a standard cost associated with bonds and they manage the bond program.

Mr. Mendenhall stated I will send the Board our budget preparation worksheets giving an explanation of all budget line items.

Mr. Peters stated the Bank Fees, the Arbitrage Rebate Calculations and the Dissemination Agent Fees all relate to the bonds.

Field Operations Comments

Mr. Hanzel asked what about the reimbursement for the insurance accidentally paid to Southern Insurers or Auto Owners?

Mr. Mendenhall responded it was reimbursed. I will verify this.

Mr. Peters stated the question regarding Luke Brothers was not answered. They charged \$22,660 per month and after half of the year we are at exactly half of their \$278,000 budget and the March payment is not included.

Mr. Fernandez asked did we pay one payment from fiscal year 2005?

Mr. Mendenhall stated I will check with the accountant.

Mr. Peters stated the \$60,000 Uninsurable Asset Reserve was for the next hurricane. We are in trouble unless we do not have a hurricane.

Mr. Mendenhall stated there are a number of items I must get with the accountant on and I will email the additional information to the Board.

Ms. Dwyer asked why did we pay the golf course water bill on March 14, 2006 for \$628.30 and the Oakstead CDD telephone bill for \$140.21.

Mr. Mendenhall stated I will get these corrected and make sure it does not happen again.

Mr. Hanzel stated we appreciate the inclusion of the invoices in the financials which give us the chance to review the charges.

FOURTH ORDR OF BUSINESS Manager's Report (Continued)

C. Fiscal Year 2007 Budget Review

Mr. Mendenhall stated at the May 18th workshop, a preliminary budget will be submitted for discussion to be accepted at a public hearing. We need ideas on the budget line items and where we want to be as far as any changes and modifications from last year. The May 18th workshop should be primarily to focus on the budget.

**TWELFTH ORDER OF BUSINESS Approval of the Financial Statements and
Check Registers (Continued)**

Mr. Peters asked why did we pay \$180 for storage in January and March and then \$600 for an annual storage payment?

Mr. Mendenhall responded I will check to make sure the charges were not duplicated.

Ms. Carlson stated there are \$30 worth of late fees.

Mr. Millard stated I checked and we were not charged a late fee.

Mr. Hanzel stated on our telephone bill there were two telephone calls to Canada. I would like to see a detail of telephone calls attached to the bills.

Mr. Millard stated the Canada charge was a fax we sent for a resident.

Mr. Hanzel stated this is not a service we should provide.

Mr. Fernandez stated if Mr. Millard can think of the residents who typically use this service, a brief letter can be sent informing them the CDD will no longer provide fax service to the residents at no charge. If they wish to make arrangements for faxes in the future they may do this by placing a deposit with the District and fax and administrative costs will be deducted from this deposit. As a government entity the District is under no obligation to provide this service to private residents.

Mr. Hanzel stated my recommendation is the fax be used for business dealing only with the CDD and from a Master HOA Board member and not accept personal faxes.

Are we going to split the \$8,000 cost for the repair of the irrigation pump in the front with this CDD, Remington, Churchill and the golf course?

Mr. Millard responded yes.

Mr. Hanzel stated Mr. Millard and the District Manager can prepare a document billing the appropriate parties?

Ms. Millard responded there is also a monthly service charge.

Mr. Peters asked why are the tax collections included on the check register?

Mr. Fernandez responded because the bond funds come in one check from the Tax Collector and then is allocated between the General Fund and the Debt Service Fund. The check is written from the General Fund and the Debt Service Fund to pay this.

Mr. Peters stated there is an invoice from Luke Brothers for removal of a pine tree from the Churchill entrance. This service is included in their contract and we should not pay for it.

Mr. Hanzel stated we can withhold the funds from their next billing.

Mr. Peters stated we must reinforce we do not pay for the replacement of dead plantings and we must sign off on payment to all vendors.

Mr. Hanzel stated Severn Trent should go through all of our billing to correct addresses.

Ms. Carlson stated we pay Fitness Logic \$115 bi-weekly. Can this be done once a week?

Mr. Millard responded we will probably stop this and perform the work in-house.

On MOTION by Ms. Dwyer seconded by Mr. Peters with all in favor the financial statements and check register were approved.

Mr. Hanzel stated trash pick up should be included in the proposed 2007 budget.

Mr. Mendenhall stated you probably want to get a general idea of what this will cost and set the money aside in the budget. Then you will need to go out for an RFP.

Mr. Hanzel stated the idea is the CDD will tax everyone for their waste pick up. It appears on the trim notice and is a tax bill. Instead of paying it monthly you pay it once and it will be in the CDD fee. The CDD will have a contract with a company to perform the trash pick up bi weekly. We will try to negotiate bulk pick up twice a year and a dumpster.

THIRTEENTH ORDER OF BUSINESS Adjournment

There being no further business,

On MOTION by Ms. Dwyer seconded by Mr. Hanzel with all in favor the meeting was adjourned.

Pat Dwyer
Assistant Secretary

Peter Hanzel
Chairman