

MINUTES OF MEETING
INDIGO COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Indigo Community Development District was held Monday, July 6, 2009 at 1:00 p.m. at the Daytona State College, Building 100, Room 400, 1200 West International Speedway Boulevard, Daytona Beach, Florida.

Present and constituting a quorum were:

Kurt von der Osten	Chairman
John McCarthy	Supervisor
John Zemball	Supervisor (by telephone)
Thomas G. Leek	Supervisor

Also present were:

James A. Perry	District Manager
Jamie Fowler	District Counsel (by telephone)
Francis Dayao	District Engineer (by telephone)

FIRST ORDER OF BUSINESS

Roll Call

Mr. Perry called the meeting to order at 1:00 p.m.

SECOND ORDER OF BUSINESS

Approval of the Minutes of the May 27, 2009 Meeting

Mr. Perry stated item two is approval of the minutes of the May 27, 2009 meeting. Are there any additions, corrections or changes to those minutes?

There not being any,

On MOTION by Mr. Mr. Leek seconded by Mr. McCarthy with all in favor the minutes of the May 27, 2009 meeting were approved as submitted.
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THIRD ORDER OF BUSINESS

Acceptance of the Minutes of the June 17, 2009 Budget Workshop

Mr. Perry stated under item three we are asking the board to accept the minutes of the June 17, 2009 budget workshop. Are there any additions or corrections to those minutes?

There not being any,

On MOTION by Mr. McCarthy seconded by Mr. Leek with all in favor the minutes of the June 17, 2009 budget workshop were accepted.

FOURTH ORDER OF BUSINESS

**Consideration of Resolution 2009-02
Approving the Proposed Budget for Fiscal
Year 2010 and Setting a Public Hearing Date
for Adoption**

Mr. Perry stated item four is consideration of Resolution 2009-02 approving the proposed budget for fiscal year 2010 and setting a public hearing date for adoption. By way of background the budget that you have included in your agenda package is the same budget that we discussed at the June 17th workshop. I will go quickly through it so that we have this on the record again. The budget maintains assessments at the same amount as in the prior year.

Under the revenue section of the budget we have the I-95 funding agreement, some transfers in, and it was discussed a little bit at the workshop but that funding agreement goes away after the next fiscal year. The administrative section is pretty standard and you are familiar with the format of the line items. The section for maintenance expenses on I-95 is the same you have seen in previous years.

On page 2 it has changed a little bit, if you remember we had broken out expenditures into the north and south and we have now combined them to be community wide maintenance expenses. The assessment levels are maintained the same as last year.

Page 3 is the allocation of operating reserves and it shows the dollars that we expect to have at the end of the fiscal year if all of our assessments are collected as far as excess funds available in the O&M accounts.

Pages 4 through 9 are some small write-ups, narratives of individual revenues and expenditure items.

After that you have the debt service fund for the series 1999A bonds with the related amortization schedule, the 1999C bonds with the amortization schedule, and the 2005 series bonds with the respective amortization schedule.

In addition to that there was considerable discussion at the meeting and I did provide the board under separate cover an analysis of the assessments that we were looking at in regards to levels and the north area we will still call that in regards to north assessment area the assessment

levels would go to \$331 per platted or site planned lot for all the lots in the north section compared to \$345 the year before. The south platted lots would be at \$331 and Kurt I might have to get with you on that because there are still some issues with the number of platted lots, I had 351 and there was some discussion.

Mr. von der Osten stated it is actually a higher number.

Mr. Perry stated those numbers might change a little bit and also in the south there are about 3,700 unplatted units and those go to \$70 versus \$87 the year before.

Are there any questions in regards to the budget?

Mr. von der Osten stated I just wanted to point out I believe it is the maintenance reserve on the proposed budget I just want to bring it to the attention of the other board members, the community wide on page 2, the adopted budget for 2009 had \$38,899 for maintenance reserves and it is basically I believe a typo that we are showing that it will not be funded this year. I spoke with the manager and it will be funded at the \$38,899 and the proposed 2010 budget will then be reduced the same amount. We are keeping it next year at the same number.

Mr. Perry stated correct. What will happen is the \$71,096 will stay the same the amount of funds available will be less the \$38,899.

Mr. von der Osten stated that number adjusts.

Mr. Perry stated correct.

Mr. von der Osten stated any adjustments that need to be made to the line items prior to final adoption as long as the total does not increase the line items can be adjusted.

Mr. Perry stated let me talk about the process. We want to set a public hearing for September 9, 2009 in regards to this resolution and the next meeting we will bring before the board a discussion if the board wants to change the budget numbers they can and even in the September 9th budget hearing the board can change the numbers. The only number that really cannot change is on line item no. 1 the maintenance assessments the \$904,000. We can't increase that amount because we haven't done public notice and this board is not going to need to do that anyway, you are not going to need to increase assessments. There is enough carry forward for instance if there were a maintenance item that you said was \$60,000 and for some reason we don't have in this budget, either at the August or September hearing you could adjust that number and adjust your carry forward surplus for that number if there was something we wanted to include in the budget. I think this board has enough dollars you are not going to need

to increase your assessments and I don't think the board has any intent to increase assessments anyway. That one number cannot increase. Any of the line item numbers you can change those.

Ms. Fowler stated we will have to mail notice to those individuals whose O&M assessments are higher than last year.

Mr. Perry stated you are correct those are the platted lots in the south will have mailed notice but everyone else will not.

Mr. von der Osten asked mailed notice upon adoption of the budget?

Mr. Perry responded not adoption but approval. Once we approve this budget we will mail notice about the public hearing.

Mr. von der Osten stated we will approve today and then mail the notice.

Mr. Perry responded yes.

Mr. Moothart asked can I ask you to go over the assessments per taxable unit on the north and the south 2009 versus 2010?

Mr. Perry responded yes, and I will give you a copy of this sheet. If you look on the left side that shows what the fiscal year 2010 allocation would have been on a north/south basis which would have been consistent with the prior year which we had broken down the expenditures in the north and expenditures in the south and you would have had on the north side an assessment per developable unit of \$345 per unit and in the south section an assessment of \$87 per unit. If you go to the column on the right where it shows fiscal year 2010 allocation all platted lots equally and unplatted lots in the north you will see in the north the assessments levels go to \$331 per unit and in the south we have broken it up to platted south and raw land in the south and the platted lands in the south or site planned units would be at a level of \$331 consistent with what a unit would be in the north and then raw land or unplatted or un-site planned units would be at a level of \$70.

Mr. Moothart stated thank you.

Mr. Perry stated unless there are any other questions what we would like to do is have the board approve Resolution 2009-02 setting a public hearing for adoption of the budget for September 9, 2009 at 1:00 p.m. at this location.

Mr. von der Osten stated it is the budget with the revised allocation method.

Mr. Perry stated correct.

Mr. von der Osten stated I'm trying to understand the same as Gary on the same topic, I guess footnote no. 1 maintenance expense community wide allocated 25% against all units. How did we get to the \$331 per unit and the \$70 per unit? What is the methodology behind that?

Mr. Perry responded you have to go through each line item in order to do that. The allocation of interest income transfers in is based upon the relative number of units in the north and south. The administrative expenses were done the same way. The net operating expenses I-95 were allocated based upon the total number of platted units in the south, the total number of units in the north and a proration or 25% in regards to unplatted units. Of course we do away with the north and south, maintenance expenses community wide were done 25% against all units which means there was basically if you took the budget the \$747,455 25% of that amount was applied against all units in the development and the remaining 75% were applied against the units in the north and also the 351 platted units in the south.

Mr. Leek stated so 25% across all and 75% allocated by the percent of units, platted units in each.

Mr. Perry stated correct.

Mr. von der Osten asked where I'm going is in future years as more units become platted is it a methodology that we can continue to work with so we are not recreating it?

Mr. Perry responded I would say the way it is set up and established now, yes.

Mr. McCarthy asked all things being equal as the platted units come on line and the assessments will go down, our expenses stay the same and more units come on line and they go from \$70 to \$331 the rest of the assessments will be going down?

Mr. Perry responded yes and in theory they wouldn't be \$331 they might be \$325, all of them would be \$325.

Mr. Moothart stated as you plat a large portion of the south unplatted units you are going to have to cut that 25% that is allocated there otherwise they are going to be disproportionate. If you are just platting 10 or 20 lots it is not going to make a difference but if you are platting 200 lots it will.

Mr. Leek stated I thought the 25% was across all units, 100% of all units platted or not and then the 75% was against only the platted units. As it is platted it will still work. Eventually you get to zero. That is how you said you did it.

Mr. Perry stated that is correct. As Ms. Fowler pointed out we will have mailed notices to the platted and site planned lots in the south.

Mr. Leek asked the process of allocating first and then determining the per unit assessment did you take a look at backing into that by keeping the unplatted lots at \$87 and determining what the impact would be or was that too hard?

Mr. Perry responded I didn't do it that way. I could do it that way but I didn't.

Mr. Leek stated I'm trying to anticipate arguments when somebody in the south says mine is developed and mine went up and that was not developed and it went down. How do you explain that? The right answer is we have a formula that allocates specific expenses to specific types of property and that is why.

Mr. Perry stated that is a different methodology than we have.

Mr. Leek stated it is a good answer but the fact that that went down is going to make a difference.

Mr. Perry stated that went down along with the north area that went down too.

Mr. Leek stated the substantial difference is in the increase in the platted in the south.

Mr. Perry stated correct.

On MOTION by Mr. Leek seconded by Mr. McCarthy with all in favor Resolution 2009-02 was approved.

FIFTH ORDER OF BUSINESS

**Consideration of Power Washing Curbs -
Sidewalks - Median Under Maintenance -
Construction Manager**

Mr. Perry stated item five is consideration of power washing curbs, sidewalks, median under maintenance by the construction manager.

Mr. von der Osten stated I believe we are really holding on that to make sure we were funded. Have we been funded at all?

Mr. Perry responded yes GMAC did their first funding.

Mr. McCarthy stated I remember a couple of years ago the city did some power washing out here.

Mr. von der Osten stated they did do some sidewalk replacement along the main boulevards but as far as I am aware the CDD did this.

SIXTH ORDER OF BUSINESS

Development Status Update

Mr. Perry stated item six we still have this in there. We probably ought to take that out.

SEVENTH ORDER OF BUSINESS

Other Business

There not being any, the next item followed.

EIGHTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Ms. Fowler stated at a previous meeting the board had authorized staff to negotiate an agreement similar to the one that we have with GMAC with the other mortgage holder on the MSKP lands and they informed us in a conversation last week that they were not interested at this moment with going forward with any kind of payment agreement. They are waiting for their foreclosure to move through the process so they are not willing to enter into a similar payment agreement. As such we are gathering information toward a potential foreclosure suit against MSKP lands for which assessments have not been paid and for which an agreement has not been entered into.

Also, as you know we are monitoring the Woodside bankruptcy proceedings. There are a few Woodside entities, I think there are three, that own land in Indigo. There is a hearing this afternoon I am going to be participating in on approval of the disclosure statement. We do have an objection filed to the disclosure statement, then they amended the disclosure statement, and we are pretty pleased with the way it is presented now. There are some issues with it but I am confident the district is protected. I will be participating in that hearing by phone and making sure that nothing they do changes the protections for the district in that proceeding today.

Mr. von der Osten asked on the MSKP lands assuming that GMAC steps forward and continues to the payment plan and we are fully funded on the GMAC side, on the other piece of MSKP land I guess that is the Palms Del Mar portion what will be the shortfall then to operating budget?

Ms. Fowler stated I'm not sure; we are trying to figure that out and I will be getting with Jim this week to figure out that amount on the operating side as well as the debt side and then get

with bondholders and back with the board next month to let you know what that is. I don't have that today.

Mr. Perry stated I don't have my folder with me today but I do have those numbers.

B. Engineer

There not being any, the next item followed.

C. Manager

Mr. Perry stated there was a request to determine how much a mailing to platted lots and/or households in the community would be and I think that was in regards to letting people know about the website. If we were to do a postcard type mailing it would be \$465 to do those. That was a resident request and information for the board if want to pursue something like that.

Mr. von der Osten asked could that be combined with the notice of proposed budget?

Mr. Perry stated we could put something very small in the notice but we like to keep the notice about the assessments pretty generic and we could add a small paragraph at the end telling people there is a website. Keep in mind that is only going to go to the lots that are going to have an increase in assessments not community wide.

Mr. McCarthy stated you could do that for the annual meeting notice.

Mr. von der Osten stated September is the annual meeting for the IROA.

Mr. Perry stated we also have put on the website a counter so you can tell how many people have visited the site.

D. Maintenance/Construction Manager

Mr. von der Osten stated the streetlights have been installed at the intersection of LPGA and Tournament Drive and International Golf Drive. They are waiting power supply but the physical pole and fixture are installed. I believe right now we are waiting on city inspection. Those should be operational by the end of the week is my understanding.

Another item has been ongoing but I think it would be a good idea for the CDD to look into its current agreement with the sub associations in the community on lake responsibility, who is responsible for what lakes. There are a lot of gray areas on certain maintenance items on lakes and I field a lot of calls that could be the CDD or HOA and truthfully Jamie or myself or GMS

has not been able to locate documents that clearly delineates responsibilities in the lakes. There are a large amount of lakes that we maintain and certain responsibility falls under the HOA some falls under CDD. It would be very helpful if we had clarification. There have been sub associations added over the years. Some responsibilities right now are being handled based upon what we have done in the past. It would be nice to memorialize it.

Mr. Leek asked didn't Randy or somebody give us a map?

Mr. von der Osten stated we have a map. All the lakes are numbered. Some of the lakes are owned by the CDD, some are owned by homeowner associations. There is another group of lakes owned by golf course. On the map there are no golf course lakes. It is quite a matrix right now as to who is responsible for what out there. I have an issue in the Jubilee subdivision it is a pretty serious lake bank erosion issue to where it is approaching very near the house. This is not the retaining wall. They are asking the CDD to come in and do some pretty extensive lake bank repair. I indicated to them that until I have an opinion from management or counsel I can't authorize this expenditure of our funds to go in and do that lake bank maintenance.

Ms. Fowler asked do you know who owns that lake?

Mr. von der Osten responded I'm pulling the plat this afternoon. I do believe it is the HOA. Typically the case has been the CDD maintains water quality that is the aquatic management and interconnecting structures in the lakes between subdivisions. If that is the case then maybe we should go back and amend that agreement or create one saying that is what the CDD is responsible for. I will look at the plat this afternoon and send an email to Jamie.

Ms. Fowler stated okay I will be around all week except for Thursday.

Mr. Leek asked if there are written agreements where would they be?

Mr. Perry stated the district would have them we would have copies in our records so we will do another search. I think we did that a long time ago but I will ask again. We have copies of all agreements the district has entered into.

Mr. von der Osten stated while we are on the lakes the existing lake management company the aquatic services vendor has requested an increase for next year. They basically said they cannot continue to maintain the lakes, keep the personnel and staff of what is needed out here for the current rate. As I indicated last meeting we are bidding that out to see where the numbers come in.

Mr. Leek stated it is kind of hard to do if you don't know which lakes we are responsible for isn't it?

Mr. von der Osten they know which lakes. The last time we rebid this contractor was the low bidder by a large amount so we had a substantial decrease in our line item about a year and a half ago. The low bidder scenario is coming back.

Mr. Leek asked they weren't able to properly maintain at that level right?

Mr. von der Osten stated basically they are saying they are not even covering their costs.

Mr. Perry stated we expressed those concerns when we saw those numbers because we deal with a number of those throughout the state and the numbers didn't seem to make sense.

Mr. von der Osten stated I just wanted to make the board aware of that.

Mr. Leek stated maybe that is why the one behind my house is so bad. They come by every once in a while and spray one bank and not the other one.

Mr. von der Osten stated I asked for feedback. They supposedly have personnel out here four days a week.

NINTH ORDER OF BUSINESS

Supervisor's Requests and Audience Comments

Mr. McCarthy asked the city payment to the CDD for I-95 maintenance do we know where that is?

Mr. von der Osten responded I haven't approached them.

Mr. McCarthy asked the monuments at Tournament and Champions? We were looking at removing a couple and putting one down the road.

Mr. von der Osten asked did we make a decision on that? I don't recall if we did.

Mr. McCarthy stated we were waiting for some information. You were going to put together some figures.

Mr. von der Osten stated I don't have the numbers together for basically rebuilding one sign.

Mr. McCarthy stated basically it would be a brand new sign.

Mr. von der Osten stated it would be because relocating those they would be destroyed in the process.

Mr. McCarthy stated so just building one new sign and removing the other two.

Mr. von der Osten stated I will check. I requested the signage contractor to give me a turnkey number on that and I didn't receive it back to date.

Mr. McCarthy stated there may be a question of what Jamie does on the hedging maintenance along Champions Drive at the entrance between Jubilee and Champions. I believe the CDD is responsible for maintaining the west row of hedges from the entrance of Champions down past that first monument, just a little area past that first monument as you come in off of LPGA on Champions.

Mr. von der Osten stated the shrubs.

Mr. McCarthy responded yes the shrubs. They should be maintained by us down past the monument. I would like to get a definition of exactly what Jamie does and what Jubilee does on Champions.

Mr. von der Osten stated okay.

Mr. Leek stated I don't remember what it was but I thought we had a resolution of that.

Mr. McCarthy stated Jamie came forward with a contract to maintain those hedges and Jubilee says there is a certain amount that the CDD was supposed to maintain. Consolidated Tomoka came in at one point in time and said those hedges needed to be maintained and we started maintaining them.

Mr. von der Osten stated I thought the document read that the Jubilee HOA would maintain those hedges.

Mr. McCarthy stated they were supposed to. But somewhere along the line the CDD picked it up and started doing it and that is what Jamie was looking for definition on just how far down the line does he go. According to the plats that I have been able to find the CDD is responsible for all the hedging all the way down to shortly past that first monument that you see.

Mr. von der Osten stated I will prepare and bring to the next meeting an exhibit just like we have for the interchange.

Mr. McCarthy stated just something we can give to Jamie.

Mr. Bertsch stated I was with Jamie from Rountree and Bob Welsh the other day we did the monthly tour and that came up for discussion about those hedges. Currently, that is not Jamie's responsibility according to him. He worked up a number and I don't know if he gave it to anybody but he told me it was going to be \$650 a month for him to maintain that plus the cost of replacing shrubs and he recommended that he maintain it because they obviously are not

maintaining it. It is deplorable the way it looks. The other thing I noticed when I was with him was we looked at where the pipes go through and feed from one lake to another and they usually have bars across. There are several of those that have deteriorated that need to be addressed before they get much worse. I don't know if Kurt has that listed.

Mr. von der Osten stated I know what you are referring to and I will say there are several miscellaneous items like that that were placed on hold as we monitored the status of funds coming into the district because we were potentially looking at a very large operating shortfall for the year due to the MSKP foreclosure and the other bankruptcies that are out there. We really weren't sure if the dollars were going to be there to cut the grass much less repair certain other items. It is looking better funding wise.

Mr. McCarthy asked is that it for infrastructure falling under the purview of the CDD?

Mr. von der Osten stated I go back to that lake agreement. My understanding was the CDD was to enter into an agreement between the CDD and HOAs because in some instances the plats state that the HOA was responsible for all the lake maintenance, all the stormwater system. Where the issues arise the stormwater system is interconnected from community to community. You really need more of a master entity to maintain that stormwater system. That is where an agreement would come into play between the CDD and the sub association stating the HOA is going to permit the CDD to maintain this portion of the lake and the structure, the aquatic management and the physical structures that connect the lake. Now the bank issue comes in and is not really something involved in connecting the lakes, it is more of a landscaping, maintenance issue of the lake. I always understood the CDD doesn't address the lake bank issues that is the HOA. I'm asking for clarification. It comes back to our lake agreement. We have whose responsibility is it and do we have the dollars to pay for it.

Mr. Bertsch stated it looks like if something isn't done it will get worse.

Mr. von der Osten stated I have a proposal for that and that is pretty common every year there are usually a few headwalls that have to be restabilized. The headwall is usually vertical the mitered end section comes in at an angle and is mitered off, the pipe is mitered and poured around it as a mitered end section.

Mr. Bertsch stated that is what I had seen.

Mr. von der Osten stated they undermine when the water levels drop and is eroded it can make them break off and drop.

Mr. Bertsch stated one other thing is my infamous wall on Perfect Drive and Tournament.

Mr. von der Osten stated the violation letter is drafted. Jamie had asked me about it I hadn't approved it and sent it back to yet. That will happen this week.

Mr. Bertsch asked is the owner of that property going to be responsible for that wall? He claims that is not his property.

Mr. McCarthy stated the discussion is between the HOA and CDD.

Mr. von der Osten stated that wall and homeowner is really not the CDD's issue except we are worried about the lake, the condition of lake. We are just telling the district they have a problem to go after the developer and the landowner and get those guys to resolve it.

Mr. Bertsch asked is there any way you can put some muscle on the developer because the developer does not want to even speak to that owner?

Mr. von der Osten responded no, we have had counsel send letters to the developer to Rennar and D.R. Horton stating if it was not repaired we were going to report the violation to the water management district which is the letter we are doing right now, sending the notice of violation letter to the water management district. The district can put some pressure on either Rennar or D.R. Horton. They basically constructed it without clear understanding of what they were doing.

Mr. McCarthy asked what about your up lighting?

Mr. Bertsch stated I have good news about the up lighting but I'm almost afraid to talk about it. The company I was proposing, Philips, is not going to have this particular product on the market until November and right now they won't give me any pricing on it but my son who works for a supply house in New Jersey just told me that there is another company that has just come out with them and they are available from this company. The only difference being is the one I was going to recommend from Philips was going to be a direct wire right to the fixture. This other company is going to be a low voltage fixture which a transformer would have to be put in which shouldn't be a big problem because there is a box there with transformers in it right now. He is supposed to send me a sample and if we could, could you possibly get the electrician that does your maintenance to hook up one just to get approval of the board, to see how it looks, whether they feel it is bright enough? The good news about it is supposedly this new company is going to be considerably less. Would you like to see it? I'm pretty sure I can do that.

Mr. Leek stated I would still like to see how much it is going to save us. We keep talking about this being a substantial savings but we haven't seen anything to tell us what a substantial savings is. I think doing a test case of one is fine.

Mr. McCarthy asked can you get me some literature on that?

Mr. Bertsch responded yes.

Mr. von der Osten stated I would be interested in if there were any grants because this is really energy conservation.

Mr. Leek stated the vendor ought to be able to tell you that.

Mr. von der Osten stated there might be something in the stimulus plan or something out there that we could chase money to help fund these green energy saving lights.

Mr. Bertsch stated I had talked to the salesman who represented Philips about this whole thing and he told me the payback was about 7 years without the labor costs. The labor costs are going to be insignificant really, it is just replacing the fixture. I will see if I can get that information on savings. I know it was 30 watts compared to 100 watts.

Mr. Leek stated I don't question that they are much more efficient I just want to see the dollars. If the vendor is telling you that it is a 7 year payback my experience is that is probably 10 to 15. If he is telling you that labor is not significant I would challenge that too.

Mr. Bertsch stated one of the reasons I got held back on that is I don't know what the electric rate is, the kilowatt rate. I know what it is for my home.

Mr. von der Osten stated I think I brought that during the summer while you were away. I brought a copy of the bill. I will scan it and email it to you.

Mr. Bertsch stated I just had two poles on the corner of Perfect Drive and Opal Hill Circle, two poles weren't working, no lights since I have been living here three years. It turns out that they never ran power to these poles, they just had to tear everybody's lawns apart to run power to them. They had never been energized. Now they are energized. I have been going around and reporting to them by the way, lights out.

Mr. Leek asked those were the poles that didn't have the numbers on them?

Mr. Bertsch responded yes and that is why. They only assign a number when they put power on it.

Mr. von der Osten stated we are having a few lighting issues along Champions that were looked at last week and there was a bad controller. They seem to go on a regular basis just due

to weather. If you replace just up lighting, what about the infrastructure that connects the lights the underground wiring? I'm curious about the lifespan.

Mr. Bertsch stated if it is working you don't do anything. There is really no maintenance on underground wiring. If there is a problem it is usually a break or lightning strike.

TENTH ORDER OF BUSINESS

Approval of Check Register

Mr. Perry stated item ten is approval of the check register and that is included in your agenda package. Those are checks from April, May and June. The check register itself was included in the agenda package. A number of them were payments to Rountree for April, May and June which is the bulk of the payments in there and the total is \$236,867.41.

Mr. Leek moved to approve the check register.

Mr. McCarthy asked can I get a detail? I would like to see some of the breakdown of the electrical work that kind of detail.

Mr. von der Osten stated some of these are actually duplicates. We had a register last month from April 16 to May 19. Here we are going from April 16 to June 26. You are looking at several items in here twice. That is why this one looks so much larger this month. We are spanning several months.

Mr. McCarthy asked did we mean to do that?

Mr. Perry responded it probably shouldn't have been.

Mr. McCarthy stated I will send you an email request for the specifics.

Mr. von der Osten asked any specific vendors? Cortell and Sky is the Limit do the electrical repairs.

Mr. McCarthy stated Sky is the Limit is one of them. The storage bays, page 4 in the register \$21.20.

Mr. von der Osten stated that are the containers down where the old developer office used to be, it is a container and what is stored in that are basically light bulbs and supplies for the district.

Mr. McCarthy asked is it still down there?

Mr. von der Osten responded yes. If you pull into where the old trailer was located there is a storage container sitting there. It contains things from street poles and signs, light bulbs and all the miscellaneous items. I believe I have a key to that if you want to take a look.

Mr. McCarthy stated I would like to get some detail on Sky is the Limit.

Mr. von der Osten stated that is typically fountains, they maintain the fountains, chlorinate, the pumps on the fountains at the entries. Once a month he do will timer and light checks. Because he can set timers and change bulbs a little cheaper than Cortell. With the big rains that we had there was one weir that one of the skimmers broke loose due to water pressure and I had Sky is the Limit go in and reattach it on a CDD lake. That is all itemized on his invoices.

Mr. Perry asked do you want me to get copies of Sky is the Limit or is there another one?

Mr. McCarthy stated I would like to see a couple months worth.

Mr. Perry stated I will send you those invoices.

Mr. McCarthy seconded the motion and on voice vote with all in favor the check register was approved.

ELEVENTH ORDER OF BUSINESS

Financial Statements as of May 31, 2009

Mr. Perry stated section eleven is the financial statements for the district. Starting with page 1 is the balance sheet as of May 31, 2009. This is set up in the same columnar format you are familiar with, with the general fund, debt service, capital projects, fixed assets and long term debt. One thing to note and I think we talked about this previously in the capital projects fund there is still \$7.2 million of funds available and the bulk of that is related to the funds in the south section on the 2005 bonds which is \$6.8 million.

Mr. von der Osten stated I know due to the foreclosures and state of the economy and developer status it looks like we will be significantly over budget under administrative under attorney. We budgeted \$30,000 we are currently at an actual of \$45,000 with several months remaining and for the next year we budgeted the same amount, \$30,000. Maybe by the next meeting if we foresee this continuing we might need to adjust that line item in next year's budget.

Mr. Perry asked Jamie, did you get from bond counsel any of the allocation of some of your charges to them?

Ms. Fowler stated I am not aware of this. Jonathan might have discussed this but I will check with him.

Mr. Perry stated we have done that in some other districts and I thought it had been broached here but maybe not.

Ms. Fowler stated I think maybe it has between Jonathan and the bondholders but I wasn't privy to that but I will get with him and check in by email. That was the plan given that the amounts in this account were set up.

Mr. Perry stated right and with so many dollars still in the construction fund and the number of districts where you have had to potentially foreclose on landowners the bondholders have funded a lot of that effort. If they will allow some of those funds to be utilized for that it will reduce the operating expenses of the district.

Mr. von der Osten asked who will ask that?

Mr. Perry responded Jonathan will do that. The district shouldn't have to bear all the expenses related to going through the issues related to GMAC and the bondholders should also fund some of that effort.

Mr. Leek asked how much did GMAC pay?

Mr. Perry responded they paid their first installment. I don't have it with me.

Mr. Leek asked did we ever look at the specific schedule?

Mr. Perry stated it has been provided. Jamie do you have your file handy?

Ms. Fowler stated I'm looking for it now.

Mr. Perry stated let me continue the financials and she will get back with us on that. Page 2 is the general fund statement of revenues and expenditures along with page 3. I think some of the items in regard to some of the issues that Kurt had been talking about earlier today you will see those variances kind of flip so instead of a favorable variance we will probably come right back to budget because the budget was pretty tight for the operating expenses.

Mr. von der Osten stated you will see that we are under on some of the repair items where I didn't spend the money but it looks like I'm going to spend it now.

Mr. Perry stated page 4 is the debt service series 1999A also the 1999C and the 2005 series bonds. Nothing unusual to note at this time.

After that we have the capital projects fund for those three bond issues. Again, the bulk of that is related to the 2005 series bonds.

After that we have a month to month expenditures and revenues in regards to the general fund.

Finally at the back is our assessment receipt schedule for the O&M and the bonds. This one does not have the payment from GMAC.

Mr. Leek asked did they make that in June?

Mr. Perry responded they made it in June.

Ms. Fowler stated the amount was \$284,537 allocated to O&M.

Mr. Perry stated those funds were wire transferred in.

TWELFTH ORDER OF BUSINESS


Next Scheduled Meeting – 08/26/09 at 1:00 p.m. @ Daytona State College


Mr. Perry stated our next scheduled meeting is scheduled for August 26th but we talked about possibly canceling that with the meeting being September 9th. We will probably leave that meeting date for right now and just query the board if we need to meet again at that time or just have the September meeting.

Mr. McCarthy stated I will not be there for the August meeting if we have it.

Mr. Perry stated we will send a request out if we need to have that meeting on that date. Remember part of the issue was we have to have 60 days to have the budget adoption and that is why we couldn't do it on the August 26th meeting.

On MOTION by Mr. von der Osten seconded by Mr. McCarthy with all in favor the meeting adjourned at 2:00 p.m.


Secretary/Assistant Secretary


Chairman/Vice Chairman