

INDIGO
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Indigo Community Development District was held Wednesday, September 24, 2014 at 1:00 p.m. in the Holiday Inn Daytona Beach LPGA Boulevard, Ballroom, 137 Automall Circle, Daytona Beach, Florida.

Present and constituting a quorum were:

Robert E. Welsh	Chairman
Edward Bertsch	Vice Chairman
John McCarthy	Supervisor
Donald Parks	Supervisor
Thomas G. Leek	Supervisor

Also Present were:

Jim Oliver	District Manager
Katie Buchanan	Hopping Green & Sams (by telephone)
Kurt von der Osten	Field Operations Manager
Jamie Rountree	Team Rountree
Leigh Fletcher	Hayman Woods (by telephone)

FIRST ORDER OF BUSINESS

Roll Call

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

SECOND ORDER OF BUSINESS

Audience Comments

A resident asked could we have police patrols due to the break-ins in the neighborhood and parking is a problem?

Mr. Welsh stated I will make that call this afternoon.

Mr. von der Osten stated I have been working outside the CDD with the master HOA and they are bringing back as we did before some private hours with a police officer patrolling the community. We are looking at a program that is very cost effective and we can have him several hours a week on a varied schedule to keep a presence and look into things we ask him to look at and keep an eye on. I have to get this approved by the police chief first and the HOA will approve it also and get that program up and running.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the August 7, 2014 Meeting

Mr. Oliver stated next is approval of the minutes of the August 7, 2014 meeting. Are there any additions, corrections or deletions?

There not being any,

On MOTION by Mr. Parks seconded by Mr. McCarthy with all in favor the minutes of the August 7, 2014 meeting were approved.

FOURTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Ms. Buchanan stated we have been in contact with Leigh Fletcher in connection with the property owned by GC Land and affiliates. I understand the landowner has submitted a proposal for resolution of existing defaults for consideration to the trustee and its counsel. I think Mr. Aponte is taking some time to review it. Once that happens I expect that the landowner will request the board to consider and discuss the proposal. Just keep in mind that things are happening behind the scenes and we may need to meet between our scheduled meetings.

B. Engineer

There not being any, the next item followed.

C. Manager

Mr. Oliver stated at the end of this meeting we can determine whether or not you want to continue this for the matter that Katie just briefed us on. If we continue the meeting we won't have to publish notice.

D. Field Operational Manager

1. Discussion of LED Lighting Replacement

Mr. von der Osten stated the update on the LED lighting replacement is that we are in the process of installing samples for the board to look at and I will get you supporting documentation on each light and then put it out to bid. The one fixture that Rountree installed I think you have seen and we have two others coming at the beginning of the week and they are being supplied by

Rexel Lighting Distributors and installed by Courteaux Electric who has been the district's service electrician for ten years. They will install two different professional grade LED lighting fixtures next week of different wattages to see how those look and once they are installed I will give you the exact literature that goes along with all the lights. We have a third lighting supplier here also and I need to get some information on that and maybe get a sample we can install also.

Mr. Leek asked then you will let us know exactly where they are?

Mr. von der Osten responded exactly and I want to put a package together for you with the backup manufacturer information, the location and you could go out and look at the light otherwise I don't see how you can make a decision. I discussed with the engineer on the RFP if we decide to go the RFP route we want to have a selection that everybody bids on the same light so we get an apples to apples bid. In the event we miss a potentially good choice for a light the bidder would know about we would say you have to bid this one but it is fine to submit an alternate and explain why you are proposing the alternate. That way we have apples to apples and if there is an option for something better and we just miss it but they find it in their search we will have that to look at also. We will work with the engineer to prepare an RFP.

2. Discussion of Irrigation System Upgrades

Mr. von der Osten stated we have a proposal to upgrade the management system, the timer and computer this is not the pipes and heads in the ground. We are still on the original 9 volt battery operated system from the original development and it is 15 years old and failing weekly. Many of the controllers and heads are not even manufactured anymore. We have a plan from Rountree, our irrigation contractor that is broken down throughout the north assessment area into three phases. It is phasing and I don't know if the board wants to consider phasing because he is really planning on doing it at one time, one off season and if it were to be year to year to year a three year project it mostly likely would become three separate jobs or bids. It is hard to bid something out two years into the future. We just need to know which way to go and there are financial considerations also. Basically each phase runs \$27,876, for a total of just under \$84,000 for the entire community.

Mr. Welsh asked we would pay after each phase is complete?

Mr. von der Osten responded correct, I assume that is how it would be structured. Not only is the old equipment obsolete and failing this week we had 8" of rain in the last 24 hours

and the only way to shut the irrigation system down is by having a person walk the entire community and turn off each controller. This system will allow it to be done in less than 30 minutes throughout the community.

Mr. Leek asked how long will this take?

Mr. Rountree responded because of the holidays, December is not a good time. We are trying to get all the mulch down and fancy up the neighborhoods for the holidays. Realistically, if we start it in January, we should be finished by the end of March first of April.

Mr. Leek asked would that be the first phase or all three?

Mr. Rountree responded all three. The problem with doing this in phases is it would take multiple years other than the fact that I can't project what something will cost next year. You are also defeating the largest portion of the purpose, which is to actually make it automatic. If you finish phase 1 you are one-third automatic two-thirds manual. We have seen how much the cost has gone up in the past six years since we have been talking about it.

Mr. Leek stated rather than three phases we are really talking about three sections.

Mr. Rountree stated if you will recall years ago when we first started talked about this, we talked about putting in a total of nine timers and that is where the phase system came into play. With this system it is only going to require three timers in the north two timers in the south so we have been able to reduce the number of timers and this can be controlled by a computer without having to physically visit each station. The golf course irrigation system is controlled from the maintenance building for the most part, the computer talks to the controllers in the field and you only have to go out if there is a controller problem.

Mr. Oliver stated your unassigned reserves are very strong.

Mr. Leek asked what other problems does this solve other than the control problems? Does this replace the heads or anything?

Mr. Rountree responded no, based on when we started this project we needed to upgrade the valves and everything else. As time has gone on some of that I had to do I couldn't wait if a valve goes out it has to be replaced and probably close to 90% of all the original valves have been changed out so that portion of it has been done, which is why the irrigation budget has been over for the past two years.

Mr. Leek asked if we do this how does it impact our ongoing maintenance costs?

Mr. Rountree responded it affects me more than it affects you because when I have to send a guy out to turn a system on that ties up that irrigation technician all day long because it takes that long to do it. That is a huge cost I incur every time it has to happen. Every time we have to change out batteries there is what it costs. You are going to reduce the cost of batteries four times a year you are going to reduce the cost of these controllers that are in there now. When we first started installing battery operated timers 15 years ago they cost less than \$120 and now they cost almost \$300 each. The controller for them is \$425 and I just had to buy a new one. We have valves down and not operable fortunately we have been getting enough rain so it doesn't matter but they don't make the old system. Last month I had about \$3,600 in repairs I'm trying to hold off from doing because it is going to be a zero return. If we implement our new system the following month we have just wasted \$3,600.

Mr. Leek stated ongoing maintenance would be less.

Mr. Rountree stated maintenance no, part replacement such as controllers, timers and handheld computers, yes. Irrigation heads and broken pipes is not going to change that much. Valve replacement should steadily go down now as we move on because most of them have been replaced.

Mr. Leek asked do you have a feel for how much we would be saving per month?

Mr. Rountree responded our irrigation budget per year tends to be around \$20,000 and we have been spending around \$30,000. It should be coming down some but every year parts are going to get more expensive.

Mr. Leek stated I'm thinking in terms of return on investment if we spend \$80,000 what is our payback and if it is avoidance of future costs that is one thing.

Mr. Rountree stated you have 34 timers and every one has to have a battery operated controller. The systems they are running on now are no longer being made. At that point multiply \$400 times 34 that would give you an idea of what your initial cost is going to be just to replace those timers, the control unit that you actually program them with is another \$400+.

Mr. Bertsch asked what did you say was the estimated annual savings?

Mr. Leek stated he didn't and he is trying to tell you but he can't. I have asked the question three different ways but I'm comfortable it is there it is not necessarily quantifiable at this particular moment.

Mr. Rountree stated when we talk about the lights I can tell you because the manufacturer can tell me. With irrigation you don't know what is going to break so it is not a number I can predict. I can budget for it and go from past experience but as to how much you are going to save I don't know that you are going to save anything but you are going to take the irrigation system out of the caveman days and bring it into modern technology.

Mr. Leek stated based on what he said it looks like we would have about \$22,000 less in replacement of batteries and controllers of the old system over the future so probably over the next two years based on where they have been failing.

Mr. von der Osten stated you are getting a system that is manageable.

Mr. Leek stated that number would grow every year so you have a reasonable payback.

Mr. Rountree stated operating on a manual system the only way we can really shut things down completely is go in and shut the system back like we do in the winter. The problem is every time you shut the system completely down and turn it back on you are not only affecting the controllers and timers but also the valves and heads and joints. The more automated you can be the better.

On MOTION by Mr. Welsh seconded by Mr. Leek with all in favor the proposed upgrade to the irrigation system by Team Rountree in the approximate amount of \$84,000 was approved.

Mr. Bertsch asked it will be completed when?

Mr. Rountree responded March.

Mr. von der Osten stated with 8" of rain the last 24 hours I had several calls about local flooding most of the areas that flooded were because of local construction activity had some type of stormwater barrier on the inlets, filter fabric to control the silt runoff. Obviously that slows the runoff several hours. Otherwise the stormwater system handled it very well.

FIFTH ORDER OF BUSINESS

Supervisors Requests and Audience Comments

Mr. Leek stated our conversion in Lions Paw Grand from gas to LED is going on and about a third of the lights are operating and most of the heads have been installed and it is a matter of getting the power turned on.

Mr. Bertsch asked did they use the same posts?

Mr. Leech responded yes they look exactly the same except it is a brighter light a better light and more reliable and is much less expensive. The light fixtures have Christmas bulb shaped LED lights that look very much like the gas. If you didn't know they were being replaced you wouldn't really notice it.

Mr. Bertsch stated I hope we move on with the LED lights it would be a big savings.

SIXTH ORDER OF BUSINESS

Approval of Check Register

Mr. Oliver stated next is the check register for your consideration for checks 3594 through 3608 totaling \$90,813.25 and also the payroll checks for the August 2014 meeting.

On MOTION by Mr. Parks seconded by Mr. Welsh with all in favor the check register was approved.

SEVENTH ORDER OF BUSINESS

Financial Statements as of August 31, 2014

Mr. Oliver stated you have the unaudited financials behind the next tab and these are through August 31, 2014. The fiscal year will end at the end of this month and then the fiscal year 2014 audit will begin. At the end of the financials is the assessment receipt schedule that has not changed since last month's report.

EIGHTH ORDER OF BUSINESS

Other Business

There not being any, the next item followed.

NINTH ORDER OF BUSINESS

Next Scheduled Meeting – 10/22/14 at 1:00 p.m. @ Holiday Inn

Mr. Oliver stated we talked earlier about the fact that we have not yet received the terms of the proposed settlement and talked about continuing this meeting. Is October 7th a realistic date to reconvene?

Ms. Buchanan responded yes, I believe that would be realistic. I'm not 100% in control of the review process but based on the email I forwarded yesterday I think that would be reasonable.

On MOTION by Mr. Welsh seconded by Mr. Parks with all in favor the meeting was continued to Tuesday, October 7, 2014 at 1:00 p.m. at the same location.


Secretary/Assistant Secretary


Chairman/Vice Chairman