

INDIGO
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Indigo Community Development District was held Wednesday, January 17, 2021 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:

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| John McCarthy | Chairman |
| Donald Parks | Vice Chairman |
| Robert E. Welsh | Assistant Secretary |
| Mark McCommon | Assistant secretary |

Also Present were:

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| James Perry | District Manager |
| Katie Buchanan | District Counsel by telephone |
| Kurt von der Osten | Field Operations Manager |
| Jamie Rountree | Team Rountree by telephone |

FIRST ORDER OF BUSINESS

Roll Call

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

SECOND ORDER OF BUSINESS

Public Comments

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the November 19, 2020 Meeting

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| On MOTION by Mr. Parks seconded by Mr. McCommon with all in favor the minutes of the November 19, 2020 meeting were approved as presented. |
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FOURTH ORDER OF BUSINESS

Acceptance of the Draft Fiscal Year 2020 Audit

Mr. Perry stated item four is acceptance of the fiscal year 2020 draft audit report. This is a draft, but we don't expect any material changes to this. At the bottom of page one is the opinion

and this is what is referred to as clean opinion of the financial statements and in conformance with generally accepted accounting principles. On page 25 is the report on internal controls and they didn't find any issues and pages 27 and 30 is in regard to the rules of the auditor general of the State of Florida and on page 27 the opinion is that we met all those requirements. When you go to page 29 and 30 there are a couple management comments in regard to the default on the bonds. These are standard comments we receive each year, and the district is trying to work with the property owners and bondholders to get to a reasonable resolution of those bonds. Unfortunately, the ball is really in the bondholders' court, this board can only acquiesce if the bondholders desire to take a write off on certain bonds and certain lands. Overall, this report is consistent with what you have seen in prior years. We will file that with the state and if we have any changes that come up that are material, we will get back with the board on this, but we expect that any changes would be very minor.

On MOTION by Mr. Welsh seconded by Mr. McCarthy with all in favor the fiscal year 2020 audit was accepted, and staff was authorized to transmit the final report to the State of Florida.

FIFTH ORDER OF BUSINESS

Staff Reports

A. District Counsel

Ms. Buchanan stated the litigation is still stuck in the backlog although we have been able to do a couple of small hearings. Also, the District has been named in a quiet title action, meaning that someone bought in a tax deed sale a piece of property and is trying to clear the title. What happens is the District just files a response that says our lien is a governmental lien, it stays on the record and he can assume the property subject to the CDD lien.

B. District Engineer

There being none, the next item followed.

C. District Manager

Mr. Perry stated I have had some conversations with Lennar and Kurt has done a review with them on certain things related to potential stormwater systems that the district will be taking over once that project is complete.

Mr. von der Osten stated I had conversations with Lennar regarding the new development just south of the stadium. Their engineer and the water management district are looking at a concept for water quality called a floating biomass and I'm not sure the reason why the water management district is asking this, but it is an additional method of cleaning the water, it removes phosphorus from the water. The real issue is it is a maintenance obligation and that is where the district is concerned. This is a floating mat basically with wetland plants on it that are known to absorb these chemicals, fertilizers and whatnot and every so often the plants need to be replaced. Lennar promised to get back to me and I have a call in to a lake management company also to provide more information on the maintenance costs of the system. That cost will be passed on to the CDD. They asked a few questions that I couldn't answer, and I told them they would have to come to the Board on things such as the entry monuments. I know we want them to compliment what we have now. They asked for more specifics, which I couldn't provide.

Mr. Parks asked what is the timeline?

Mr. von der Osten stated they expect to break ground this year on the infrastructure.

Mr. McCarthy asked are these going to be city streets?

Mr. von der Osten responded that is my understanding, it will be a similar dedication to up here where streets were dedicated, and the upgraded landscaping and signage is CDD.

Mr. Perry stated keep in mind right now that land is being assessed at the possible units not a full load so their assessment for O&M right now is about \$68 per unit and when those are platted it automatically increases and your current rate for a platted lot is \$237, so there is more revenue coming into the district to offset some of those costs.

Mr. von der Osten stated I think there is a possibility the amount of chemicals we are treating the lake with would drop. He did say there is a possibility that we will need to put an aerator in the lake, and it helps the water.

Mr. Parks stated it would seem logical to me if they wanted this floating biomass, then they ought to pay for it. I don't feel that we ought to be obligated to pay.

Mr. von der Osten stated they would pay the initial install.

Mr. Perry stated we are talking about ongoing maintenance.

Mr. von der Osten stated we will find out the size, the square footage of the area, how many plants are required and how to treat the lake.

Mr. Parks asked would we be saving money by not having to have other treatment there? Is there an offset of some sort?

Mr. von de Osten stated I will have their engineer come in and educate all of us. The property down there is very low, the water table is very high and there are new rules out now on compensatory storage and these types of things. I think new regulations for stormwater treatment are playing into this.

Mr. McCommon asked at what point will this development be our responsibility other than the monument and entry? Will there be other areas?

Mr. Perry stated my understanding is there is enhanced landscaping along the roadways that we will maintain consistent with what we do with the rest of LPGA. The monumentation system in the front we would inherit, and the stormwater system will be part of the district also. I haven't seen their conceptual plans, but I don't think there are any pocket parks, but if there is a pocket park in there it could possibly be dedicated to the district or maintained by the HOA.

Mr. McCommon stated I wasn't sure if, for example 300 feet of roadway with no homes being built and we may be responsible for the sidewalks. I wasn't sure how that worked.

Mr. Perry stated the roads will be dedicated to the city; the sidewalks will be the City's.

Mr. von der Osten stated I don't want to speak out of turn, but I have a lot of history with the previous developer here and I was on the board. I will explain how that part works. That is clearly the last development that was here. The board approves the bonds, you are accepting the dedication of certain obligations. There was an interlocal agreement between the CDD and the City of Daytona Beach, which spelled out city roadways, stormwater system and now this is the district's obligation and even some of those improvements are in the city right of way, but it spells out that it is still a district obligation, trees, lights but not sidewalks. I believe the document might already be approved by the city on this development, I'm not sure but there was an agreement with the District, and it is included on the plat what is HOA responsibility, the CDD's responsibility so down the road there is a road map to go by.

D. Field Operational Manager

Mr. von der Osten stated in December we had a short notice that the Fish & Wildlife Commission wanted to visit the site and walk all the gopher tortoise easements, about 235 acres. I handed out the front page of the permit, which was issued in 1995, it spells out the 265 acres in

conservation easement. We have been maintaining this easement, we started maintaining about seven years ago as an obligation of the permit. This was the first inspection we ever had. It is a new position and the inspector spent about half a day walking these sites. Typically, we have Rountree do this and we had a very good meeting. They just implemented the inspection program checking out these easements. She considered it more of an informational tour to familiarize herself, see what we were doing. We did have a follow-up email I received Monday in which she spells out that overall, we did very well. There are some new guidelines she shared with us, mainly it talks about X amount of shrub cover. They like the drier open air they do not want tree cover on it. In the south area we still have too much tree cover and she wants us to get it down to less than 6% canopy cover. We will get a proposal from Jamie.

The pavers at the entrance are an ongoing problem. This holiday season we had quite a few calls on holiday decorations at the entrances, that it was not sufficient. I talked to Jim about it and a lot of CDDs subcontract it out or you can purchase decorations and install it yourself; there are different options.

Mr. Perry stated there are a number of districts in Northeast Florida that contract out for Christmas decorations, the minimum is between \$15,000 and \$20,000 and if you are looking for something that is somewhat impressive you are talking about \$40,000+.

Mr. Welsh stated you may start out with \$40,000 that will grow to \$100,000 in a few years because people aren't satisfied and want to increase it.

Mr. Parks stated Catriona Drive where the monument is, where the new houses are starting, there used to be a pond on the right side. Now it is fully covered with I don't know what. I ran into a couple guys at the golf course and they said that material that is in there needs to be excavated. Also, in back of those homes they claim there has been no treatment.

Mr. von der Osten stated we treat it; those are the attractive wetland plants that most people like. It will never be a lake. It is really more of a dry retention area and it looks better with the wetland plants in there.

Mr. Parks stated the other thought was you could do something to treat it.

Mr. von der Osten stated we can.

Mr. Perry asked with the projects, are there any you want staff to get hard costs on?

Mr. Parks stated I hear a lot about the pavers in the entrances. I tell them that is the city's responsibility, and they ask why don't we do it and I tell them we will but we will pass the cost on to you.

Mr. von der Osten stated we have a standing maintenance request with the city on those. They will come out and repair the entry and not the exit. We have one in now for International Golf Drive. The issue with the pavers is there is no sub-base underneath. It has been so many years, the sub-base was never installed, they are installed on a sand/paver base. The entire road is failing. They are more likely to remove the pavers when they repave the road. I will call the city and see what options we have. I will come back to the next meeting with some paver opinions from the city.

Mr. Perry stated you did mention one that is an issue with wet weather, which is the weirs. I don't know if the board wants us to, but we might want to start working on that with the engineer to get those repaired.

Mr. McCommon asked do we have an estimate of the cost?

Mr. Perry stated we can get the engineer involved to see what the estimates would be before we do anything.

Mr. von der Osten stated I will get with the engineer.

Mr. Perry stated the next meeting is March and we can bring an estimate to the board.

Mr. Parks stated that sounds good.

SIXTH ORDER OF BUSINESS **Supervisors Requests and Audience Comments**

There being none, the next item followed.

SEVENTH ORDER OF BUSINESS **Approval of Check Register**

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| On MOTION by Mr. Welsh seconded by Mr. Parks with all in favor the check register was approved. |
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EIGHTH ORDER OF BUSINESS **Financial Statements as of December 31, 2020**
A copy of the financials was included in the agenda package.

NINTH ORDER OF BUSINESS **Other Business**

There being none, the next item followed.

TENTH ORDER OF BUSINESS

**Next Scheduled Meeting – March 4, 2021 at
1:00 p.m. at 1:00 p.m. at the Holiday Inn**

Mr. Perry stated the next scheduled meeting is going to be March 24, 2021 at 1:00 p.m. in the same location.

On MOTION by Mr. Parks seconded by Mr. McCommon with all in favor the meeting adjourned at 1:36 p.m.


Secretary/Assistant Secretary


Chairman/Vice Chairman