MINUTES OF MEETING

CROSS CREEK COMMUNITY DEVELOPMENT DISTRICT
BOARD OF SUPERVISORS' MEETING
Tuesday, May 23, 2023, at 11:00 a.m.
Hampton Inn & Suites Sarasota/ Bradenton – Airport
975 University Parkway, Sarasota, FL, 34243

Board Members Present were:

Charlie Tokarz	Chairperson	
Connor Chambers	Vice Chairperson	
Kathy Beccia	Assistant Secretary	
Lianna Litwin	Assistant Secretary	
Bruce Stolarz	Assistant Secretary	(via phone)

Also present were:

Venessa Ripoll	District Manager - PFM Group Consulting LLC	
Kwame Jackson	PFM Group Consulting LLC	(via phone)
Amy Champagne	PFM Group Consulting LLC	(via phone)
Andy Cohen	District Counsel- Persson Cohen & Mooney, P.A.	
Charlie McKinnies	Medallion Home	
Chris Chavez	Medallion Home	
Chris Berry	LMP	
Ron Duram	Resident	

FIRST ORDER OF BUSINESS **Organizational Matters**

Call to Order and Roll Call

Ms. Ripoll called the meeting to order at 11:16 a.m. and confirmed quorum.

On MOTION by Ms. Beccia, seconded by Mr. Chambers, with all in favor, the Board approved Bruce Stolarz to vote via WebEx.

Public Comment Period

No Public Comments.

Consideration of the Minutes of the January 24, 2023, Board of Supervisors' Meeting

Mr. Cohen and the Board needed time to review these minutes, so they will be considered at the next meeting.

Letter from Supervisor of Elections, Manatee County

Ms. Ripoll stated at this time there are 555 registered voters that live in Cross Creek.

On MOTION by Mr. Tokarz, seconded by Mr. Chambers, with all in favor, the Board approved the Letter from Supervisor of Elections, Manatee County.

<u>SECOND ORDER OF BUSINESS</u> **Business Matters**

Appointment of Auditor Selection Committee

Ms. Ripoll stated after this meeting the Board is going to have an Auditor Selection Committee Meeting to go ahead and see if Board members want the RFP to be with or without pricing, and then Ms. Ripoll will proceed with the RFP. At the next meeting Ms. Ripoll will have RFPs to present to the Board for the next audit. Ms. Ripoll noted the Board normally appoints themselves as the Auditor Selection Committee, so Board members can choose to do that.

On MOTION by Mr. Tokarz, seconded by Mr. Chambers, with all in favor, the Board appointed themselves as the Audit Selection Committee.

Consideration of Resolution 2023-04, Approving a Preliminary Budget for Fiscal Year 2024 and Setting a Public Hearing Date

Ms. Ripoll stated that before the Board is the preliminary budget for Fiscal Year 2024 and the suggested date for the Public Hearing is August 22, 2023, at the previous hotel, the Holiday Inn. Ms. Ripoll noted that this budget has been reviewed by District Staff and the Chair prior to this meeting.

Mr. Cohen noted that the budget has increased so there will be mailed notices to go out at least 30 days ahead of the Public Hearing.

Mr. Stolarz asked if there will be an increase with LMP due to the contract having a CPI increase built in. Mr. Berry with LMP stated right now there is no anticipated increase.

Discussion ensued regarding the pump as it may need to be replaced, and the plans for it as it pertains to the budget.

Mr. Chavez explained to the Board that the system consists of two pumps, the main pump and the jockey pump. The jockey pump, which provides and maintains pressure to the main line is not working. The main pump currently has to achieve that pressurization and cycles on and off to maintain the pressure. The safety mechanism inside the main pump will sense that the pump is cycling on and off too frequently and shuts the pump off. The system in its current state of disrepair needs pressurization, which the main pump cannot efficiently provide. Temporary measures have been looked at to help supplement the pressurization of the main line. They would like to utilize the new pump system that is coming online in the new phase, DEF, which is not part of the CDD to provide that supplemental water that will provide the pressure and priming that the CDD system needs. Once the CDD system is replaced the two systems will no longer need to be used together.

He noted that he has gotten proposals and he is also waiting on proposals from other companies. The companies will be providing two separate proposals.

Mr. Tokarz asked if the CDD pump goes down again, can the DEF pump water the CDD property?

Mr. Chavez answered yes. The pump system for the Willows and Laurels, which is the DEF phases, is a 500 gallon per minute pump station which can currently handle the entire community. District staff anticipates it can handle the entire Community because DEF doesn't have any homes built in it yet, so the usage is really minimal.

Ms. Litwin stated that the District got quotes to replace this pump two years ago at nearly half the cost of what it is proposed to cost the community now. She noted this has been brought up before, but the District doesn't have many Board meetings, and the District has very big issues. Ms. Litwin stated the Willows and Laurels have been utilizing the District's pump, which was not part of the easement agreement.

Ms. Litwin referenced previous meeting notes to ask where the pump is that was purchased in 2019.

Discussion ensued regarding Board members coming to view the property that they are making decisions on.

Mr. Stolarz stated the systems need to be disconnected, meaning they don't need to be linked. He noted he wants to start billing Medallion Homes $500.00 a month, from November 1, 2022, up until April for water usage, electricity, depreciation of the pump, and the irrigation system.

Mr. Stolarz asked what the benefit is of drilling a well. Mr. Chavez answered the pump will be revised in its entirety, using universal parts.

Mr. Chavez stated that Medallion Homes had an audit performed of the water being used at the Willows and Laurels, which on a dry month averages 250,000 gallons using the Manatee County rate of $0.41 per 1000 gallons. He noted that's a reimbursement price of $105.00 that will be rounded up to $150.00. The system uses 5,000,000 gallons a month, so 250,000 gallons would represent about 5% of what's used for the whole system.

Ms. Litwin asked who approved the Willows and Laurels to use the water inside of the Willows subdivision.

Mr. Chavez stated that he didn't know who made that decision.

Discussion ensued about other concerns in the community.

Mr. Chavez stated it has been brought to his attention that the irrigation system utilizes battery-operated valves for the zones. Back in April a representative of LMP, Ms. Litwin, Vanessa, and Mr. Chavez met in the field to look at the condition of these valves to understand what the issue was, and LMP has submitted a proposal of $22,000 to replace these battery-powered valves. It is LMP's opinion that the District would be better served with a two-wire system that connects all these valves with wire to the main control system, but that would be a very large expense to the CDD. He noted he has requested two additional proposals from other contractors. One was received so far. Juniper's proposal for the same specifications came in at $24,000, so District staff anticipates the third proposal will be fairly close.

Discussion ensued regarding replacing the pump before the valves are needed.

Mr. Tokarz asked if the system is currently working.

Mr. Chavez answered the system is not currently working.

Discussion ensued regarding a temporary construction pump.

Ms. Litwin noted that in order for the temporary construction pump to work properly someone has to watch it.

Discussion ensued regarding temporarily tying the Willows and Cross Creek's systems together.

Mr. Cohen asked, if the Board considered using the assistance offered by the Willows would there be a fee involved that Cross Creek would be responsible for?

Mr. Tokarz stated to his knowledge there has been no request for a charge for that.

Mr. Tokarz asked for the pricing of the pump.

Mr. Chavez stated there is one proposal for $200,000.00 and a second proposal for $136,000. He noted that he has three proposals coming in from a company called IDA and two others from two independent pump irrigation companies.

Mr. Cohen stated the Board can do a not-to-exceed amount since they don't meet as frequently, and so decisions can be made outside of a meeting.

The Board asked how much money is available in the contingency account.

Ms. Champagne stated $50,000.00.

Discussion ensued regarding the best way to properly resolve the pump issue.
Discussion ensued regarding the ants infesting the controller boxes.

The Board discussed what can be done to get the pump fixed now versus waiting.

Mr. Cohen stated the Board is approving a not-to-exceed budget, which means that the budget approved now, which needs to be done by June 15th ,2023. The Board can set a Public Hearing in August to approve the final budget, and between now and then the Board can move things around. The District can go lower on assessments but cannot go higher. He noted now is the time to put money into the budget for whatever the project might be. Mr. Cohen stated the Board is approving a budget for the next Fiscal Year, which runs October 1, 2023, to September 30, 2024.

Mr. Cohen asked if the District has other money in the budget to do a special assessment, because that is an available option. The District could also get a loan from a lender so that the funds can be available sooner.

Ms. Litwin asked if it is only $50,000.00 available to spend on this in total.

Ms. Champagne answered that's all that's left in the contingency account.

Discussion ensued regarding moving funds around from other line items and the possibility of financing the pump.

Ms. Litwin proposed the use of $42,000.00 from the HOA toward the financing of the pump.

Mr. Cohen advised that funds should not be comingled, but if the HOA wishes to gift money to the CDD for the pump financing, it can be done, and would have to be an HOA decision.

Ms. Litwin stated that the residents in her neighborhood are anxious to get the irrigation system working and suggested that they would be willing to pay another $225 to $250 in assessments to get it done.

Ms. Litwin asked if there is a plan for the Cross Creek Community to have irrigation for the upcoming weeks.

Mr. Chavez stated yes, but that involves using the connection between the Willows and the Laurels.

Mr. Tokarz asked if the bids will be in this week.

Mr. Chavez answered yes that's what he was advised last week.

Discussion ensued regarding the proposals received not being 'apples to apples'.

Mr. Tokarz stated the Board is going to make a decision and the District is going to raise taxes to pay for it.

The Board discussed and agreed on continuing the meeting until the bids are in.

Discussion if the Irrigation, Pump System and Landscaping

This item was tabled.

Discussion of Perimeters of Willow/ Laurel Responsibility under License Agreement

This item was tabled.

Consideration of CPI Attorney Fees

Mr. Cohen stated the engagement letter with the District has a CPI built in, and each year the District is informed what it is. This year it's at 6%, District Counsel elected to only charge 5%.

On MOTION by Mr. Tokarz, seconded by Mr. Chambers, with all in favor, the Board accepted the CPI Attorney Fees.

Ratification of Payment Authorizations 179-203

The Board reviewed the Payment Authorizations.

Ms. Litwin asked was any of the hurricane damage covered by the insurance company.

Ms. Ripoll answered no, the insurance company didn't cover those damages.

Discussion ensued regarding putting in a claim for the hurricane damages.

Ms. Litwin asked, what are U.S. Bank Trustee Fees?

Mr. Cohen explained that the Bonds which the District have require an indenture with the trustee to hold and distribute the funds, and trustee that is U.S. Bank.

Ms. Litwin asked if everyone in the community pays for the bond expenses.

Mr. Cohen answered yes, it's a part of the entire CDD budget.

Discussion ensued regarding who is responsible to pay the attorney fees that were charged for documents prepared regarding the Easement Agreement.

Mr. Stolarz asked about the payment authorization #203 to Synovus Bank. He explained that he thought it was already paid off.

Ms. Champagne stated the payment was broken down in to three years and this payment was the balance.

On MOTION by Mr. Chambers, seconded by Mr. Tokarz, with all in favor, the Board ratified payment authorizations 179 - 203.

Discussion ensued in regard to who District Counsel should be taking direction from.

Review of District Financial Statements

The Board reviewed the financial statements.

THIRD ORDER OF BUSINESS **Other Business**

Staff Reports

District Counsel- No report.

District Engineer- Not present.

District Manager- No report.

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FOURTH ORDER OF BUSINESS **Supervisor Requests and Audience Comments**

Discussion ensued regarding areas that Cross Creek is maintaining that are not a part of Cross Creek.

Ms. Litwin requested the codes to the pool gates be changed.

Ms. Litwin stated the basketball court lights have never worked. The contractor is requesting more money and needs direction if he should finish the work.

FIFTH ORDER OF BUSINESS **Continuance**

Ms. Ripoll requested a motion to continue the meeting.

On MOTION by Ms. Tokarz, seconded by Mr. Chambers, with all in favor, the Board continued the May 23, 2023, Board of Supervisors' Meeting for Cross Creek Community Development District until June 6, 2023, at 10:00 a.m. at 4000 Creekside Parkway, Parrish FL, 34219.

Vanessa Ripoll
Secretary/Assistant Secretary

Charles Tokarz
Chairperson/ Vice Chairperson