

**MINUTES OF MEETING
HERITAGE PINES
COMMUNITY DEVELOPMENT DISTRICT**

A Regular Meeting of the Heritage Pines Community Development District's Board of Supervisors was held on **Tuesday, October 14, 2014 at 2:00 p.m.**, in the **Heritage Pines Country Club Meeting Room, 11524 Scenic Hills Boulevard, Hudson, Florida 34667.**

Present at the meeting were:

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| Gilbert Herr | Chair |
| Raymond Russell | Vice Chair |
| Herbert Elliott | Assistant Secretary |
| Robert Zimmerman | Assistant Secretary |
| Jack Nelson | Assistant Secretary |

Also present were:

| | |
|---------------|----------------------------|
| Chuck Adams | District Manager |
| Cleo Crismond | Assistant Regional Manager |
| Kurt Heath | District Engineer |
| Bill Clark | Resident |
| Vince Dash | Resident |
| Griff Givens | Resident |
| Bonnie Walsh | Resident |

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Adams called the meeting to order at 2:02 p.m., and noted, for the record, that all Supervisors were present, in person.

SECOND ORDER OF BUSINESS

Public Comments [3 minutes per person]

Mr. Griff Givens, a resident, indicated that he resides in a self-maintained village and there are rumors circulating about the transition to reclaimed water; the first is that there will be one meter and one backflow valve and the other is that there will be one meter divided between all of the houses and billed individually, through the community association, with a backflow valve on every house. Mr. Adams pointed out that several villages transitioned with master

connections and those accounts were set up through associations; the associations build that amount into their budget, pay the monthly bill and collect fees from residents.

Mr. Givens asked if a backflow preventer valve was required. Mr. Adams confirmed that a backflow valve is required on each connection; some villages have several connections because they have several wells. He explained that primarily, one backflow preventer is required per connection, which is metered. Mr. Givens stated that his community has one well.

Mr. Russell pointed out that his community was using potable water and, when Pasco County required backflow preventers, he assumed that the cost for the entire community would be \$18,000 to \$20,000. He discovered that, beyond the meter, there was a backflow preventer on each house but the community was not on a well.

Mr. Adams confirmed that the community is maintained with only one point of connection.

Mr. Heath advised that Pasco County requires a dual check valve on the potable water system at the meter box of every house. Mr. Heath indicated that the county has a Cross Connection Control Program for the potable water system, which requires a dual check valve, even if a resident irrigates with reclaimed water, to protect the potable water system. Mr. Heath suggested discussing this matter with the county, as the county requirement is based on a state requirement.

Mr. Givens reported that residents are being advised by a Board Member that the charge will be \$6 per month for water and \$6 per month for backflow prevention. Mr. Heath confirmed that \$4.98 per month is the current charge for the backflow preventer, which residents may not be charged for because the village will have a bulk reuse meter. He noted that the association will receive one bill, at a bulk rate of \$0 to \$0.49 per thousand gallons of water; however, an additional charge of \$5 per month for the potable water dual check valve will be listed on the potable water bill.

Mr. Russell reported that, effective October 1, Pasco County's rate will be \$0.26 per thousand gallons of metered water, with a monthly base charge of \$5.74; the flat fee for unmetered water is \$11.05.

Mr. Givens asked for the approximate cost of a backflow preventer. Mr. Heath estimated \$50 for a standard backflow preventer, versus the county charge of \$5 per month, or \$60 per year. Mr. Heath indicated, per regulations, if the backflow preventer is under the Cross Connection Control Program, the county requires annual testing to ensure proper functioning.

Ms. Bonnie Walsh, a resident, asked if Mr. Nelson's association paid for the backflow preventers, upfront. Mr. Nelson confirmed that the backflow preventers were installed when the houses were built. Ms. Walsh asked if residents could purchase backflow preventers, instead of being billed each month, since she lives in a self-maintained village. Mr. Heath advised that the county must inspect the system once per year.

Mr. Bill Clark, a resident, suggested that the CDD send a letter to residents confirming the cost, to alleviate misunderstanding; he received a letter from the county stating that it will charge \$7.47 per month for an additional meter. Mr. Heath noted that, for Fiscal Year 2014, for reclaimed water, the bulk charge for maintained villages varied from \$0.49 to \$0 per thousand gallons of water; the charge for residential customers in the self-maintained villages is \$5.89 per month, plus \$4.89 per month for the dual check valve. The county's concern is that someone can physically connect irrigation piping to potable piping, which becomes a cross connection. Mr. Nelson clarified that there is no additional cost for meter installation.

Mr. Russell reported that, at least once per week, Ms. Pamela Wright, with Pasco County Utilities (PCU), provides current rate information.

Mr. Herr questioned the appropriate time to communicate the information to residents, since the rates may change. He pointed out that the District does not have an invitation to bid for the reclaimed water system, which could take up to two months to initiate and may not go out for bid until January.

Mr. Heath confirmed that the rates should be set within the next two weeks; questions were raised to the county, which have not been answered yet. He reported that the last comment review is tomorrow and, at that point, the information can be circulated.

In response to Mr. Elliott's inquiry, Mr. Russell indicated that Ms. Wright acknowledged software issues with the county's reclaimed water billing system. Mr. Herr noted that software was not necessary until the system begins to run.

Mr. Clark pointed out that there will be some changes and fluctuations but the District must communicate with residents, subject to change.

Mr. Heath offered to provide projected billing amounts by village, based on the average house usage, by early November.

Ms. Walsh clarified that the association in maintained villages will receive one bill for water use and individual homes will be billed. She felt that residents were not looking for specific numbers; rather, how billing will be handled. Ms. Walsh noted that a resident stated at

the Village Council meeting that they were not being billed by the county or paying a bill. She reiterated that residents want to know what the process is and what to expect.

Mr. Russell indicated that the county requires the District Engineer to submit a proposal in order to install reclaimed water, on an accelerated schedule, in a distressed area; the District Engineer submitted the proposal and the county billed the CDD. He noted that Staff has been trying to resolve this matter for three or four months. Mr. Russell pointed out that Pasco County was provided with a corresponding number for each village, to correct the billing.

Mr. Vince Dash, a resident, reported that he was informed of the possibility of the county classifying a residence as unmetered and charging \$6 per month, even when the village has a meter. Mr. Heath explained that the village meter was for reclaimed water; the \$6 charge was for the dual check and would be charged to the potable service, unless waived.

THIRD ORDER OF BUSINESS

Ratification: Termination of Contract with ValleyCrest Golf Course Maintenance, Inc.

Mr. Adams reported that the association took steps, in late September, to provide a Notice of Termination to ValleyCrest Golf Course Maintenance, Inc. (ValleyCrest) for golf course and common area maintenance. That action significantly changed the dynamics of the CDD maintenance contract with ValleyCrest; therefore, Staff took action to terminate the CDD landscape maintenance services contract. Mr. Adams pointed out that the contract has a 90-day notice provision and with the association termination effective December 31, 2014, it was necessary to send the Notice of Termination to ValleyCrest, prior to today's meeting.

Mr. Russell anticipated a budget decrease, as a result.

On MOTION by Mr. Herr and seconded by Mr. Russell, with all in favor termination of the contract with ValleyCrest Golf Course Maintenance, Inc., for landscape maintenance services, was ratified.

FOURTH ORDER OF BUSINESS

Discussion: Procuring Dry Retention Area Maintenance Services

Mr. Adams reported that the District has the option to enter into an agreement with the association to maintain the dry retention areas, for a fee to be negotiated.

Mr. Adams estimated a savings of at least 10% to 15% of profit margin, or more, based on bulk pricing and other savings, by going in-house. He indicated that another option would be to contract with an outside provider.

Mr. Adams hoped that the Board would enter into an agreement with the association. He noted that, along with the 10% to 15% savings, fuel costs savings would be realized; ValleyCrest charged \$8,000 to \$10,000 per year. Mr. Adams will present an agreement at the December meeting, for codification of the in-house operations; effective January, 2015.

Mr. Elliott noted that the CDD owns the equipment. Mr. Adams indicated that the CDD does not own the storage facilities. Over the years, the District received free maintenance but paid for fuel. Mr. Adams acknowledged that it would be impossible for ValleyCrest to provide services separately because of the reliance on local facilities, maintenance and the fuel arrangement; therefore, the District had no choice but to terminate the contract.

Mr. Elliott asked whether ValleyCrest personnel would remain on staff.

Mr. Adams suspected that they would and believed it was in the Board's best interest to select the in-house operation, especially if there are savings. He indicated that the other option is to hire a local landscape company to mow the dry retention areas, meaning there would be no equipment on-site; however, this option could be costly. Mr. Adams recommended the in-house operation. He advised that his large clients in South Florida use in-house maintenance for their right-of-way (ROW) and common area landscape maintenance. Mr. Adams indicated that an in-house operation is recommended when budgets reach \$1 million per year; the District can utilize the resources of equipment and manpower for other special services, such as cleaning roadways after a wind event. That is where the Association is headed and the CDD can benefit by participating.

Mr. Elliott asked whether the association assumes full management control. Mr. Adams indicated that this could be handled in two ways; through a Maintenance Assignment Agreement with the association, where the association assumes responsibility for maintaining all of the dry retention areas, build it into their budget and collect the offsetting costs through its fee program. Alternatively, the District could enter into a contractual services relationship with the association, where the District pays a certain fee for those services; collects the money and transmits it to the association. Mr. Adams recommended that the District pay for those services.

Mr. Elliott advised that, under the current situation, several Board Members have performed physical labor in retention areas. Mr. Adams indicated that this is when the

contractual services arrangement for financial consideration is the best choice, at least for the short term, to determine how well the association performs. Mr. Adams noted that, under this arrangement, the Board would have some control and work with the association, as a subcontractor of the District.

Mr. Russell reported that he spoke to the association Chair, who indicated that the association would hire a person to deal with these issues. Mr. Russell suggested waiting until this person is established, have a Board Member meet the person, listen to the recommendations and report to the Board.

Mr. Herr pointed out that a contract must be agreed upon by the HOA. Mr. Adams preferred a set of deal points, such as the price and level of service, that everyone is agreeable to, which can be incorporated into a contract. Mr. Russell offered to work with the association regarding an agreement.

Mr. Elliott expressed concern that the Chair and Vice Chair could make decisions without Board input. Mr. Adams explained that the Chair and Vice Chair cannot take action without Board input and offered to provide the deal points to the Board Members, individually for input.

On MOTION by Mr. Russell and seconded by Mr. Herr, with all in favor, authorization for the Vice Chair and District Manager to work directly Association to negotiate deal points regarding an agreement between the Association and the CDD for financial consideration for maintaining the CDD's dry retention areas, to be provided at the December meeting, was approved.

Ms. Walsh asked whether two Board Members could participate in the negotiations. Mr. Adams indicated that only one Board Member can work with Management and the association.

Mr. Givens stated that, at the association's budget workshop, the General Manager advised that he expected \$7,000 to come from the CDD, based on what was paid to ValleyCrest. Mr. Adams confirmed that this was an assumption.

Mr. Herr anticipated receiving the association's new budget, prior to the December meeting. Mr. Adams stressed that it was important to meet with the HOA Chair between now and December 9 to ensure that the association's budget is accurate.

Mr. Herr asked what instructions should be provided to Mr. Russell regarding the work to be performed by the HOA. Mr. Elliott requested more irrigation on the banks of the retention

areas for erosion prevention, which will eliminate the use of plantings. He pointed out that the results from the plantings are not satisfactory and preferred to have grass on the slopes.

Mr. Nelson reported that Mr. Tommy Land, of ValleyCrest, was allowed to irrigate as much as possible to maintain the plantings. He noted that the EDRA's are "beautiful" right now and, if they are continually irrigated, they will continue to thrive. Mr. Russell indicated that, in areas where irrigation was installed, ValleyCrest never turned it on because of a letter received from the Southwest Florida Water Management District (SWFWMD) advising not to irrigate. Mr. Russell provided a letter from SWFWMD to ValleyCrest stating that the District can use water but ValleyCrest ignored it.

Mr. Elliott stressed that the Board should expect more from in-house management because performance will be monitored.

Mr. Russell agreed and noted that he provided a list of every environmental dry retention area (EDRA); including those with and without irrigation; the list must be updated.

It was recommended that the new landscape maintenance company review the irrigation to ensure full coverage of those EDRA's, as a lot of irrigation was missing on the slope.

Mr. Russell suggested that the Board make a list of what needs to be repaired, for negotiation purposes. He reported that there are over 100 plants missing on EDRA 24. Mr. Russell spoke to Mr. Land this morning and instructed him to have the plants replaced by the end of October. Mr. Land responded "*I will see that the plants get there. I do not promise that all the mulching will be done.*" Mr. Russell suggested a letter to ValleyCrest stating that, if the plants are not replaced by the end of October, ValleyCrest will be billed for the cost for the CDD to hire a contractor to complete the work, or payment will be withheld. Mr. Adams asked Mr. Russell to provide a list of the particulars for preparation of a Defective Work Notice, putting ValleyCrest on notice to correct the deficiencies within 14 days or the District will contract with another vendor and deduct the cost incurred from their final bill. Mr. Adams suggested photographing the deficiencies.

Ms. Walsh expressed concern that this was the first time she heard about landscape maintenance issues. Mr. Herr confirmed that Mr. Russell and Mr. Elliott have been in contact with Mr. Land; however, now that the contract will be terminated, some items will not be completed before the termination date. Ms. Walsh pointed out that this effect the agreement with the association. Mr. Herr indicated that Mr. Russell will speak to the association about having a

designated full-time employee maintain the landscaping. Mr. Russell reported that the association plans to hire four new landscape maintenance employees.

Mr. Dash asked whether the cost of the plantings and maintenance exceeds the cost for grass. Mr. Elliott confirmed that the cost for maintaining the planted areas is higher, over an extended period of time. Mr. Zimmerman felt that the association will have more personnel. Mr. Russell explained that the plantings were installed because of the hazard involved in mowing the hill. Mr. Russell estimated that it will take three years for the plants to mature and a lot of work will be involved.

Mr. Herr confirmed that the association's intention to terminate ValleyCrest was predicated on the idea that the association will begin a five-year beautification program on the common grounds and golf course and they want to include the CDD areas. He noted that the association is hiring a consultant and the CDD will have the ability to meet with the consultant.

FIFTH ORDER OF BUSINESS

Update: Reclaimed Water Transition Activities

Mr. Heath reported that the county is meeting tomorrow morning to provide final comments on the reclaimed water project. He is hoped to resolve the dual check valve issue.

Regarding the transition schedule, Mr. Heath anticipated two weeks for purchasing to review the plans.

Mr. Russell pointed out that there are 252 non-maintained homes and asked whether an agreement was required from each homeowner to provide to the county. Mr. Heath stated that, per Ms. Pamela Wright, the notice was sufficient. Mr. Heath indicated that a new county Engineering Director is handling these issues.

Mr. Heath explained that installing the meters close to the potable meter is less intrusive; however, the county still must trench into the property to access where the potable line branches off into the irrigation system, to install a new reclaimed water line. He noted that there will be more trenching on the property because of the county standard to have lines on opposite sides of the boulevard.

Mr. Russell reported receiving a letter from Country Green Village regarding the reclaimed water project and what residents want in the new system. He acknowledged that residents want the input pipes from the reclaimed water source to be at least 3" pipes, with a

minimum of 50 pounds per square inch (psi) of pressure required, at the entry into the village system, to provide adequate pressure.

Mr. Heath offered to meet with residents to discuss their proposal. He confirmed that a 4" pipe will be installed due to the long piping system around this village to ensure adequate pressure in the wells. The letter contained a comment about dual checks, which is a county requirement. Mr. Heath was not opposed to keeping the well functional and testing, nor would the county.

Mr. Herr reported that a verbal request was received from a resident stating that pump #9 lacked pumping capacity and their pump contractor did not think it would last more than a few months due to the amount of sand sucked into the system. He indicated that the resident asked if the village could hook up into the main system. Mr. Herr saw no reason not to permit it, as there was easy access to the main line. Mr. Herr asked Mr. Heath to place this item on his "to-do" list. Mr. Herr expressed concern about pumps in other villages failing, in the future, when left on for long periods of time and the county having to shut down the plant when there is a system failure.

Mr. Heath acknowledged that the county now has a fairly well inter-connected system and an abundance of water but the potential exists for a pipeline to break. The county is committed to providing satisfactory service.

Ms. Walsh asked whether the self-maintained villages have the option to revert to potable water, if reclaimed water was not available in an emergency situation. Mr. Heath indicated that, if there was a problem with the reclaimed system, the county would work with the villages; however, he did not anticipate this happening, as most villages have a functional well. Mr. Heath explained that SWFWMD is not paying for this half of the project, to provide another water source but because the District intends to transfer to another water source.

Mr. Herr pointed out that residents want the ability to hook up to their wells, if the system goes down.

Mr. Russell asked about Pasco County's backup water source. Mr. Heath indicated that the county has multiple treatment plants producing reclaimed water; the water goes into a combined, large, inter-connected loop system. He noted that unused water goes directly into the ground. Mr. Heath reported that the county recently created large holding ponds to handle daily fluctuations but the ponds are full because no one uses the water. He noted that the issue with daily fluctuation has disappeared and the county has a good system.

Mr. Herr indicated that, before the plants were built, developments, such as Timber Greens built a big reservoir to hold one week's worth of water. He recalled Board discussion about excavating a lake in front of the clubhouse to hold 1 million gallons of water but the county said "no"; the county would not participate in the cost of building the lake because it has a backup system and reservoir.

Ms. Walsh asked if the reclaimed water in Heritage Pines was coming from the facility at Shady Hills. Ms. Heath replied that most of the water was from Shady Hills because it was the closet water source to Heritage Pines. Mr. Heath stressed that the county wants people to take the water.

▪ **Discussion/Consideration: Deferring EDRA #25 and #28 Work and Replanting Approved at September 9, 2014 Meeting**

****This item, previously the Seventh Order of Business, was presented out of order.****

Mr. Elliott recalled that, at the June 10 meeting, Mr. Adams spoke about remaining within budget. He pointed out that \$20,000 was budgeted for Fiscal Year 2015 for "Dry pond refurbishment" but was reduced to \$17,000 after committing \$3,000 to manhole and inlet covers. Mr. Elliott indicated that the initial estimate for "Dry pond refurbishment" was approximately \$22,000 but there was a cap, not-to-exceed \$15,000, which reduces the remaining budget to \$2,000. He expressed concern because, last year, pond refurbishment was over budget; however, after the recent rains, the grass is in good condition and the slope was manageable. Mr. Elliott noted a homeowner comment that the slope on the south bank has been irrigated and it is in great shape. Mr. Elliott made a motion to remove the EDRA #25 bank repairs from the "Must Do" list and that it is considered, in the future.

Mr. Nelson seconded the motion.

Mr. Elliott requested that the Lake #28 repairs be tabled, as well, as there was a gopher turtle living on the lake bank, which the Florida Wildlife and Game Commission (FWGC) would charge \$1,250 to remove.

Mr. Adams reiterated that the motion was to "back burner" EDRA #25 and #28 erosion repairs and replanting plants, approved as Item #78, at the September 9, 2014 meeting.

Mr. Herr disagreed, as he believed the repair work for EDRA #25 was absolutely necessary, due to the deplorable condition of the slope. He indicated that repairs should have been completed during the discussion with Lennar as it is extremely short of the 4:1 required slope.

Mr. Nelson pointed out that he and Mr. Elliott inspected EDRA #25 and did not observe a deplorable slope, except in the northwest corner. He voiced his opinion that the slopes look beautiful and lush due to the large amount of rain and disagreed with spending \$15,000, at this time.

Mr. Russell suggested placing this work on hold until early spring.

Mr. Adams pointed out that the Board can reconsider the repairs at any point in the future.

Mr. Russell asked if the repairs were being deferred until the Fiscal Year 2016 budget. Mr. Adams confirmed that it was being deferred for future consideration.

On MOTION by Mr. Elliott and seconded by Mr. Nelson, with Mr. Nelson, Mr. Russell, Mr. Zimmerman and Mr. Elliott in favor and Mr. Herr dissenting, deferring EDRA #25 and #28 erosion repairs and replanting, approved as Item 7, at the September 9, 2014 meeting, was approved. (Motion passed 4-1)

Mr. Elliott pointed out that this does not mean that the issue with the gopher turtle must be dropped, as this may become a problem, in the future. Mr. Adams strongly recommended using FWGC to remove the turtle.

Mr. Russell reiterated his suggestion to place this work on hold until early spring. Mr. Adams indicated that any Board Member can ask to revisit this issue at any time.

SIXTH ORDER OF BUSINESS

Approval of September 9, 2014 Public Hearing and Regular Meeting Minutes

Mr. Adams presented the September 9, 2014 Public Hearing and Regular Meeting Minutes and asked for any additions, deletions or corrections.

On MOTION by Mr. Elliott and seconded by Mr. Nelson, with all in favor, the September 9, 2014 Public Hearing and Regular Meeting Minutes, as presented, were approved.

SEVENTH ORDER OF BUSINESS

Other Business

Referring to Mowing of EDRA banks, Mr. Herr suggested a higher mowing height, versus the current height, to retain moisture in the banks.

Mr. Adams advised that the banks deteriorated because they were mowed so tightly and dried out due to lack of irrigation and the intrusion of weeds. He indicated that the slopes maintained by the Florida Department of Transportation (FDOT), are maintained at a higher height, with 6" to 8" being the norm. Mr. Adams pointed out that, what the CDD deals with and FDOT does not deal with, is the close proximity of these areas to adjacent lawns under a high maintenance program. He noted that, when the grass becomes 6" to 8", weeds in the turf will produce seeds, which can create issues for adjacent lawns. The height of 4" is the compromise that was discussed by the Board. Mr. Adams reported that FDOT has no problems with erosion or slope control along the steep slopes on the overpasses, as they maintain at a much higher height and mowed less frequently, resulting in less wear and tear on the turf.

Mr. Elliott pointed out that the level that the Board prefers to maintain those retention areas is an issue to be considered for the contract.

Mr. Russell asked whether the District should re-negotiate a 5" versus 4" height, which would eliminate mowing once or twice per year on the slopes and increase the shade on the roots. Mr. Adams indicated that was a possibility.

Mr. Russell preferred to hear from the association and asked about the addition of color to the HOA map. Mr. Heath confirmed that he sent a request to Mr. Larry Lampy to meet and discuss the map and delineation. Mr. Russell requested that each Board Member receive a copy of the completed map.

Mr. Elliott suggested that a bulletin be placed in the monthly newsletter stating which plants thrive in reclaimed water.

Referring to EDRA #6, Mr. Elliott reported that a resident did not want plants because they liked the appearance. Mr. Russell recalled that Mr. Adams presented three or four different places where plantings could be installed and this was one location.

Mr. Elliott pointed out the horrible appearance of EDRA #52, around the terrace area, near the waterfall. Mr. Russell suggested including this in the five-year plan.

Ms. Walsh reported that, according to the association budget, the association is forecasting \$1,320 in income from the CDD, for water, and \$87,000 for CDD ground maintenance. She noted that the HOA was also projecting more employees. Mr. Adams will

make sure that the association receives a more accurate number because \$87,000 was not accurate.

Mr. Elliott recalled that Mr. Chuck Eade mentioned savings of \$150,000 by moving the landscape maintenance in-house. He hoped for additional savings of \$10,000 to \$15,000. Mr. Adams pointed out that the CDD’s goal is to save \$15,000. Mr. Herr agreed that a lot of money could be saved by bringing the landscaping in-house. The only objection was that, when the District tried to do this once before, all the grass died due to an ineffective superintendent.

EIGHTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There being no report, the next item followed.

B. Engineer

There being no report, the next item followed.

C. Manager

i. Approval of Unaudited Financial Statements as of August 31, 2014

Mr. Adams presented the Unaudited Financial Statements as of August 31, 2014.

ii. NEXT MEETING: December 9, 2014 at 2:00 P.M.

Mr. Adams advised that the next meeting will be held on December 9, 2014 at 2:00 p.m., at this location.

NINTH ORDER OF BUSINESS

**Audience
Requests**

Comments/Supervisors’


There being no audience comments or supervisors requests, the next item followed.

TENTH ORDER OF BUSINESS

Adjournment

There being nothing further to discuss, the meeting adjourned.

On MOTION by Mr. Herr and seconded by Mr. Russell, with all in favor, the meeting adjourned at 3:35 p.m.


Secretary/Assistant Secretary


Chair/Vice Chair