

**MINUTES OF MEETING
BEACH ROAD GOLF ESTATES
COMMUNITY DEVELOPMENT DISTRICT**

The Board of Supervisors of the Beach Road Golf Estates Community Development District held a regular meeting on January 13, 2020 at 1:00 p.m., at the Bonita National Golf and Country Club, 2nd Floor of the Clubhouse, 17671 Bonita National Blvd., Bonita Springs, Florida 34135.

Present at the meeting were:

Russell Smith	Chair
John Moran	Vice Chair
Alex Hinebaugh	Assistant Secretary
Mike Rollins	Assistant Secretary

Also present were:

Chuck Adams	District Manager
Greg Urbancic	District Counsel
Dave Underhill	District Engineer

Residents present were:

Sheldon Shadeth	Lan Hunter	Denise Kemp
Rich Casser	Paul Curti	Steve Riggs
Kevin Daily	Ralph Tayman	Mike Sterosky
Steven Widski	Ida Carlson	Gary Jackson
Paul Carlson	Jeff Cutler	

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Adams called the meeting to order at 1:07 p.m. Supervisors Smith, Hinebaugh, Moran and Rollins were present, in person. Supervisor Gabor was not present.

SECOND ORDER OF BUSINESS

Public Comments

There being no public comments, the next item followed.

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THIRD ORDER OF BUSINESS

Update: Lake Bank Erosion Repair Project

Mr. Smith gave the following update:

- At the direction of the CDD, Lennar would oversee the contractors and bidding process for the lake bank erosion project. Mr. Underhill would coordinate with Lennar.
- The project would go out to bid in the next few days. All bids would be evaluated and the most qualified contractor will be engaged.

Mr. Sheldon Shadeth, a resident, asked if Lennar was funding the project since they, along with Mr. Underhill, are overseeing the contract selection. Mr. Smith replied no and explained that the CDD asked Lennar to handle the bidding process and the contracts themselves; Lennar would contract the project for expediency and the actual amount of the invoices paid to the contractor would be reimbursed by the CDD. Discussion ensued regarding project costs and Lennar's contribution. Mr. Shadeth asked why Lennar was not 100% responsible for the erosion repairs, given that they constructed the lakes. Mr. Smith explained that erosion is an ongoing circumstance that must be addressed with lakes in any community; it is more of an operations and maintenance (O&M) matter and the CDD was established to cover the long term O&M of all the assets owned by the CDD.

Mr. Rich Casser, a resident, noted that Lennar built the lakes and was still building the community and asked why the CDD was putting Lennar in charge of repairing the lakes.

Mr. Kevin Daily, a resident, asked why Lennar was not assuming responsibility for what they built before conveying it to the CDD. He stated that, in his experience, builders with similar issues repaired everything for the community. Mr. Smith stated such builders have a different opinion of the responsibilities with regard to erosion, which is ongoing, as it is related to movement of water, which would never stop. Erosion is a maintenance item and lakes constructed for the CDD need a long term maintenance entity to oversee it.

Mr. Steven Widski, a resident, believed residents were informed at the previous meeting that the Engineers were working on a final analysis of the erosion and would make a presentation today. He asked for a presentation, outlining the solution to the erosion in various areas in the community. Mr. Underhill stated that the plan includes filling in the washout and installing a small yard drain in between the homes to collect the water to keep it from flowing

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into the lake and prevent recurring wash-outs. Mr. Underhill would post the plan of action on the CDD website. Discussion ensued regarding the yard drain, the soil and water levels. Mr. Adams would post PDF versions of the drawings on the website so everyone has access to them, including the HOA and all subcommittees.

Regarding the expectation, a resident read the following passage from the November 18, 2019 meeting minutes:

“Mr. Cove asked, based on the new proposal, how many homes were expected to be repaired in the first year. Mr. Underhill stated the project included all the houses along the lake. Regarding how homes would be chosen, Mr. Underhill stated the project would start at one location and proceed block by block. When the project goes out to bid, the District would discuss the specifics with the contractors; develop a realistic plan and work methodically, year-by-year, until the project is completed. Any irrigation destroyed, as part of the project, would be repaired.”

Mr. Paul Carlson, a resident, asked if the CDD anticipates, with its current flow of income, being able to complete the erosion repairs or would residents be responsible for the balance, through assessments. Mr. Adams stated that Staff would know in a few weeks, when the pricing is revealed and it becomes clear how that compares to the CDD’s revenue.

Mr. Lan Hunter, a resident, asked when Lennar would pay the \$200,000 and if it would go directly to the contractor, the CDD or the Association. Mr. Adams stated the revenue would be available to the CDD and the invoice would come to the CDD, through Lennar.

Mr. Paul Curti, a resident, asked if the CDD or Lennar would be paying the \$200,000. Mr. Smith explained that the \$200,000 refers to an agreement that Lennar made to additionally fund the CDD, beyond what they are obligated to fund, in the amount of \$200,000 per year for two years, so the CDD would invoice Lennar for \$200,000 and Lennar will pay the CDD that amount in both 2020 and 2021. As to whether Mr. Smith’s answer would be in the meeting minutes, Mr. Adams stated it was on the audio file.

A resident asked how confident Mr. Underhill was that the proposed solution would repair the erosion issue. Mr. Underhill stated he would not have proposed installation of yard drains on 1,000 lots if he did not think the plan would work. As to why the work was not

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performed in the initial stages of the development, rather than after the fact, Mr. Smith stated because erosion is difficult to predict. Installing rear yard drainage behind every home is not a typical circumstance in communities that are developed in southwest Florida and, due to the amount of water that fluctuates, soil conditions and other things; there was more erosion than usual in the community. As to why gutters were not a part of the solution, Mr. Smith stated that gutters are outside of the purview of the CDD and a specification of how Lennar builds homes. The remedy is to install a yard drain at about every other lot line to collect the water coming off the homes before it gets to the slope, accelerates and creates the scouring that resulted in the erosion. That is what the CDD can do on property that it has easements over and controls.

A resident asked if Lennar would install yard drains in the remaining homes yet to be built so that it does not become a CDD responsibility. Mr. Smith stated development and building homes were two separate processes but, because the tracts were already built, he would pose the question to Lennar and asked Mr. Adams to follow up.

Mr. Ralph Tayman, a resident, asked about the size of the drain. Mr. Underhill stated the drains would most likely be 8" or 10" but no bigger than 12". The drain pipe would drop into a box.

Mr. Smith stated that the CDD would be responsible for maintenance of the drains.

Ms. Ida Carlson, a resident, asked if the CDD would supplement vegetation around the ponds that lacked proper vegetation. Mr. Smith stated that is not part of the present plan. Lake maintenance has been handled by the Association and the District previously contracted with the HOA to maintain the lakes but if vegetation is not sprayed, it will overgrow. There was no question that banks with vegetation erode less than banks without; therefore, those maintaining the lakes should be educated on proper vegetation removal.

Mr. Jeff Cutler, a resident, asked if the CDD would also address residences with erosion in the middle of the property. Mr. Underhill stated if there is a significant washout present on the plan, in the middle of the lot or anywhere that is going to be repaired, it would be repaired as part of the project but there was no plan to install an inlet to fix it; it would be case by case because the cause of those washouts must first be determined.

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Ms. Denise Kemp, a resident, asked if the lakes were interconnected. Mr. Underhill stated there may be two different basins but, generally, all the lakes are interconnected in Bonita National. As to whether water is pushed or leveled, Mr. Underhill stated the water levels out and there are a few different discharge points to the south of the property. The water will be lower in the south and may be a few inches higher to the northeast, as it is pushed to the southwest.

Mr. Hunter asked why Lennar would not fully fund the repairs, since the erosion issue existed from the very beginning. Mr. Smith stated Lennar does not feel it is their responsibility because erosion is a natural occurrence and not a defect in materials and workmanship; monitoring erosion would be a continuing process in this community, the same as in all communities in southwest Florida. Lennar's position was that erosion is a maintenance matter and not a construction matter. Mr. Underhill confirmed that all new homes are built to specifications and certified by the South Florida Water Management District (SFWMD).

Mr. Mike Sterosky, a resident, asked if the same issues would recur after the repairs are completed. Mr. Smith stated that the District Engineer suspected that if the repairs would not fully resolve the issue they would make a large dent in reducing the severity. As to whether Lennar hired the wrong engineer to complete the initial design, Mr. Smith stated that was rhetorical question. Mr. Sterosky asked about the residents' rights, from a legal perspective, to file a claim against Lennar or the CDD because of poor design.

Mr. Moran voiced his opinion, as a resident and Board Member who is not employed by Lennar and not beholden to anyone, that there was nothing to sue over; erosion issues are very prevalent in communities in southwest Florida. Construction was completed according to permits and the law and the majority of the issues would be resolved in the next few years. The CDD would continue to exist, the maintenance requirements on the lakes would continue to exist and it was unclear if there would be future assessments for it.

FOURTH ORDER OF BUSINESS**Update: Potential Bonita Beach Road
Lighting Project**

This item was not addressed.

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FIFTH ORDER OF BUSINESS

Acceptance of Unaudited Financial Statements as of November 30, 2019

Mr. Adams presented the Unaudited Financial Statements as of November 30, 2019. The financials were accepted.

SIXTH ORDER OF BUSINESS

Approval of November 18, 2019 Regular Meeting Minutes

Mr. Adams presented the November 18, 2019 Regular Meeting Minutes.

On MOTION by Mr. Moran and seconded by Mr. Rollins, with all in favor, the November 18, 2019 Regular Meeting Minutes, as presented, were approved.

SEVENTH ORDER OF BUSINESS

Staff Reports

A. District Counsel: *Coleman, Yovanovich & Koester, P.A.*

There being nothing to report, the next item followed.

B. District Engineer: *Banks Engineering, Inc.*

There being nothing to report, the next item followed.

C. District Manager: *Wrathell, Hunt and Associates, LLC*

There being nothing to report, the next item followed.

- **NEXT MEETING DATE: February 17, 2020 at 1:00 P.M.**

- **QUORUM CHECK**

EIGHTH ORDER OF BUSINESS

Audience Requests

Comments/Supervisors'

Mr. Steve Riggs, a resident, noted that the Beach Road lighting item was overlooked but was covered in the Bonita Landings CDD meeting and thanked Mr. Adams for following up and providing the data. Given all the additional residents that will relocate to the area with build-outs in Bonita National, Valencia, Seasons and Landings, the street lighting project is very

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important as it will address the security and safety issue. He hoped all of the communities would support the project.

In response to a resident's question regarding road maintenance, Mr. Adams stated that, although there is an operating agreement with the Association, the CDD is responsible for long-term road maintenance.

Mr. Curti asked about the cost of the street lighting project. Mr. Smith stated that the upfront costs for this CDD, based on the allocation, would be \$30,636 to run the electrical services. The annual rental costs, including electricity, would be \$11,463 for Bonita National. Bonita National would pay \$30,636 of the \$66,000 installation costs and \$11,463 of the \$24,020 annual costs. Mr. Curti asked what major expenses would be undertaken in the future that would be funded through the construction fund. Mr. Adams stated it was unclear at this time.

Discussion ensued regarding installing reflectors on the roadway, financial reserves, maintenance agreements between the CDD and HOA and which entity is best suited to handle future CDD infrastructure reinvestment projects.

NINTH ORDER OF BUSINESS

Adjournment

There being no further business to discuss, the meeting adjourned.

On MOTION by Mr. Moran and seconded by Mr. Hinebaugh, with all in favor, the meeting adjourned at 1:57 p.m.

[SIGNATURES APPEAR ON THE NEXT PAGE]

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DocuSigned by:
Chuck Adams
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Secretary/Assistant Secretary

DocuSigned by:
Russell Smith
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Chair/Vice Chair