

**MINUTES OF MEETING  
STONEBROOK  
COMMUNITY DEVELOPMENT DISTRICT**

A Public Hearing and Regular Meeting of the Stoneybrook Community Development District's Board of Supervisors was held on **Tuesday, January 26, 2010 at 9:15 a.m.**, at the **Stoneybrook Community Center, 11800 Stoneybrook Golf Boulevard, Estero, Florida 33928.**

**Present and constituting a quorum were:**

Ron Ritschel	Chair
Chris Brady	Vice Chair
Ed Harland	Assistant Secretary
James Boesch	Assistant Secretary
Ray Rodrigues	Assistant Secretary

**Also present were:**

Chuck Adams	District Manager
Cleo Crismond	Assistant Regional Manager
Dan Cox	District Counsel
Matt Nieder	Golf Course Superintendent
Bruce Harwood	PGA Head Golf Professional
John Blakeley	Master Board Liaison
Michelle Blackstock (via telephone)	Grau & Associates
Kate Adams	Resident
Peter Austin	Resident

**FIRST ORDER OF BUSINESS**

**Call to Order/Roll Call**

Mr. Ritschel called the meeting to order at 9:15 a.m. and noted all Supervisors were present.

Ms. Kate Adams, 11434 Pembroke Run, summarized her frustration in the lack of maintenance of the golf course area behind her home and the golf course, also known as the berm. Mr. Nieder requested to see a copy of the plat. Mr. Boesch stated that, if the District is responsible for the property, the District will perform its obligations. Mr. Ritschel stated that he and Matt will review the plat and the property.

**SECOND ORDER OF BUSINESS****Presentation of Audited Financial Report  
for Fiscal Year Ended September 30,  
2008, Prepared by Grau & Associates**

***\*\*\*This item, previously the Third Order of Business, was discussed out of order. \*\*\****

Ms. Blackstock, of Grau & Associates, stated this is an unqualified, clean opinion. She summarized the provided audit. She noted that under the other financing sources and uses, there was a refunding of bonds, with the proceeds in the amount of \$2.5 million; a payment to refund the bonds to the trustee in the amount of \$2.9 million. This refund further increased the deficit and a change in the fund balance for the debt service by about \$448,000, for the year; this resulted in a positive fund balance of about \$79,000. She discussed the Statement of Assets of the Propriety Fund, Statement of Revenue and the operating income. Ms. Blackstock summarized the activity of the 1998 Revenue Bond and the ongoing negotiations deferring the principal and interest payments on the bond. She noted the standard reports for government entities, including the Report on Internal Controls over Financial Reporting and Compliance, adding it was a clean opinion. She stated the current year finding is a continuance of the financial condition assessment with the Enterprise Fund of the Golf Course. The prior year finding reflects that the actual expenditure exceeded appropriation in the General Fund; however, that did not occur in the current year. She asked if the Board had any questions.

Mr. Boesch questioned if the Enterprise Fund is accountable for the depreciation. Ms. Blackstock replied affirmatively. Discussion ensued regarding the financial difficulties of CDDs. Mr. Ritschel questioned a developer loan identified in the Statement of Net Assets. Mr. Cox stated the notes with U.S. Homes were conditioned on repayment being solely from the excess revenues that were available to pay bond payments. He noted U.S. Homes has never booked those as an asset, due to the disclosure requirements. Mr. Ritschel requested Mr. Cox try to contact U.S. Homes to get confirmation that they do not acknowledge such as an asset; therefore, it can be removed as a District liability.

**THIRD ORDER OF BUSINESS****Consideration of Resolution 2010-1,  
Accepting the Audited Financial Report  
for the Fiscal Year Ended September 30,  
2008**

***\*\*\*This item, previously the Fourth Order of Business, was discussed out of order. \*\*\****

Ms. Crismond presented Resolution 2010-1 for the Board’s consideration.

**On MOTION by Mr. Boesch and seconded by Mr. Brady, with all in favor, Resolution 2010-1, Accepting the Audited Financial Report for Fiscal Year Ended September 30, 2008, was adopted.**

**FOURTH ORDER OF BUSINESS**

**Discussion of Possible Candidates to Fill Seat 1; Term Expires November, 2012**

*\*\*\*This item, previously the Fifth Order of Business, was discussed out of order.\*\*\**

Mr. Ritschel stated they posted the CDD Board opening on the website and received one (1) response from Ray Rodrigues.

**On MOTION by Mr. Boesch and seconded by Mr. Brady, with all in favor, the appointment of Ray Rodrigues to Seat 1; Term Expires November, 2012, was approved.**

Mr. Adams, being a Notary of the State of Florida and duly authorized, administered the Oath of Office to Mr. Ray Rodrigues and provided the following documents, along with an explanation of each:

- **Guide to Sunshine Amendment and Code of Ethics for Public Officers and Employees**
- **Membership, Obligations and Responsibilities**
- **Form 1: Statement of Financial Interests**
- **Form 1X: Amendment to Form 1, Statement of Financial Interests**
- **Form 1F: Final Statement of Financial Interests**

**FIFTH ORDER OF BUSINESS**

**Affidavits of Publication**

*\*\*\*This item, previously the Second Order of Business, was discussed out of order.\*\*\**

- **Notice of Rule Development**
- **Notice of Rule Making for Rate Setting**

Mr. Adams noted that today’s Public Hearing was advertised and referred the Board to the Affidavits of Publication behind Tab 2.

**SIXTH ORDER OF BUSINESS**

**Public Hearing to Consider Resolution 2010-2, Amending Section 21 of Chapter I of the Rules of the Stoneybrook Community Development District Relative to Its Irrigation Utility Regulations and Rates and Charges for Utility Services, Adopting a Restriction Surcharge and Setting an Effective Date, Pursuant to Florida Law**

Mr. Adams discussed the adjusted base rate will increase from \$1.16 per 1,000 gallons to \$1.69 per 1,000 gallons. He noted the rule addresses the ability to consider a surcharge, on an as-needed basis, to offset unforeseen reductions in the revenue related to water restrictions. Mr. Cox stated the table outlining the surcharges was omitted from the resolution, but was included in the advertisement. Mr. Adams clarified the rate will be effective beginning with the March billing cycle, for February usage.

**\*\*\*Mr. Adams opened the Public Hearing. \*\*\***

There were no questions or comments.

**\*\*\*Mr. Adams closed the Public Hearing. \*\*\***

Mr. Adams clarified that beginning January 1<sup>st</sup>, the HOA will not be billed for irrigation water, as the CDD has taken over the landscaping responsibility; however, the District will not bill itself; rather, it is viewed as a loss of revenue that is made up in the rates to all other users.

Mr. Nieder discussed the requirements of the SFWMD Water Permit.

**On MOTION by Mr. Boesch and seconded by Mr. Harland, with all in favor, Resolution 2010-2, Amending Section 21 of Chapter I of the Rules of the Stoneybrook Community Development District Relative to Its Irrigation Utility Regulations and Rates and Charges for Utility Services, Adopting a Restriction Surcharge and Setting an Effective Date, and adding the appropriate table reflecting the rates, was adopted.**

**SEVENTH ORDER OF BUSINESS**

**Discussion/Consideration: Latest Early Termination Offer by Yamaha Golf Carts (deferred from December 15, 2009 Regular Meeting)**

Mr. Cox stated he responded to the Yamaha letter stating the Board will not take any further action until the carts were inspected and returned. Mr. Nieder stated a representative showed up to inspect, unannounced, and was asked to return after contacting Mr. Harwood. Mr. Cox stated the carts are scheduled to ship out next Tuesday.

**EIGHTH ORDER OF BUSINESS**

**Discussion: Schedule February Workshop Regarding Unaudited Financial Statements**

Mr. Adams suggested having Mr. Pinder and Ms. Lamaruggine from Wrathell, Hart, Hunt and Associates attend a regular CDD, day meeting. Discussion ensued regarding the current questions and answers on the financial statements. Mr. Adams stated Mr. Pinder and Ms. Lamaruggine can attend the March meeting.

**NINTH ORDER OF BUSINESS**

**Discussion: Personnel Handbook/Policies**

Discussion was held regarding the creation of a Stoneybrook Personnel Handbook. Mr. Ritschel suggested the need of the District to have its own Personnel Handbook. Mr. Adams provided the Board with examples as provided by the employee leasing company. It was decided that Mr. Rodrigues will work with Mr. Nieder and Mr. Harwood on a variation for future Board approval.

**TENTH ORDER OF BUSINESS**

**Discussion/Upgrade: Irrigation Water Disconnected**

Discussion was held as to how to handle the overdue irrigation water accounts. Mr. Adams referred to the previous list of overdue bills that have now been shut off. Mr. Cox noted the policy is that residents do not receive irrigation until the bill is paid. He discussed the problem of making sure that homes being sold or going through foreclosure include the overdue irrigation in closing. In order to make sure the buyers/owners are aware of the bill at closing, the bill can be included in the estoppel letter or it can be recorded in the public record for each

person. He noted the recording fee is \$10 per person. Mr. Cox clarified that the public record must be linked to a name, not a property. Mr. Cox offered to have his staff match up of the property and the name. Mr. Ritschel stated Alex, in the office, would know what properties are in foreclosure and bank owned.

**ELEVENTH ORDER OF BUSINESS**

**Discussion/Consideration of Well Development Proposal from Entrix**

Mr. Nieder provided the Board with an additional Entrix proposal for Hydrological Monitoring. He noted the Entrix proposal for well drilling will cost an estimated \$40,900 and a quote for the electrical work is pending. He provided the Board with quotes for pumps and motors that have to be placed in the recharged wells. Mr. Nieder summarized the use of three (3)-phase electric pumps. Mr. Boesch questioned if the Board needs to approve the proposals, as long as the cost falls within the previously approved budget. Mr. Adams agreed and advised that the information is provided for informational purposes and to make the Board aware of the final phase of the process and overall financial impact. Mr. Nieder explained the blending process that is necessary to comply with the water permit. He stated he wanted to negotiate the monitoring price with Entrix. Mr. Adams clarified the costs will be paid from the irrigation fund. Mr. Ritschel noted the time restraint of six (6) months for the completion of the well.

**TWELFTH ORDER OF BUSINESS**

**Approval of December 15, 2009 Regular Meeting Minutes**

Line 57 and throughout: Change “Kaufmann” to “Coughlin”

Line 115: Change “55” to “5500”

Line 121: Change “bales” to “bags”

**On MOTION by Mr. Boesch and seconded by Mr. Brady, with all in favor, the December 15, 2009 Regular Meeting Minutes, as amended, were approved.**

**THIRTEENTH ORDER OF BUSINESS**

**Other Business**

Mr. Nieder advised that his assistant, Dave, took another position and his last day is Friday. He further stated the chloride level in the irrigation water is high and he has been in correspondence with the utility company. He stated the #12 drain has a clogged catch basin and he will address the areas with sod. He stated he will install sensors to monitor the chloride level in the soil at the 2" level and 8" level. He stated he wants to encase the catch basin in concrete after removing the coquina. He noted the concrete will cost about \$4,000. Mr. Nieder explained the Turf Guard Net that will help monitor the chloride levels and discussed various attempts to unclog irrigation systems. Discussion was held regarding the correct location of the catch basins. Mr. Ritschel noted the down spouts may be causing some issues. Mr. Ritschel noted Green 12 is damaged due to poor water quality and Mr. Nieder stated that is the reason he flushed the irrigation system. Mr. Adams stated, once the District can get the wells up and running, the blending of the additional fresh water should help reduce the overall chloride levels. Mr. Nieder stated he is going to have USGA come and review the turf damage due to the water quality. Mr. Nieder stated the initial bridge repairs were completed on the first half of bridges and they are waiting to seal the wood; the other bridges will be completed next year. Mr. Boesch recommended that Mr. Nieder create a list of projects that remain incomplete in order to convey to the bondholders the necessity of funding such projects. Mr. Nieder discussed hiring a new Assistant Superintendent and the new hire is set to begin February 8<sup>th</sup>.

Mr. Harwood stated the current rounds are low, due to the cool weather and the rain. He stated the District is under budget for rounds year-to-date, but the expenses are down for golf balls and the pro shop. He stated he is going to increase the morning rates. The average dollar amount for a round of golf is \$2 less than what is budgeted. He discussed the overall condition of the range. Mr. Ritschel noted Mr. Harwood has sold memberships.

Mr. Cox stated that the sprayer company will not remove the clause stipulating suit to be taken in California. Mr. Ritschel requested the agreement be completed so that the sprayer purchase can be completed.

**FOURTEENTH ORDER OF BUSINESS**

**Committee Reports**

There were no Committee Reports and the next Order of Business followed.

**FIFTEENTH 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. Golf Superintendent**

This item was previously discussed.

**d. Golf Pro**

This item was previously discussed.

**e. Manager**

**i. Unaudited Financial Statements as of December 31, 2009**

This item was discussed earlier in the meeting.

**ii. Clarifications/Answers to Financial Questions from Chair Ritschel**

This item was discussed earlier in the meeting.

**iii. NEXT MEETING DATE: February 23, 2010 at 6:00 P.M.**

**SIXTEENTH ORDER OF BUSINESS**

**Audience  
Requests**

**Comments/Supervisors'**

Mr. Ritschel requested Mr. Adams ensure that all leases are being forwarded to WHHA and requested a copy of the amended September financials that reflect expense and revenue accruals.

Mr. Ritschel discussed including the CDD minutes in the newsletter; however, the minutes would be delayed a month or two (2) because the Board must approve the minutes before they are released.

Mr. Boesch read a resident's complaint about localized flooding on Helmsdale Run, adjacent to a common area berm.

Discussion was held regarding the quality of work of TruGreen.

Mr. Peter Austin questioned erosion issues around the lakes. The Board decided to discuss the issue with the HOA at the February meeting.

**SEVENTEENTH ORDER OF BUSINESS      Executive Session**

There being no Executive Session, the next order of business followed.

**EIGHTEENTH ORDER OF BUSINESS      Adjournment**

There being no further discussion, the meeting adjourned at 12:06 p.m.

**On MOTION by Mr. Boesch and seconded by Mr. Brady, with all in favor, the meeting was adjourned.**

  
Secretary/Assistant Secretary

  
Chair/Vice Chair