

**MINUTES OF MEETING
STONEBROOK
COMMUNITY DEVELOPMENT DISTRICT**

A Regular Meeting of the Stoneybrook Community Development District's Board of Supervisors was held on **Tuesday, March 23, 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
Howard Wegis	Lee County Utilities
Rand Edelstein	Lee County Utilities
Pat Fischer	Lee County Utilities
Gordie Lewis	Golf Course Designer
Mike Coughlan	Resident
Dr. Schwartz	Resident

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Ms. Crismond called the meeting to order at 9:15 a.m., and noted, for the record, that all Supervisors were present.

Mr. Boesch requested an executive session at the end of the meeting regarding legal and personnel matters. Mr. Adams stated Mr. Cox would be present later in the meeting.

SECOND ORDER OF BUSINESS

**Consideration of Agreement for
Exchange of Real Estate**

Mr. Wegis and Mr. Edelstein, with Lee County Utilities, gave a presentation on well field access in the area. Mr. Wegis discussed the existing easements for specific wells. He noted that in 1988, Corkscrew Properties granted a well field easement to the utility company and then, in 1998, Corkscrew Properties granted an additional well field easement; in 1999 the Stoneybrook plat was recorded and included the well fields easements. In 2009, Lee County Utilities initiated a plan and design for a product to replace an upgrade to the electric line for the well field. In the process, Johnson Engineering completed a survey of the well easements so that the electric line could be placed in the easement. He noted that areas of conflict, where infrastructure was outside of the easement, were discovered. He pointed out survey busts on the original survey and updated survey. He stated infrastructure is outside the easement and the county wants to try rectifying such by adding areas to accommodate the infrastructure that is currently outside. The calculations of the fallout area include 3,393 square feet of easements that the county wants to add, to accommodate the infrastructure, and a proposal to vacate five (5) easements and give them to Stoneybrook. Mr. Ritschel questioned how many wells were in the area. Mr. Edelstein responded there were at least 15 wells in the area that provide water to the water treatment plant, which provides water to the developments in the area. Mr. Boesch questioned why the document reflects roadways, if the county is looking for wells, and requested that the county remove the roadways easement and clarify that it is a utility easement. Mr. Wegis stated the language could be modified to indicate an access road. Mr. Cox questioned if the electrical lines were overhead or underground. Mr. Wegis responded they are currently overhead, but the intent is to have them underground. Mr. Cox noted the obligations to the District outlined in the agreement and requested the county to bear the expenses. He discussed that one area of request for easement is in a conservation tract. Discussion was held on the specifics of certain easements. Mr. Harland requested that residents be apprised of the consideration of the final agreement. Mr. Rodrigues volunteered to write a newsletter article.

Mr. Ritschel discussed that the District discovered high salt content in the irrigation lake, primarily fed with effluent water from the county. The District had the University of Florida soil and water sample tests completed by Mark Burrows, Burrows Turf Grass; the water samples showed 689 parts per million. He summarized a prior meeting with the county and noted the county agreed to monitor the community's water, on a weekly basis, because the county did not believe the water from the treatment plan contained high levels of salt. Mr. Ritschel noted the

poor quality of the golf course's greens and requested a copy of the reports. Mr. Edelstein stated a presentation could be given to the Board about effluent water quality. The Board confirmed.

Mr. Ritschel stated Mr. Coughlan was present to discuss the status of his condo. Mr. Coughlan thanked the Board for their assistance with the flooding issues. He noted the flooding issue appears to be resolved, as long as the drains remain open.

A resident, Dr. Schwartz, discussed concerns of lake erosion behind the condominiums located on Lancaster. Mr. Ritschel noted that the District recently overtook the maintenance of the irrigation water and landscaping and recalled previous meetings, between the District and the Master Board, regarding lake erosion. He noted the Board will consider the erosion issues later in the meeting. Mr. Boesch explained the budget and assessment process for the District and that a major situation may have to be undertaken in the next budget season. He noted the Board can not make promises if the funds are not present.

THIRD ORDER OF BUSINESS**Discussion/Presentation: Golf Course Greens Conditions and Renovation Plan**

Mr. Ritschel introduced Stoneybrook's original golf course designer, Mr. Gordie Lewis. He discussed a green renovation project and presented a map that outlined the original golf greens and the current golf greens; the original base of the greens, and the current base of the greens as both lines have significantly altered at about a foot a year. He noted a survey and preliminary plans are completed and bids will be received within the coming weeks. He explained the procedure will take about six (6) weeks to strip and sprig, with three (3) months to grow the greens. Mr. Nieder presented an estimated cost of the project, including any potential loss of income. Discussion was held on having temporary greens versus closing the golf course. Mr. Boesch discussed the District's current expenses, relevant to the budget and the need to not exceed the budget. He questioned how the District could fund the improvements to the golf course. Mr. Adams responded possible options include outside financing, significantly reducing internal expenses and negotiations with the bondholders. He stressed that the proposed numbers do not consider non-payment of the debt service payment or the need to replenish the debt service reserve. Mr. Ritschel discussed the District's budget and income budget. Mr. Boesch noted that the reserves will not be available for the upcoming year. Mr. Adams stated \$406,000

is in the revenue account and is due to the bondholders but they have chosen not to take it; it is shown as an asset but is really a liability.

Mr. Lewis discussed Mr. Nieder placing sod on some of the greens, as a temporary solution, and noted the potential issues in treating the greens with sod. Mr. Cox questioned if the golf course would see any operating efficiencies, if the renovation project was completed. Mr. Nieder noted that this project only covers four (4) acres of the course and there is another 116 acres to maintain; however, the irrigation will be more controlled because specific areas will be able to be watered. Mr. Lewis noted the greens would be larger and require more maintenance. Discussion ensued on the condition of the greens and how to accommodate funds to rebuild the greens.

******The Meeting was recessed.******

******The Meeting reconvened.******

Mr. Adams discussed strategies for cutting District costs and decreasing the cost of the renovation project. Mr. Ritschel questioned if the CDD could finance the renovation, through an individual, with a repayment plan. Mr. Cox stated bond counsel would have to be consulted as far as the tax implications, etc. Mr. Ritschel questioned if the golf course could sell a multi-year membership. Mr. Cox stated the fee cannot become a liability; if the member can get \$10,000 worth of play for \$5,000, the liability is high; if they can get \$5,500 worth of play for \$5,000, the liability is less. He stated the District has to protect the future revenue stream because the District does not want to compromise the future income. Discussion continued as to the possibility of an outside company being interested in the profits of the golf course and the current financial situation of the golf course.

Mr. Ritschel explained that the money for payables and payroll is requested by the District from the trustee, on behalf of the bondholders and is then transferred to the appropriate accounts. Mr. Cox stated correspondence has not been received from the bondholders.

Discussion continued on various financing options of the District. Mr. Cox recommended Stichter, Riedel for the next executive session. Mr. Adams suggested having the bondholders complete a site visit of the golf course, including Mr. Lewis and Mr. Nieder. Mr. Nieder summarized the extensive need of maintenance on the golf course. Mr. Boesch noted that, in addition to the bond payment, the District has to replenish \$350,000 to the reserves. The

options include the bondholders walking away with the reserves or filing for Chapter 9 Bankruptcy.

Mr. Ritschel suggested inviting the bankruptcy attorneys and bondholders to the next Board meeting.

FOURTH ORDER OF BUSINESS

**Continued Discussion: CodeRED
Emergency Notification System**

Mr. Adams stated additional references are included with the CodeRed Notification System materials. He explained the agreement purchases a certain number of minutes, with the ability to purchase more minutes in the future. He asked the Board to consider the District's need for the system, as it may provide a certain level of benefit to the residents. He noted possible cost sharing with the master board. Mr. Boesch suggested not adding additional items to the budget. Mr. Adams recommended the proposal as a service to the District's residents and it can be paid through the assessments. Mr. Ritschel stated the annual HOA meeting was not held due to the lack of a quorum and is rescheduled to April 6th. He recommended considering it when the master board has a quorum.

This item was tabled to a future meeting.

FIFTH ORDER OF BUSINESS

**Continued Discussion: Lake Bank
Erosion and Consideration of Proposal
from Johnson Engineering to Evaluate
the Same**

Mr. Adams summarized the receipt of a letter from South Florida Water Management District (SFWMD) as to the lake bank condition of several lakes. He stated he asked Johnson Engineering to provide a proposal for preparation of an audit determining which lakes are out of compliance, providing a severity rating, an estimated cost for each lake and an oral presentation to the Board. He indicated the preferred approach is to handle all the lakes at once, if financing can be obtained; however, if that is not attainable, the lakes will be completed according to the severity ranking. He notified SFWMD of the District's relationship with the master association, the financial situation of the District and the possibility of having to address the situation according to the severity of the erosion. Mr. Boesch questioned how the project will be funded. Mr. Adams stated this will come out of the general fund.

On MOTION by Mr. Boesch and seconded by Mr. Rodrigues, with all in favor, the Johnson Engineering Agreement to Evaluate Lake Bank Erosion was approved.

Mr. Adams anticipated a presentation at the May meeting.

Mr. Ritschel questioned the number of 22 lakes needing work, versus the master association’s agreement, with Anchor, showing a total of 34 lakes, with 11 needing action. Mr. Adams stated that the 22 lakes were taken from an aerial map and the discrepancy will be addressed with the Engineer. He explained this will be a report that can be shared with the master board and open for further discussion. Mr. Adams stated work will begin as soon as Johnson Engineering receives the signed agreement.

SIXTH ORDER OF BUSINESS

Approval of February 23, 2010 Regular Meeting Minutes

Mr. Adams presented the February 23, 2010 Regular Meeting Minutes for the Board’s review. The following changes were made:

Line 26: “Wyatt Suttly” to “Lloyd Sebby”

Line 27: Insert “Burger”

Line 66: “He obtained” to “Entrix obtained”

Mr. Ritschel noted that the resident referenced on line 158, paid the bill in full. Mr. Adams noted the delinquent accounts are down to 68 that remain locked off.

Line 199: “Superintendent” to “Pro”

Line 209: “Pro” to “Superintendent”

On MOTION by Mr. Boesch and seconded by Mr. Brady, with all in favor, the February 23, 2010 Regular Meeting Minutes, as amended, were approved.

SEVENTH ORDER OF BUSINESS

Other Business

There being no Other Business, the next Order of Business followed.

EIGHTH ORDER OF BUSINESS

Committee Reports

a. Status: Personnel Handbook Updates

Ray Rodrigues stated an update on the handbook will be given at the next Board meeting.

NINTH ORDER OF BUSINESS

Staff Reports

a. Attorney

Mr. Cox requested the Board open the door to potential negotiations with Yamaha and requested the Board appoint a member to act as a liaison for negotiations. Mr. Ritschel was appointed to work with District Counsel.

b. Engineer

There being no report, the next item followed.

c. Golf Superintendent

i. Update: Irrigation Well Installation Project

Mr. Nieder summarized that the actual pumps are already in the wells. The electrician is doing all of the location for underground installation. He stated an agreement with Entrix for wetland monitoring was executed and the monitoring wells should be set up at the end of March.

d. Golf Pro

Mr. Harwood stated that March is averaging 212 people per day, with the previous year reflecting 208 and summarized the budget is on track. He explained he is cutting expenses.

e. Manager

i. Unaudited Financial Statements as of February 28, 2010

Mr. Adams presented the Unaudited Financial Statements as of February 28, 2010.

ii. High Irrigation User's Report

iii. NEXT MEETING DATE: April 27, 2010 at 9:15 A.M.

Mr. Adams noted the next meeting date is April 27, 2010.

TENTH ORDER OF BUSINESS

**Audience
Requests**

Comments/Supervisors'

Mr. Ritschel summarized his meeting with Mr. Pinder, Mr. Adams, Mr. Nieder and Mr. Harwood as to the procedures regarding payment of invoices and creation of financials. During

the meeting financial statements were reviewed and it was concluded that invoices should be directly received in the District Management office.

The Board requested the financials be posted on the District website.

ELEVENTH ORDER OF BUSINESS

Executive Session

******The meeting was recessed for Executive Session.******

The Executive Session convened.

******The meeting was reconvened at 12:23 p.m.******

TWELFTH ORDER OF BUSINESS

Adjournment

The meeting was adjourned at 12:24 p.m.

<p>On MOTION by Mr. Boesch and seconded by Mr. Brady, with all in favor, the meeting was adjourned.</p>
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Secretary/Assistant Secretary


Chair/Vice Chair