

**MINUTES OF MEETING
HUNTER’S RIDGE
COMMUNITY DEVELOPMENT DISTRICT NO. 1**

The Board of Supervisors of the Hunter’s Ridge Community Development District No. 1 held Public Hearings and a Regular Meeting on August 22, 2023 at 11:30 a.m., at the Flagler County Government Services Building, 1769 E. Moody Blvd., Building 2, Bunnell, Florida 32110.

Present were:

Howard Lefkowitz	Chair
Charles Lichtigman	Vice Chair
John Dockery, Jr.	Assistant Secretary
Thomas Mehegan	Assistant Secretary
Carolyn Herbert	Assistant Secretary

Also present:

Cindy Cerbone	District Manager
Jamie Sanchez	Wrathell, Hunt and Associates, LLC
Andrew Kantarzhi	Wrathell, Hunt and Associates, LLC
Nika Hosseini (via telephone)	District Counsel
Randy Hudak (via telephone)	District Engineer
Laura Simonette	BADC Huntington Communities, LLC Land Development
Carol Hodak	Resident
Joyce Lewis	Resident
Elmer Riggin	Resident
Dave Riley	Resident

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Ms. Sanchez called the meeting to order at 11:35 a.m. All Supervisors were present.

SECOND ORDER OF BUSINESS

Public Comments

Ms. Sanchez explained the protocols for public comments, which are heard at the beginning and the end of the meeting.

No members of the public spoke.

***Disclaimer:** These summary minutes are intended to highlight the topics discussed, items being considered and actions taken.*

THIRD ORDER OF BUSINESS

Public Hearing on Adoption of Fiscal Year
2023/2024 Budget

On MOTION by Mr. Lefkowitz and seconded by Mr. Lichtigman, with all in favor, the Public Hearing was opened.

- A. **Proof/Affidavit of Publication**
- B. **Consideration of Resolution 2023-05, Relating to the Annual Appropriations and Adopting the Budget for the Fiscal Year Beginning October 1, 2023, and Ending September 30, 2024; Authorizing Budget Amendments; and Providing an Effective Date**

Mr. Lefkowitz referred to the Special Revenue Fund (Sewer Lift Station) budget line item and asked to review the lift station items behind the Eighth Order of Business before adopting the Fiscal Year 2024 budget. Ms. Cerbone discussed options to rescind the motion to open the public hearing or proceed with this agenda item. She reminded the Board of adopting the proposed budget in May and explained the main change to the Fiscal Year 2024 budget, as compared to the Fiscal Year 2023 budget, is the inclusion of the Special Revenue Fund, which addresses the second lift station.

On MOTION by Mr. Lichtigman and seconded by Mr. Mehegan, with all in favor, rescinding the motion to open the Public Hearing, was approved.

- **Discussion/Consideration of Proposals for Lift Station Services**
This item, previously the Eighth Order of Business, was presented out of order.
Ms. Sanchez noted the following:
 - The Board added the lift station to the proposed Fiscal Year 2024 budget and approved it at the last meeting.
 - The CDD owns the lift station and needs to start budgeting for the Operation and Maintenance (O&M) costs, plus reserve costs.
 - After being notified that the lift station was spewing water, Riley and Company, Inc., (Riley) was contacted to make the repairs but, despite being the manufacturer of the lift

station, Riley declined because there is not a maintenance contract in place. Instead, Riley recommended two other companies.

- Your Environment's Solution, Inc. (YES) completed the emergency repair to control the spewing, which took several days, and the full repair of what was wrong with the lift station.
- Ms. Sanchez presented the YES proposal and scope of work. She calculated the annual cost at \$3,940 and noted the vendor is located in Orlando and is now familiar with the lift station.

Mr. Lefkowitz explained the CDD now owns and is responsible for maintaining the lift station in Deerfield Trace because the City declined to accept conveyance. He expressed his opinion that all expenses associated with the lift station should be budgeted separately and charged directly to the 14-lot section.

Mr. Lefkowitz asked if Staff established the same maintenance program and budget allocation and reserve process with the HOA for the 14-lot section as it did for the 322 CDD lots.

Discussion ensued about the 14-lot section not having its own HOA so it depends on the Master HOA to perform certain duties, the Special Revenue Fund being created in the budget to house expenses specific to the 14 lot owners that receive limited special benefit from the lift station and the O&M and reserve costs included in the proposed Fiscal Year 2024 budget were being estimates. It was noted that the amounts might change in Fiscal Year 2025.

Ms. Cerbone stated that Staff obtained the proposals after the proposed Fiscal Year 2024 budget was approved. Mr. Lefkowitz noted his experience owning a sewer plant and, after review, he did not see any issues with the proposals.

Ms. Sanchez presented the proposal from Riley to evaluate the lift station, behind Item 8B, before it will consider entering into a maintenance contract with the CDD. She calculated an annual cost of about \$1,800 and noted the vendor is local, which might be why the proposals are different.

▪ **Continuation of the Public Hearing on Adoption of Fiscal Year 2023/2024 Budget**

Ms. Cerbone reviewed the proposed Fiscal Year 2024 budget and highlighted the O&M costs in the General Fund, on Page 1, which includes assessing the 14-lot property owners; each budget line item related to the Sewer Lift Station Special Revenue Fund Budget; and the General Fund and Debt Service Fund Assessment Summary, on Page 13, which depicts a

separate Special Revenue Fund column and assessments specific to the lift station and 14-lot property owners.

Mr. Lefkowitz discussed off-roll assessments and paying off the debt service fund on the four units in Assessment Area One. He suggested researching a mechanism to prepay the remaining balance of the General Fund O&M assessments in a lump sum, which will avoid any default in the future, as the CDD calculated for four Villa 35' homes but those were never created.

On MOTION by Mr. Lefkowitz and seconded by Mr. Mehegan, with all in favor, authorizing Staff to prepare information and work on the financial numbers and authorizing Ms. Hosseini work on the legal portion and for all to report their findings at the next meeting regarding the ability to prepay O&M assessments, was approved.

▪ **Continuation of Discussion/Consideration of Proposals for Lift Station Services**

Ms. Sanchez presented the following, noting that the Riley proposal is not a formal proposal; it is an estimate:

A. Your Environment's Solution, Inc., Proposal Q196571

B. Riley and Company, Inc., Proposal RC32413

• **Preventative Maintenance Agreement**

Discussion ensued regarding both proposals, awarding the contract to the lowest bidder, Staff's recommendation to approve the Riley proposal to evaluate the lift station, appointing a Board Member to work with Staff to review the final proposals and initiating a service agreement with the lowest bidder, before the next meeting, to avoid costly repairs, and presenting it for ratification at the next meeting.

Mr. Lefkowitz agreed with Staff's recommendation and suggested adopting a one-year commitment with YES, while Staff engages Riley to proceed with due diligence.

Ms. Herbert did not agree with engaging YES and going over budget. Ms. Cerbone stated that reserve funds can be used to off-set the expense.

On MOTION by Mr. Lefkowitz and seconded by Mr. Mehegan, with Mr. Lefkowitz, Mr. Mehegan, Mr. Lichtigman and Mr. Dockery in favor and Ms. Herbert dissenting, Your Environment's Solution, Inc., Proposal Q196571 for preventative maintenance of the Lift Station, subject to including a 30-day notice of cancellation clause in the contract and authorizing District Counsel to prepare an Agreement and for the Chair or Vice Chair to execute the final form of Agreement, was approved. [Motion passed 4-1]

On MOTION by Mr. Lefkowitz and seconded by Ms. Herbert with all in favor Riley and Company, Inc., Proposal #RC32413 to inspect the lift station, in the amount of \$675, and authorizing Mr. Mehegan to make the final decision, after reviewing Staff's recommendation, as to whether to cancel the contract with Your Environment's Solution, Inc., and authorizing District Counsel to prepare an Agreement with Riley and Company, Inc., was approved.

- **Continuation of the Public Hearing on Adoption of Fiscal Year 2023/2024 Budget**

On MOTION by Mr. Lichtigman and seconded by Mr. Mehegan, with all in favor, the Public Hearing was opened.

Resident Elmer Riggin asked why the Villas' maintenance costs are less than for the homes. Ms. Cerbone stated that the CDD budget consists solely of Professional and Administrative costs; the CDD contracted to have Huntington Village Residential Association repair and maintain all CDD improvements. She can provide the Assessment Methodology Report, which outlines the fixed annual assessment levels per unit, per product type.

Resident David Riley asked if the Developer paid off the outstanding balance in the debt service fund. Mr. Lefkowitz replied affirmatively.

Resident Joyce Lewis asked if the 14 lots pay into the CDD. Ms. Cerbone replied affirmatively and directed her to the Assessment Summary Table on Page 13.

On MOTION by Mr. Lefkowitz and seconded by Mr. Lichtigman, with all in favor, the Public Hearing was closed.

On MOTION by Mr. Lefkowitz and seconded by Mr. Mehegan, with all in favor, Resolution 2023-05, Relating to the Annual Appropriations and Adopting the

Budget for the Fiscal Year Beginning October 1, 2023, and Ending September 30, 2024; Authorizing Budget Amendments; and Providing an Effective Date, was adopted.

FOURTH ORDER OF BUSINESS

Public Hearing to Hear Comments and Objections on the Imposition of Maintenance and Operation Assessments to Fund the Budget for Fiscal Year 2023/2024, Pursuant to Florida Law

A. Proof/Affidavit of Publication

B. Mailed Notice(s) to Property Owners

Ms. Carbone stated that, because the assessment increase exceeded the previously published cap, the CDD is required to send mailed notices to the property owners and hold a public hearing.

C. Consideration of Resolution 2023-06, Making a Determination of Benefit and Imposing Special Assessments for Fiscal Year 2023/2024; Providing for the Collection and Enforcement of Special Assessments, Including but Not Limited to Penalties and Interest Thereon; Certifying an Assessment Roll; Providing for Amendments to the Assessment Roll; Providing a Severability Clause; and Providing an Effective Date

On MOTION by Mr. Lefkowitz and seconded by Mr. Mehegan, with all in favor, the Public Hearing was opened.

A resident asked if the 14 lots are adjacent to the swimming pool and if the HOA can build on it. Mr. Lefkowitz replied affirmatively and noted the lots do not exist.

On MOTION by Mr. Lichtigman and seconded by Mr. Mehegan, with all in favor, the Public Hearing was closed.

On MOTION by Mr. Lichtigman and seconded by Mr. Mehegan, with all in favor, Resolution 2023-06, Making a Determination of Benefit and Imposing Special Assessments for Fiscal Year 2023/2024; Providing for the Collection and Enforcement of Special Assessments, Including but Not Limited to Penalties and Interest Thereon; Certifying an Assessment Roll; Providing for

Amendments to the Assessment Roll; Providing a Severability Clause; and Providing an Effective Date, was adopted.

FIFTH ORDER OF BUSINESS

Consideration of Fiscal Year 2023/2024 Developer Funding Agreement

Ms. Sanchez stated that this item was included in the agenda in error.

SIXTH ORDER OF BUSINESS

Presentation of Audited Annual Financial Report for Fiscal Year Ended September 30, 2022, Prepared by Grau and Associates

Ms. Sanchez stated that the Audited Annual Financial Report for the Fiscal Year Ended September 30, 2022 was included for informational purposes; there were no findings, recommendations, deficiencies in internal control or instances of noncompliance; it was a clean audit.

SEVENTH ORDER OF BUSINESS

Consideration of Resolution 2023-07, Hereby Accepting the Audited Financial Report for the Fiscal Year Ended September 30, 2022

Mr. Lefkowitz referred to Page 19 of the Audited Financial Report for the Fiscal Year Ended September 30, 2022 and noted that it shows that the principal amount of the bond was \$6,430,000 and, over the life of the bond, \$6,127,944 in interest will be paid.

On MOTION by Mr. Dockery and seconded by Mr. Mehegan, with all in favor, Resolution 2023-07, Hereby Accepting the Audited Financial Report for the Fiscal Year Ended September 30, 2022, was adopted.

EIGHTH ORDER OF BUSINESS

Discussion/Consideration of Proposals for Lift Station Services

- A. Your Environment's Solution, Inc., Proposal Q196571**
- B. Riley and Company, Inc., Proposal RC32413**
 - Preventative Maintenance Agreement**

These items were presented during the Third Order of Business.

NINTH ORDER OF BUSINESS

Consideration of Resolution 2023-08, Accepting the Certification of the District Engineer that the 2019 Project is Complete; Declaring the 2019 Project Complete; Providing for Severability, Conflicts, and an Effective Date

Ms. Sanchez presented Resolution 2023-08. Ms. Hudak reviewed the process of certifying a project complete. Mr. Hudak's letter dated September 6, 2022, certifying the Series 2019 Project complete, is an exhibit to Resolution 2023-08.

On MOTION by Mr. Lefkowitz and seconded by Mr. Mehegan, with all in favor, Resolution 2023-08, Accepting the Certification of the District Engineer that the 2019 Project is Complete; Declaring the 2019 Project Complete; Providing for Severability, Conflicts, and an Effective Date, was adopted.

TENTH ORDER OF BUSINESS

Acceptance of Unaudited Financial Statements as of July 31, 2023

Ms. Herbert asked for clarification of the "Sinking" budget line item on the Balance Sheet. Ms. Cerbone stated that she will contact Ms. Herbert after the meeting.

On MOTION by Mr. Lichtigman and seconded by Ms. Herbert, with all in favor, the Unaudited Financial Statements as of July 31, 2023, were accepted.

ELEVENTH ORDER OF BUSINESS

Approval of May 23, 2023 Regular Meeting Minutes

On MOTION by Mr. Lefkowitz and seconded by Mr. Mehegan, with all in favor, the May 23, 2023 Regular Meeting Minutes, as presented, were approved.

TWELFTH ORDER OF BUSINESS

Other Business

There was no old business.

THIRTEENTH ORDER OF BUSINESS

Staff Reports

A. District Counsel: Cobb Cole

B. District Engineer: Zev Cohen and Associates, Inc.

There were no reports from District Counsel and the District Engineer.

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

- **NEXT MEETING DATE: May 28, 2024 at 11:30 A.M.**

- **QUORUM CHECK**

Board Members will be contacted in March to confirm if the May 28, 2024 meeting date needs to be modified.

FOURTEENTH ORDER OF BUSINESS

Board Members' Comments/Requests

There were no Board Member comments or requests.

FIFTEENTH ORDER OF BUSINESS

Public Comments

Mr. Riggin asked about the interest-only bond, on Page 12 of the budget. Mr. Lefkowitz stated that the principal amount for the Series 2019B bonds is paid back with each lot closing.

SIXTEENTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Lefkowitz and seconded by Mr. Lichtigman, with all in favor, the meeting adjourned at 1:14 p.m.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]


Secretary/Assistant Secretary


Chair/Vice Chair