

MINUTES OF MEETING
WESTSIDE COMMUNITY DEVELOPMENT DISTRICT

A meeting of the Board of Supervisors of the Westside Community Development District was held Wednesday, September 6, 2017 at 11:00 a.m. at the offices of Hanson Walter & Associates, 8 Broadway Avenue, Suite 104, Kissimmee, Florida.

Present and constituting a quorum were:

Drew Abel	Chairman
Steven Kalberer	Assistant Secretary
Mike Dady	Assistant Secretary by phone
Scott Stewart	Assistant Secretary

Also present were:

George Flint	District Manager
Andrew d'Adesky	Latham Shuker
Santiago Machado	District Engineer
Brian Smith	Field Manager
Darrin Mossing, Jr.	GMS
Julie Santamaria	RBC Capital Markets
Bennett Ruedas	Mattamy Homes
Tom Franklin	Franklin, Hart & Reid

FIRST ORDER OF BUSINESS

Roll Call

Mr. Flint called the meeting to order and called the roll.

SECOND ORDER OF BUSINESS

Public Comment Period

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the August 2, 2017 Board of Supervisors Meeting and Acceptance of the Minutes of the August 2, 2017 Audit Committee Meeting

On MOTION by Mr. Abel seconded by Mr. Stewart with all in favor the minutes of the August 2, 2017 Board meeting were approved and the August 2, 2017 committee meeting minutes were accepted.

FOURTH ORDER OF BUSINESS

Financing Matters

A. Consideration of the First Supplement to the Engineer's Report

Mr. Flint stated there is a copy of the Engineer's Report in the agenda package and you were emailed a revised version incorporating some changes from Bond Counsel and possibly the Underwriter; the numbers are the same as you saw in the previous version.

Mr. Machado stated this report covers basically the construction costs for Solara Phase 1 and 2, Phase 1 being on the west side of Westside Boulevard located within the Phase 3 portion of Westside. The cost includes all improvements from earthwork, stormwater management, utilities, water storage reuse and landscaping.

Mr. d'Adesky stated it is similar to what we have done in other sections of the District. We are not doing anything in this section of the District that is unlike other portions of the District.

Mr. Flint stated basically what we are doing with this bond issue is creating a new assessment area that covers Solara Phases 1 and 2. Santiago has done a supplement to his Engineer's Report that covers that and we prepared a Master Assessment Methodology Report for Phases 1 and 2 but we are only going to issue bonds for Phase 1 so there will be a Supplemental Assessment Report just for Phase 1 once the bonds are priced. We are creating an assessment area for 1 and 2 but it is contemplated there will be two bond issues. We are doing a report that covers 1 and 2 from the Engineer and a Master Methodology that covers 1 and 2 but we are only issuing bonds on Phase 1. You will see a Supplemental Assessment Methodology just for Phase 1.

Mr. d'Adesky stated this applies generally to both the Engineer's Report and the methodology and resolutions because they all have those numbers in them it is contemplated that a portion of that will be funded by developer contribution so the bonds won't necessarily be issued in the amount of \$10 million.

The approval of the Engineer's Report and Methodology is included in Resolution 2017-10.

B. Consideration of Assessment Methodology Report

Mr. Flint stated next is the Master Assessment Methodology and this is for Phase 1 and 2 of the Solara development and I handed out a report and removal the draft stamp is the only change in what I handed out this morning versus what you have seen previously.

Table 1 is the development plan for Phases 1 and 2 and there are a total of 312 units in Phase 1 comprised of 40s, 50s and townhomes and in Phase 2 there are 243 single-family units, total 555 units in both phases and as far as the ERU there are 625.6 equivalent residential units. Table 2 is the infrastructure cost estimates that were included in the Engineer's Report and the District Phase 1 and Phase 2 improvements total \$10.2 million again, we are doing a Master Methodology on all \$10.2 million but intend to only issue bonds on Phase 1, the \$5.7 million at this point. Table 3 is a bond sizing and these are conservative interest rate estimates because we are setting a ceiling with the master methodology and will come back later based on target assessment rates and these numbers will be adjusted based on what the target assessment rates are but right now we are setting that ceiling. With the \$10.2 million construction estimate we included one year maximum annual debt for debt service reserve, capitalized interest for 18 months, underwriter's discount at 2%, cost of issuance contemplating two bond issues of \$350,000 and \$74,000 to round it to a par amount of \$13 million. We have included an interest rate of 6%, 30-year amortization period. We anticipate the interest rate is going to come in lower than that and we don't anticipate that we will fully fund the construction estimates, we will fund up to the target assessments. Table 4 is the allocation of improvement cost per unit this is merely taking the \$10.2 million and allocating it to the product type. Table 5 is taking the par debt per unit and allocating that par debt per unit to the different product types. Table 6 is the annual assessment for each product type if we were to issue bonds at 6% for the entire \$10.2 million improvement plan you can see what the per unit assessment amounts are. These are higher than what we anticipate we are actually going to issue at this point but this is setting a ceiling and giving the Board flexibility in the future. Table 7 is the preliminary assessment roll.

C. Consideration of Resolution 2017-10 Declaring Special Assessments

Mr. d'Adesky stated Resolution 2017-10 is declaring special assessments pursuant to Chapters 190, 170 and 197, Florida Statutes. It is indicating that the District plans to install, establish, construct, equip, acquire and maintain certain public improvements as detailed in the Engineer's Report for Solara Phase 1 and Phase 2. It also makes a declaration that there is a

benefit to the property for such improvements as detailed in the methodology report. It adopts the Engineer's Report, the assessment report, allocates those benefits as seen in the methodology report. It gives an estimate overall cost of \$10,201,194 for the total infrastructure cost and goes on to adopt the preliminary assessment roll as detailed in the methodology report and allows the setting of a public hearing through the next resolution and providing for publication of that resolution. It is a standard form and the same form as used in other Districts and has been used in our previous resolutions when we have issued bonds in this District.

Mr. Flint stated this resolution is declaring the special assessments and the next one is actually setting the public hearing to consider imposition of the special assessments. That will be a 30-day mailed notice to the landowners within the District notifying them of the public hearing and there will also be ads that have to be placed in the newspaper.

Mr. d'Adesky stated once that period has run and we have that public hearing we will have the last resolution, which will actually levy the special assessments on the property.

On MOTION by Mr. Abel seconded by Mr. Kalberer with all in favor Resolution 2017-10 was approved.

D. Consideration of Resolution 2017-11 Setting a Public Hearing for Special Assessments

Mr. Flint stated the next resolution is establishing the public hearing to consider imposition of the special assessments. We do need to decide on a date for the hearing because there is a 30-day mailed notice so we can't make it by the regular October meeting date. We can move the regular October meeting to the date of the public hearing.

On MOTION by Mr. Stewart seconded by Mr. Abel with all in favor Resolution 2017-11 setting the public hearing for October 11, 2017 at 11:00 a.m. in the same location was approved.

Ms. Santamaria stated if we can do the bond resolution at the October 11th meeting we should be ready to post the PLOM the following week and we would be able to price and close mid to late November.

FIFTH ORDER OF BUSINESS

Consideration of Agreements

A. First Amendment to Landscape Maintenance Agreement with Yellowstone Landscape

Mr. Flint stated next is consideration of agreements and we have the first amendment to the landscape maintenance agreement with Yellowstone, they have agreed to hold their pricing so this amendment will just extend the term of their contract 12 months from October 1, 2017 to September 20, 2018.

On MOTION by Mr. Abel seconded by Mr. Stewart with all in favor the first amendment to the landscape maintenance agreement with Yellowstone Landscape was approved.

B. Aquatic Maintenance Agreement with Aquatic Weed Management, Inc.

Mr. Flint stated next is the aquatic maintenance agreement with Aquatic Weed Management.

Mr. Smith stated this one does have an increase, they are adding a large pond on Goodman by Monaco so that is a \$1,200 increase just to add that pond. That is pond 10.

On MOTION by Mr. Abel seconded by Mr. Stewart with all in favor the agreement with Aquatic Weed Management, Inc. was approved.

SIXTH ORDER OF BUSINESS

Consideration of Landscape Enhancement Proposals from Yellowstone Landscape

Mr. Smith stated the first one is for the front median island and this is to re-landscape that island. They are going to put a band of sod around it because the way it is set up it is jasmine and mulch and it is getting all over the road and looks very unkempt. Eventually we will come back and continue to improve that median island with some up-lighting and get it looking a lot better. That would be the one for \$2,788.64 and the other is just fill in of juniper because a lot of these medians have juniper beds from Solara to 192 and this is to fill in some spots and the cost is \$624.41.

On MOTION by Mr. Abel seconded by Mr. Stewart with all in favor the proposals from Yellowstone Landscape for landscape enhancement as outlined above were approved.

SEVENTH ORDER OF BUSINESS**Discussion of Cost Share Agreement for Landscape Maintenance**

Mr. Flint stated previously the Board had discussed a cost share agreement between the Westside CDD and Windsor at Westside CDD. Basically you have Monaco Boulevard, which loops from Westside Boulevard to Goodman Road and there is a portion of the Windsor at Westside CDD that fronts on Westside Boulevard approximately 1,300 feet and there is also a portion of Westside CDD that fronts on Monaco, which is also approximately 1,300 front feet. Previously we discussed a cost share agreement between both CDDs where the Windsor CDD would fund a prorated portion of the landscape maintenance on Westside Boulevard south of Goodman Road. Pulte actually installed that median landscaping as part of constructing the Windsor at Westside project and the Windsor at Westside CDD has been maintaining the Westside Boulevard landscaping south of Goodman to Monaco since it has been installed. There were discussions between Counsels from Westside CDD and Windsor at Westside CDD regarding proposed cost share agreement and allocating those expenses on a front foot basis but Windsor at Westside raised the issue there is a portion of Westside CDD, Mattamy's Phase 2 Solara Project, which fronts on Monaco Boulevard and the Chairman for this District, Drew Abel and the Chairman for Windsor at Westside, Carlos Gregory, had a meeting to discuss the cost share issue. I attended that meeting and Andrew was on the phone although I think he had difficulty hearing. Based on the analysis it seems like in the long run it is going to be a wash if you do share expenses on Monaco and Westside Boulevard because it is the same front footage. Rather than going through the machinations of a cost share agreement and exchanging money potential gains with landscape bids and contracts where you are loading costs in different areas the recommendation from staff is that we just have Westside maintain Westside Boulevard and Windsor at Westside maintain Monaco and not worry about a cost share agreement. That is where both Chairmen came down on the issue and basically the need for a cost share agreement isn't there right now because in the long run it is going to be a wash.

Mr. Abel stated we will spend more money on logistics and legal than we will on landscape.

Mr. Dady stated Monaco has a local road profile whereas Westside is crossed by a gas line, it has a main water line, it has on several nearby corners a pump station, it has force main, it is a greater risk for costs to be incurred on Westside.

Mr. Abel stated this is landscape maintenance.

Mr. d'Adesky stated the scope of this is just covering landscape improvements.

Mr. Dady asked are there any other costs that should be included? If this is just landscaping then I agree with the Chairman but it was my understanding in looking at the agenda that operation and maintenance included a broader range of maintenance activities that could affect the roadways that they would not be paying into under this agreement any possible maintenance that comes up in the future. I'm looking for clarification.

Mr. d'Adesky stated under the cost share agreement it was only contemplated from the beginning to be sharing landscape expenses. Under the interlocal agreement, which is a tri-party agreement between Windsor at Westside CDD, Westside CDD and the County it does detail longer term because it is contemplated that this road will be owned by the County.

Mr. Flint stated Westside Boulevard is going to be a County road.

Mr. d'Adesky stated a lot of the issues you are bringing up in terms of gas lines, long term operation and maintenance, repairs to the actual road itself that might come up those will be eventual responsibilities of the County, which has been detailed in the interlocal agreement and that element has not changed whatsoever. The interlocal agreement, which is the next item really hasn't changed at all except for in terms of crossing out the cost share component.

Mr. Abel asked what day, what month, what year does that become a County road so if it lingers for seven years and we feel there is a need to resurface what then?

Mr. Dady stated I might suggest that this might never be a County road based on our ongoing legal issues.

Mr. Flint stated the County is giving mobility credits to the developer of the Solara project based on it being a County road.

Mr. d'Adesky stated the County has taken other portions of it and taken certain actions including buying the tax certificates.

Mr. Dady stated I don't have a concern with the landscape trade-off that seems equitable. When you are talking about the subsequent agreement I think it demands a little more attention.

Mr. d'Adesky stated it is not in final form because it has to go to the County again for their subsequent review. They reviewed it a while back but they haven't seen it in a while so the County will probably have more to say on this before it is in final form. It has already been approved in substantial form and doesn't need approval at this meeting but is a discussion item

because that is going to the County and the County is going to have comments and we have delegated authority to the Chair to finalize that.

Mr. Flint stated on the landscape cost share agreement I don't know that the Board ever voted to approve a cost share. Is there an action to rescind?

Mr. d'Adesky stated we approved negotiation of the cost share agreement but there is nothing to approve.

Mr. Flint stated the one action I would ask is that the Board authorize the Chairman to execute an agreement with Down to Earth for the section we are talking about. Down to Earth is currently maintaining Westside Boulevard from Goodman to Monaco and we would look at that switching from Windsor at Westside CDD to Westside CDD effective October 1, 2017 and to do that Westside would need to enter into an agreement with the landscape contractor. The current contract is \$14,820 with Windsor and I suggest that be set as a not to exceed because I think there may be some landscaping on the east side of Westside Boulevard that is HOA that the CDD should not be maintaining so that number may come down.

On MOTION by Mr. Abel seconded by Mr. Stewart with all in favor the Chairman was authorized to execute an agreement with Down to Earth to maintain the portion of Westside Boulevard from Goodman to Monaco in an amount not to exceed \$14,820.

EIGHTH ORDER OF BUSINESS

Consideration of Revised Interlocal Agreement for Maintenance of Road Rights of Way

Mr. Flint stated as Andrew indicated the Board previously approved it in substantial form.

Mr. d'Adesky stated there is no action to take right now. In terms of future action given that we agree there is not going to be a separate cost share agreement because of the cost of legal and whatnot, knowing that we will initiate conversations with the County going forward, send our current draft to them for consideration and work on that with them going forward.

Mr. Abel stated I would like to have a fresh copy.

Mr. d'Adesky stated I can circulate that to everybody after this meeting.

Mr. Dady asked why does the approval of the previous agreement negate the possibility of a cost sharing agreement for the road maintenance? I thought we were just talking about landscaping.

Mr. d'Adesky stated it doesn't technically negate the potential for a cost share agreement for O&M expenses for the road but that is a conversation that we would have to have in a tri-party setting.

Mr. Dady stated I think you need to have the conversation. I'm just one vote but Windsor essentially got a free ride from the District of all the bond proceeds and improvements that were done to open up this project. That includes the entryway onto 192, all of Westside Boulevard through the school and all the public improvements that were made. I don't think it is unreasonable for them to pay a fair share of the maintenance of that final arterial roadway that services their project.

Mr. Flint stated I think this agreement is talking about maintenance of road right of way not maintenance of roads.

Mr. d'Adesky stated that is a separate topic to bring up.

Mr. Abel stated to Mike's point that has a lot more beef than some landscaping.

Mr. d'Adesky stated that is not contemplated in this. The agreement acknowledges that the County will eventually take the road.

Mr. Dady stated I don't understand why you are soft-pedaling around Pulte. They are not in our District and they benefited from this very expensive improvement.

Mr. Abel stated I'm not soft-pedaling, right now they are maintaining part of our right of way they have been doing it for years and now they are saying can you pay your share just of the monthly cuts and irrigation the \$14,000. We did not get into infrastructure, road maintenance, road ownership that is a whole other bigger issue.

Mr. d'Adesky stated to be fair we were never directed to do so. Typically this is the agreement we would deal with in any District in terms of sharing road right of way costs. If we are directed to attack on that we are willing to attack on that.

Mr. Dady stated the road right of way agreement provides you a path of entry to examine these other costs. It was a logistically favorable location for them to purchase a piece of property that connects to our District but is not part of our District so there were no costs but it is not unreasonable to assume there would be some maintenance that could be shared and this is your

entre, you give this up on the right of way there will be no going back for the rest of the lifespan of the project. Is there a way that this agreement can be a placeholder for that future negotiation? Can language be incorporated that would allow us the right to go back and examine larger maintenance issues of the roadway?

Mr. Flint stated there is nothing preventing either District from entering into an interlocal directly with Osceola County doing the same thing that the tri-party interlocal does. I don't know that we have anything to hold over Windsor's head to compel them to come to the table on road maintenance costs. They could unilaterally go to the County and enter into the same interlocal agreement we just initially drafted it as a tri-party agreement divvying up all the road rights of way as far as maintenance goes.

Mr. d'Adesky stated and to make sure that none of us are stepping on each other's feet and creating inefficiencies by maintaining or failing to maintain certain parts of the road right of way.

Mr. Stewart stated Mike is saying they are benefiting downstream from all the money we spent to get to their property.

Mr. d'Adesky stated trying to think about it critically it is not much of a cudgel. The County could probably care less whether or not we entered into this interlocal agreement.

Mr. Flint stated right now they are blind to the fact that we are maintaining it and we have been maintaining it for over a decade.

Mr. Dady asked will you remind me on where we stand with getting the County to accept the final piece of right of way where we had the Jr. Davis discrepancy?

Mr. d'Adesky stated I believe they said they were just about ready to do that and they were pretty prepared to do that. This is a conversation that we had previously with them and they had seemed prepared to do that in the short term.

Mr. Flint stated Jan was primarily involved with that.

Mr. d'Adesky stated correct, Jan was primarily involved she had much more contact than I do but based on the information I remember they were prepared to do that. They bought certain tax certificates to clear up portions of it and they were taking it upon themselves to clean everything up so they can accept that portion dealing with the Jr. Davis issue.

Mr. Stewart stated that is the one the County was trying to get us to participate when it was settled.

Mr. d'Adesky stated correct. They have taken forward steps on that and I believe it just might be the formality of deeding it to them and filing those deeds at this point to get that settled with them. I will confirm that at the next meeting.

Mr. Dady stated I will remove my objection as long as the Board realizes that if that is not accepted by the County there is a flaw to the County's final acceptance of the roadway, which could prevent County maintenance from being applied to that stretch of the boulevard and it might forever be a Westside CDD expense.

Mr. d'Adesky stated the County is going to have a hard time saying that considering they spent money on the settlement as well and they invested time in that and they have also accepted portions of the road and formally opened portions connecting to Westside Boulevard so it would be a tough position for the County to say they are not going to maintain it.

Mr. Flint asked what is the SPE's position on conveyance of those portions of Westside Boulevard that are held by the SPE? I was involved in the settlement negotiations on the Jr. Davis issue I think the County was ready to accept those but there was a question about whether the SPE was ready to convey them.

Mr. Dady stated we have already indicated our willingness to convey those areas if there was settlement globally so that we didn't get nickel and dimed down the road. We were holding out for the County to accept the boulevard and then we would transfer the right of way. I believe that information was conveyed to the County already.

Mr. d'Adesky stated yes and I will follow-up to see whether they have actually recorded those deeds and what else we need to have the formal acceptance on the books with that because once again that was their whole issue they didn't want to formally accept them but they have changed in their willingness in the past months. We don't need any separate authorizations to engage in discussions with the County based on all of our previous approvals.

Mr. Abel stated if we let this stuff linger we are going to approach the maintenance period in some of these sections of roads and suddenly have zero leverage with the County and a big obligation for us.

NINTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. d'Adesky stated I will be working with everyone on the bond team in terms of issuance of the 2017 bonds, reviewing the PLOM once it is issued and the indenture and documentation as well as any other supplemental documentation we do for the bond issuance. I will be in contact with the County regarding the issues we just discussed.

B. Engineer

Mr. Machado stated the contractor is working on the last connection to switch over the irrigation lines to the reuse line. The last connection was the deepest line that he encountered. I haven't spoken to him this week but he said he would be wrapped up hopefully this week.

I did contact TWA regarding the maintenance bond, Counsel suggested that if we could do a maintenance agreement like we did with the County with maintenance of the roadways instead of doing a maintenance bond but TWA said no, they won't accept that it needs to be a maintenance bond, irrevocable letter of credit or cash. The amount is \$6,940 for the maintenance bond, that is 10% of the cost of construction to make those connections and the conversion from the force main to the reuse main.

Mr. Flint asked did they require maintenance bonds on any of the other?

Mr. Machado responded yes they did but those bonds were never issued and this project lay dormant for so long they ended up taking ownership of it.

Mr. Flint asked what is the timing of the need for the maintenance bond? Is it something the Board needs to act on?

Mr. Machado responded yes, there are two fees, the 10% maintenance bond, which is \$6,940.49 and there is the 2% inspection fee, which is \$1,388.10. The \$1,388.10 is cash and the maintenance bond you can do cash or provide a maintenance bond for that amount or letter of credit.

Mr. Flint stated the Board would need to approve the \$6,940.49 and we can get a maintenance bond. Is the work complete?

Mr. Machado stated the only item that is left is the one connection point that was the deepest connection they had to make.

Mr. Flint asked if this is on the October agenda for the maintenance bond will that blow anything out?

Mr. Machado stated I don't think so.

Mr. Flint stated we will put that on the October agenda.

C. Manager

i. Approval of Check Register

On MOTION by Mr. Abel seconded by Mr. Kalberer with all in favor the check register was approved.

ii. Balance Sheet and Income Statement

A copy of the balance sheet and income statement were included in the agenda package.

iii. Discussion of Direct Bill Status

A copy of the direct bill status was included in the agenda package.

TENTH ORDER OF BUSINESS

Supervisor's Requests

There being none,

On MOTION by Mr. Abel seconded by Mr. Stewart with all in favor the meeting adjourned at 11:50 a.m.


Secretary/Assistant Secretary


Chairman/Vice Chairman