

MINUTES OF MEETING
WESTSIDE
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Westside Community Development District was held Wednesday, October 2, 2019 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:

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| Michael Rainer | Chairman |
| Tom Franklin | Vice Chairman |
| Scott Stewart | Assistant Secretary |
| Bennett Ruedas | Assistant Secretary |

Also present were:

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| George Flint | District Manager |
| Jan Carpenter | District Counsel |
| Mark Vincutonis | District Engineer |
| William Viasalyers | Field Manager |
| Broc Althafer | Osceola Engineering by phone |
| Cindy Campbell | Akerman Senterfitt by phone |
| Justin Rowan | MBS Capital Markets |

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

Organizational Matters

- A. Acceptance of Resignation of Steven Rivera and Appointment of Individual to Fill the Board Vacancy with a Terms Ending November 2020**

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| On MOTION by Mr. Ruedas seconded by Mr. Stewart with all in favor Steven Rivera's resignation was accepted. |
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On MOTION by Mr. Franklin seconded by Mr. Stewart with all in favor Michael Rainer was appointed to fill the unexpired term of office in Seat 2 with a term ending November 2020.

Mr. Flint being a Notary Public of the State of Florida administered the Oath of Office to Mr. Rainer.

Mr. Flint stated behind the Oath of Office form is a contact information sheet that would come to my office. The Form 1: Statement of Financial Interests is required by the State of Florida to be filed by public officials and it must be filed within 30 days of today with the Supervisor of Elections in the county in which you reside. It is important to meet that 30-day deadline and we always suggest you have some proof of filing, either hand delivering and have it date stamped or you can email it and they will send you a confirmation email. We also gave you a Form 1F, which you file when you leave, if you resign or at the end of your term; you don't have to do anything with that right now. As a Board member you are entitled to compensation under Chapter 190 of \$200 per meeting and I will ask if you accept or waive the compensation.

Mr. Rainer stated I waive compensation.

Mr. Flint stated you don't have to worry about the W-4 or I-9 forms.

Ms. Carpenter stated as a public official you are subject to Sunshine Law and ethics laws and all the other laws that govern a city or county official. The biggest one is the Sunshine Law; you can't speak with another Board member about any item that may come before the Board. We will send you a packet of information. The two cover sheets have the basic breakdowns, ethics, we suggest you don't accept anything of any value from anyone that could be looked at as influencing your vote and that includes you and your family. You can always call Andrew or me or George's office if you have any questions.

B. Appointment of Individuals to Fill Seats 3 & 5

Mr. Flint stated we also have two seats that have transitioned to the general election, one is vacant and one is occupied by Mr. Stewart as a holdover. I don't believe we have any nominations at this time for general electors to fill those seats.

C. Administration of Oaths of Office to Newly Appointed Board Members

D. Consideration of Resolution 2020-01 Electing Officers

Mr. Flint stated Bennett is Chairman, Tom is Vice Chair and Scott is an Assistant Secretary. It may be appropriate to reconsider the officers at this point and we can handle each one individually or as a slate.

On MOTION by Mr. Stewart seconded by Mr. Franklin with all in favor Resolution 2020-01 was approved reflecting the following officers: Michael Rainer Chairman, Tom Franklin Vice Chairman, Scott Stewart, Bennett Ruedas and Jason Showe Assistant Secretaries, George Flint Secretary, Ariel Lovera Treasurer.

FOURTH ORDER OF BUSINESS

Approval of the Minutes of the September 11, 2019 Meeting

On MOTION by Mr. Ruedas seconded by Mr. Franklin with all in favor the minutes of the September 11, 2019 meeting were approved, subject to comments submitted by Mr. Ruedas.

FIFTH ORDER OF BUSINESS

Consideration of Resolution 2020-02 Finalizing the Special Assessments and Securing the Series 2019 Bonds – Series 2005 & 2007 Refunding

Mr. Flint stated this is a resolution finalizing the special assessments that secures the series 2019 bonds, the refinancing of the 2005 and 2007 bonds. Once the bond issue is closed the Board adopts the resolution finalizing the terms of that. Those bonds were closed on Monday.

Ms. Carpenter stated George's firm prepares a final assessment methodology that puts in the final number for the bond issue, which was \$13,095,000 plugging in the interest rates, it sets for the assessment roll of every lot in the District to show the annual assessment amounts. This resolution finalizes that assessment roll based on the final numbers of the bond issue.

Mr. Rowan stated the final interest rate was 4.01%, that was the blended average.

Ms. Carpenter stated that ended up lowering the assessment amounts between \$120 and \$60 per year depending on the size of the units. It is a significant savings when you consider the amounts were in the \$500 to \$700 range, some are now below the \$400 range.

On MOTION by Mr. Franklin seconded by Mr. Stewart with all in favor Resolution 2020-02 was approved.

SIXTH ORDER OF BUSINESS**Public Hearing**

Mr. Flint stated next is a public hearing to consider the assessments on Parcel K. The Board previously adopted two resolutions, one declaring the intent to impose assessments, the other one setting the public hearing for today to consider that imposition. We did a mailed notice and notices in the newspaper as required by statute. We will open the public hearing and Parcel K is the parcel that Pulte is developing there is a small commercial piece right on the corner and a residential piece that wraps around that. The Board is considering a Master Assessment Methodology, which basically sets the ceiling and there will be a supplemental report prepared once the bonds are priced and the assessments are actually set.

A. Consideration of Engineer's Report

Mr. Althafer stated the report that is in today's agenda is the same report that was reviewed and approved in substantial form by the Board at a meeting a couple months ago. There are no changes other than typographical errors that were corrected based on input proved by Counsel. The majority of the report is the same.

There is an item I wanted to bring up for discussion. As we have been going through the closeout process for Parcel K the utility provider, Toho Water Authority, has made it clear that they don't want to be the ownership, operation and maintenance entity for reclaimed and in section 6 of the report it does show that the reclaimed water distribution system will be owned, operated and maintained by the Toho Water Authority. I wanted to bring up for discussion if it would be a problem to change that to the Westside CDD for ownership, operation and maintenance or if need be that could change to the homeowner's association.

Mr. Flint stated if it changes to the homeowner's association we can't fund it through the CDD. The concept was we were going to fund it and convey it to Toho as another government entity. We can't fund it and convey it to the CDD. What would the CDD be operating? Is it just lines in the ground or is there a pump station?

Mr. Althafer stated it is roughly 4,400 lineal feet of 6" main.

Mr. Flint asked so what they are arguing over is the ownership of the lines in the ground?

Mr. Althafer responded that is correct.

Mr. Rainer asked how is it fed, where is the water source?

Mr. Althafer stated there is a large reclaimed main on Westside Boulevard and one on Goodman Road so there are two connection points to the water source.

Mr. Rainer stated the reclaimed system on Westside Boulevard isn't sufficient to cover Westside Boulevard much less a new piece of property.

Ms. Carpenter stated the CDD constructed those and turned them over to Toho after many years.

Mr. Flint stated my understanding is in Solara they were also conveyed to Toho.

Mr. Ruedas stated the lines outside on Westside Boulevard are Toho and behind the master meter they are trying to switch it to internal operations with the HOA.

Mr. Flint stated we need to look at how those were paid for before anything is switched to the HOA. I don't think we are going to solve that in the meeting.

Ms. Carpenter stated at this point we should adopt the report as it is with Toho and we need to make that decision before any money is spent on lines because we can't use bond funds to build those lines if they are going to an HOA.

Mr. Rainer asked am I correct in saying there is about \$150,000 of reclaimed system?

Mr. Althafer stated that is correct; it is \$153,908.

Mr. Rainer asked the total funding you would be seeking is \$1.3 million?

Mr. Althafer stated at this point it is \$1.3 million and that includes the \$153,000.

Mr. Flint asked are there other improvements that could be funded to replace the \$153,000?

Mr. Althafer responded I would need to do some research to see if that is the case.

Mr. Rainer asked are there any perimeter walls?

Mr. Althafer stated there are some perimeter hardscape elements that could potentially be part of this.

Ms. Carpenter stated that depends on Bond Counsel. We would have to get that confirmed.

Mr. Franklin asked what is the reason they didn't want the reclaimed lines?

Mr. Stewart asked isn't it only that site? This is new infrastructure on this particular location. They own the rest of it already.

Mr. Flint stated what they are doing is apparently internal to the neighborhoods they now don't want to take ownership. They have had a significant issue with reclaimed in that area and a lack of supply and pressure.

Mr. Stewart asked are you thinking the size of the pipe isn't enough?

Mr. Rainer stated no, their plant went down, they lost 50% of their supply and they have no idea when it will come back up. The Mattamy site alone has \$3 million of landscaping that is dying as we speak. I would be hesitant to accept any landscaping or reclaimed line until we address that with Toho or anybody else.

Mr. Flint stated the problem is they are about to close on homes in that project and we have been on a timeline. I don't think this is the place to address that issue.

Mr. Franklin asked has the CDD already paid for the \$153,000?

Mr. Flint stated we haven't paid for anything; we haven't issued the bonds. All this is doing is putting an assessment on the land so that we can market and sell the bonds.

Mr. Rainer asked what is the timing of the issuance of the bond?

Mr. Rowan stated we were trying to get it closed before the first homeowner was expected in November.

Ms. Carpenter stated I think from the Board's perspective there should be some comfort that we can adopt the report as it is and if we find the Engineer can't get Toho to accept it we can substitute that with a good bond cost for the \$150,000 or reduce it but at least the assessments will be set at a higher level to include it if Toho will accept. That seems to be the thing to do for the Board and the Engineer and District can figure out whether that \$150,000 will be included or not.

Mr. Stewart stated we could accept it with the caveat that it is addressed.

Ms. Carpenter stated yes. Are you comfortable with that?

Mr. Flint stated yes.

Mr. Rainer stated provided we address the reclaimed then I'm fine with the other improvements.

Mr. Stewart asked if we were to end up with a problem down the line how do we fund that from the CDD's perspective?

Mr. Flint stated if it is just owning the lines in the ground there is probably not a lot of expense to that.

Mr. Stewart asked if it doesn't work is there liability later on?

Mr. Flint stated if a line breaks or something.

Mr. Stewart stated I'm thinking if somebody complains my grass is dead or my landscaping or whatever.

Ms. Carpenter stated the issue would be whether we special assess just this area or everybody and if the District wants to accept in one area.

Mr. Flint stated the O&M would need to be higher in this neighborhood than it is elsewhere if it is the only one where we own the lines. Because you can't have the balance of the community subsidizing. We could adjust our O&M if we needed to.

Mr. Ruedas stated or the HOA could own the lines if we don't finance it.

Ms. Carpenter stated we couldn't finance it through the CDD.

Mr. Flint stated ideally that would be the case. I would prefer that we replace this \$153,000 with something else and the HOA own the internal lines versus the CDD.

Mr. Stewart asked what is wrong with Toho taking the lines?

Mr. Flint stated that would be the ideal thing.

Mr. Franklin asked what was their objection?

Mr. Althafer stated they said they prefer not to in short-term rental communities. They didn't go into great detail about why.

Mr. Stewart asked can their hand be forced?

Ms. Carpenter stated yes, since they have done it in all the other communities in this District.

Mr. Franklin stated these are master metered in these communities too.

Mr. Rainer stated Solara is becoming more master metered, the first phase was not.

Mr. Flint stated Windsor at Westside, which is in another CDD right next to this piece is set up where they have master meters. Toho may be looking at that situation and saying Windsor at Westside, which is in another CDD is set up that way, therefore they are wanting this one to be set up the same way.

Mr. Vincutonis stated even though you have it master metered you still have individual meters for each lot.

Mr. Flint stated I don't think Windsor at Westside is sub-metered; it is a bulk meter.

Mr. Ruedas stated Mattamy is trying to convert Phase 1 to remove the individual meters and just stay with the master meter with the HOA.

Mr. Stewart stated then that cost stays with the HOA.

Mr. Flint stated one option is to approve the report either with reclaimed costs included and Toho taking ownership or reclaimed costs replaced with other eligible costs.

Mr. Stewart stated I would like the reclaimed costs replaced until we get some real answers on this. It is not that much money in the total package.

Mr. Franklin moved to approve the Engineer's Report assuming Toho will accept the reclaimed lines and if they don't then it goes to the HOA and other costs are adjusted accordingly and Mr. Rainer seconded the motion.

Mr. Stewart stated just so I'm clear on this, when you say other costs are you talking about other funds that could cover that?

Mr. Flint stated other costs, if there are other stormwater costs or water and sewer costs, we would still keep the \$153,000 we would just replace it with other items.

On voice vote with all in favor the motion passed.

Mr. Rowan asked Jan how would you like to proceed? We have to resolve this before we go out and market the bonds?

Mr. Flint stated I think we ask the Engineer to see if there are other eligible costs.

Ms. Carpenter stated the Engineer needs to finalize the issue either that Toho will accept or to replace those with some other costs for improvements.

Mr. Rainer asked are you able to opine on when you think they may have a closing?

Mr. Althafer stated I believe their first one is scheduled for sometimes next week.

Mr. Flint stated the closing is irrelevant to this issue. If you are going to adopt this resolution you are putting the assessments in place and that is the key factor that has to be done.

Mr. Franklin stated if it doesn't stay there the assessment will go down slightly and the homeowner's association fee will go up slightly.

B. Consideration of Master Assessment Methodology for Parcel K

Mr. Flint stated next is the Master Assessment Report based on the Engineer's Report. Table 1 on page 10 is the development plan and there are 191 units planned, a mixture of single-family and townhomes and equates to 202 equivalent residential units. Table 2 are the costs we just discussed that are taken from the Engineer's Report, the \$1.3 million and this table may be subject to change based on the motion that was just approved. Table 3 sizes the bonds and this is for purposes of the master assessment, we anticipate the interest rates are going to be lower than we have here but what we are doing here is putting a master assessment in place. The underwriter will price the bonds and we anticipate the interest rate is going to be more favorable than what we have in here but we are using very conservative parameters so the Board has maximum flexibility. Table 4 is the improvement cost per unit based on the Engineer's cost estimates and the bond sizing. Table 5 is the allocation of the par debt per unit. Table 6 are the net and gross annual per unit assessments. These are based on the bond sizing with very conservative numbers. We anticipate these per unit amounts are going to come down when we actually price. Table 7 is the preliminary assessment roll, which shows all the platted lots. I think the development is fully platted. We want this approved with the same caveat that if the capital improvement program changed this report would be modified to reflect that.

On MOTION by Mr. Stewart seconded by Mr. Franklin with all in favor the Master Assessment Methodology Report for Parcel K was approved with the caveat that if the capital improvement program changed this report would be modified to reflect that.

C. Public Comment and Testimony

There being no members of the public present to provide comment or testimony the next item followed.

D. Consideration of Resolution 2020-03 Levying Assessments

Ms. Carpenter stated this is the resolution that takes those prior resolutions, the new reports and the Board acts as a board of equalization to impose the special assessments on the property that is specially benefited by the project and to pay those costs. The resolution goes through the process the Board went through, states we have had a public hearing today and that the Board has looked at the estimated costs, looked at the property and acted as a board of equalization and imposing the assessments on the property. They will be imposed at that level

and once bonds are sold we will do a finalization resolution like we did today for the refunding to bring them in line to the bonds that are issued.

On MOTION by Mr. Franklin seconded by Mr. Stewart with all in favor Resolution 2020-03 was approved.

SEVENTH ORDER OF BUSINESS

Consideration of Resolution 2020-04 Bond Delegation Resolution – Parcel K

Ms. Campbell stated this delegation resolution authorizes the issuance of the Westside Community Development District Special Assessment Revenue Bonds Series 2019 on Windsor Parcel K in a principal amount not exceeding \$1.94 million. These bonds are being issued for the purpose of acquiring and constructing assessable improvements as described in the Seventh Supplemental Trust Indenture and the Preliminary Limited Offering Memorandum. The form of the bonds to be substantially as set forth in the Seventh Supplemental Trust Indenture and the interest rate is not to exceed the max rate permitted by law, the Underwriter's discount is not to exceed the greater of 2% of the principal amount of the bonds or \$50,000 and the optional redemption date is no later than May 1, 2031, final maturity being on May 1, 2050.

Mr. Flint stated the Board will recall because you recently did it for the refunding of the 2005 and 2007 bonds, it authorizes the Chair or Vice Chair to sign whatever documents are required to close on the bonds without having to have another Board meeting as long as it meets the parameters that are laid out in the resolution.

Ms. Carpenter stated the resolution goes through all the statutory requirements for a bond issue for the term, interest rate and lays out everything you have to approve legally and follow. It gives the Underwriters the parameters to sell the bonds and it approves in substantially final form the required documents so the Chair and Vice Chair are delegated authority to sign off on the final versions. When the offering document goes out we send it to everyone but we ask the Chair or Vice Chair to look at it and give us the okay and on the documents to finalize those.

On MOTION by Mr. Franklin seconded by Mr. Stewart with all in favor Resolution 2020-04 was approved.

EIGHTH ORDER OF BUSINESS

Consideration of Agreement with Berger, Toombs, Elam, Gaines and Frank to Provide Auditing Services for Fiscal Year 2019

On MOTION by Mr. Franklin seconded by Mr. Stewart with all in favor the engagement letter with Berger Toombs to perform the Fiscal Year 2019 audit in an amount not to exceed \$3,825 was approved.

NINTH ORDER OF BUSINESS**Consideration of Resolution 2020-05
Ratifying the Conveyance of Property**

This item deferred.

TENTH ORDER OF BUSINESS**Staff Reports****A. Attorney**

There being none, the next item followed.

B. Engineer

Mr. Vincutonis stated at the last meeting Bennett had asked to take a look at possibly doing a second requisition on the Solara Phase 2 2019 bonds. I just received on Monday the latest payout from Briar because they hadn't done a payout in a while. We got the latest payout and I went through the numbers and it looks to be about \$100,000 of eligible CDD fundable costs. I think there is an outstanding balance of \$433,000. Is that something we want to move forward with or just a quarter of what is left or do we want to try to add in landscaping dollars, and anything installed will eventually get us to that \$433,000 and do one final requisition.

Mr. Ruedas stated the landscaping and hardscaping for Phase 2 is underway, not quite complete.

Mr. Flint stated we can process as many requisitions as we need to. We can wait or if you want to go ahead and process the \$100,000 we can at least get that to Mattamy and do the rest of it later. It is not really an additional significant cost.

Mr. Ruedas stated there had been quite a few payouts since the initial requisition back to Mattamy prior to May 31st. There are at least four applications that have gone through already.

Mr. Vincutonis stated the latest one came in on Monday.

Mr. Ruedas stated there are gates and walls that I believe are eligible for funding.

Mr. Flint stated the gates wouldn't be.

Mr. Vincutonis stated the perimeter wall. In the engineer's report there is \$3 million eligible for landscape and hardscape in common areas.

Mr. Rainer stated let's postpone it.

Mr. Flint stated there is about \$430,000 left in the construction account that can be drawn down and paid to Mattamy.

Mr. Vincutonis stated \$100,000 will be covered with what we currently have so we are looking at maybe \$330,000.

C. Manager

i. Approval of Check Register

Mr. Flint presented the check register from August 28, 2019 through September 24, 2019 in the amount of \$17,724.00.

On MOTION by Mr. Stewart seconded by Mr. Franklin 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.

ELEVENTH ORDER OF BUSINESS

Supervisor's Requests

Mr. Ruedas stated related to the minutes that we approved there are some follow-ups. Mark is working on the requisitions I had contacted by voicemail Andrew after last Tuesday, September 24th, related to the lift station conveyance from the CDD to Toho Water Authority and the new supervisor will have to run that down.

Mr. Rainer stated that is needed as soon as possible.

Ms. Carpenter stated I will follow-up on it. I thought we had sent it to the developer, but we will check and get it to you.

Mr. Ruedas stated we talked about the conveyance and the only thing left was the issue related to Westside Boulevard, the streetlighting for Solara Phase 2. It is also related to a gap in lighting up Westside Boulevard that the CDD is also planning to do. We are all trying to do HPS now at this point because that is what is existing out there. They are coming back with LED.

Mr. Flint stated the last email I saw they still wanted to do LED but they were suggesting possibly replacing the HPS with LED. If they made a break at Goodman and everything south was consistently LED I think that would be fine.

Mr. Ruedas stated the issue with Westside Boulevard at Solara is that on the Phase 1 side it is HPS three years ago now and on the east side they are proposing LED. There may not be an opportunity for HPS. The contact I had is Gerald Brooks.

Mr. Flint stated I will forward the last email to you. The gap where there are no streetlights the Board had approved moving forward with installing those subject to Pulte agreeing to pay 50% of the cost. I don't have that agreement yet from Pulte so nothing has been done on that piece. At the time Keith was still on the Board and he was talking to Clint.

Mr. Stewart stated if you can forward any correspondence to me, I can reach out to them.

Mr. Ruedas asked would that lighting be eligible for funding?

Mr. Flint responded no because they are streetlight leases.

Mr. Ruedas asked Mike, do you have anything new information on the Toho reuse situation?

Mr. Rainer stated currently the response we have gotten from Toho is to jump from a potable hydrant and use it as a connection point for the irrigation system, the reclaimed system. We are going through the process of isolating the valves based on boulevard versus Phase 1 versus Phase 2 so they are a completely independent system. Previously, Phase 1 only went to a certain point of irrigation, Phase 2 picked up the rest so it is kind of convoluted in there. That will get the temporary fix. As I understand it from talking to our Civil Engineer the proposed longer term solution is that at each of the entrances jumping through the potable with a reclaimed with a master meter assembly, 6" meter similar to what we have and that has to be permitted and approved and shop drawing and it will take some time to even construct so the hydrant meter solution is the fastest alternative right now.

Mr. Flint asked are you going to have some pretty serious backflow preventers in there or are you isolating it?

Mr. Rainer stated the hydrant meter assembly has its own connected backflow so there are no cross contamination issues.

Mr. Ruedas stated if appropriate I will tender my resignation.

On MOTION by Mr. Franklin seconded by Mr. Stewart Mr. Ruedas' resignation was accepted.

TWELTH ORDER OF BUSINESS

Other Business

There being none,

On MOTION by Mr. Stewart seconded by Mr. Rainer with all in favor the meeting adjourned at 11:55 a.m.



Secretary/Assistant Secretary



Chairman/Vice Chairman