

**MINUTES OF MEETING
HAMAL
COMMUNITY DEVELOPMENT DISTRICT**

A Regular Meeting of the Hamal Community Development District's Board of Supervisors was held on **Wednesday, February 24, 2016 at 8:30 a.m.**, at the **Briar Bay Clubhouse, 3400 Celebration Blvd., West Palm Beach, Florida 33411.**

Present and constituting a quorum were:

Brian Dowling	Chair
Steven Pincus (<i>via telephone</i>)	Vice Chair
Ione Senior	Assistant Secretary
Joseph Petrick	Assistant Secretary

Also present were:

Howard McGaffney	Wrathell, Hunt and Associates, LLC
Sarah Warren (<i>via telephone</i>)	District Counsel
Leo Giangrande	District Engineer

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. McGaffney called the meeting to order at 8:35 a.m., and noted, for the record, that Supervisors Dowling, Petrick, and Senior were present, in person. Supervisor Pincus was attending via telephone. One seat remained vacant.

SECOND ORDER OF BUSINESS

Public Comments

There being no public comments, the next item followed.

THIRD ORDER OF BUSINESS

Approval of December 16, 2015 Regular Meeting Minutes

Mr. McGaffney presented the December 16, 2015 Regular Meeting Minutes and asked for any additions, deletions or corrections.

On MOTION by Ms. Senior and seconded by Mr. Petrick, with all in favor, the December 16, 2015 Regular Meeting Minutes, as presented, were approved.

FOURTH ORDER OF BUSINESS

Discussion/Review: Service Agreements

Mr. McGaffney provided copies of the District’s service agreements; the landscaping agreement was not included, as it was recently renewed.

Mr. Pincus asked if Mr. Dowling felt there were any service agreements that should be reviewed. Mr. Dowling had concerns with the Allstate Resource Management, Inc. (Allstate) service agreement for fountain maintenance. There were issues with the previous vendor and Mr. Dowling felt that Allstate was not working out well, either. There are issues with the fountains such as the lighting turns off and the breakers trip. Mr. Dowling does not receive a response when he places service requests. There are recurring issues with the breaker on Fountain 7 and the technician did not flip the breaker while performing maintenance. Mr. Dowling believed that the contractor was not servicing the equipment properly. Allstate was great with the lake maintenance but he was unhappy with Allstate’s fountain maintenance.

Mr. Giangrande wondered what was causing the fountains’ breakers to trip, questioned if it was a common problem with fountains and asked if anyone attempted to remedy the problem. Mr. Dowling clarified that the issue is only with one or two fountains and Allstate was directed to address the problem. Originally, lightning was blamed for tripping the breaker but there has been no lightning and the Fountain 7 breaker trips every 48 hours. Allstate is aware of the problem; the breaker was changed but it is still tripping and Allstate does not follow up.

Mr. McGaffney was surprised with Allstate’s performance, as they are generally “on top of their game”. Mr. McGaffney will contact Allstate, on behalf of the District, to discuss the fountain maintenance issues.

Mr. Dowling understood that it was difficult to troubleshoot electrical problems with much of the wiring being underwater but the breaker consistently trips. In response to Ms. Senior’s question, Mr. Dowling reiterated that only one fountain was continually having issues.

Mr. McGaffney was hopeful that, after he contracts Allstate, they would send a more experienced technician to address the problem. Mr. Dowling felt that the District should not have to “lean” on a vendor. There is a lack of communication with Allstate’s fountain division.

Mr. McGaffney advised that, if issue is not remedied by the April meeting, he and Mr. Giangrande will obtain proposals from other service providers.

Mr. Dowling pointed out that the District's contract with Wrathell, Hunt and Associates, LLC (WHA) was dated October, 2011. He was uncertain if any changes were required but requested that a new contract be presented, in October, to coincide with the next fiscal year.

Mr. McGaffney recommended that the updated contract be presented at the April meeting so that it could be budgeted for in Fiscal Year 2017. Mr. Dowling felt that the contract should be reviewed annually, that the Consumer Price Index (CPI) adjustments, in the contract, were unnecessary and that the contract should be negotiated on an annual basis. Mr. Dowling did not believe that CPI adjustments should be automatic, in any contract.

Mr. Pincus recalled that a previous vendor contract included CPI adjustments that required annual Board approval.

Mr. McGaffney indicated that last year's rate increase was approved with the Fiscal Year 2016 budget. Mr. Dowling confirmed that Mr. Wrathell discussed the CPI adjustment with him and Mr. Dowling then presented the adjustment to the Board.

Mr. Dowling reiterated his opinion that the contract, in its entirety, must be reviewed annually. Mr. McGaffney will present an updated contract at the next meeting.

Mr. Dowling requested that the contract with Hopping Green & Sams, P.A. (HGS), for District Counsel services, be updated, as well; the current contract was dated 2012.

Mr. Dowling noted that the District Engineer's contract was recent; therefore updating it was unnecessary. In response to Mr. Dowling's question, Mr. McGaffney indicated that Giangrande Engineering and Planning, LLC's contract was executed on June 24, 2015. Mr. Giangrande pointed out that the contract did not include CPI adjustments.

Mr. Dowling stated that the contracts with South Florida Utilities, Inc. (SFU) were recently signed and did not require updating. Mr. McGaffney recalled that the SFU contracts were for one-year terms with automatic renewal and a 30-day cancellation notification provision; he did not believe that the contracts contained a CPI adjustment. Mr. Dowling thought that the SFU contracts included 60-day cancellation notifications. Ms. Warren clarified that SFU's proposal included the 60-day cancellation notification provision but that the agreement, which SFU is operating under, specified 30 days. There is language in the agreement that dictates that the agreement superseded the proposal.

Mr. Dowling asked Ms. Warren if she had comments on any of the contracts. Ms. Warren advised that each contract included the 30-day termination, without cause, notification provision.

Mr. McGaffney pointed out that the SFU contract included that the contract could be annually renewed, for two additional one-year terms, and the contractor acknowledged that the price was firm, through those additional terms.

Mr. Pincus directed Mr. McGaffney to produce a spreadsheet to track the pertinent details of the District's agreements. Ms. Warren indicated that she previously produced such a spreadsheet, for her personal use, which she will share with the Board. Mr. McGaffney advised that the contract details were included in the descriptive notes of the budget, every year.

Mr. Dowling asked if the contract should all coincide with the start of the fiscal year. Mr. Pincus felt that contract renewals should coincide with the start of the fiscal year and suggested that contracts that start off-term could be written for more than one year so that the renewal can coincide with the start of the Fiscal Year.

Mr. Dowling directed Mr. McGaffney to prepare the District Management contract to be approved at the April meeting and renewed for fiscal year 2018. Mr. McGaffney advised that District Management and District Counsel do not require public bids.

Mr. McGaffney surmised that the Board would like all agreements to include language allowing the contract to be renewed annually, upon Board approval, and coincide with the fiscal year.

Mr. Dowling believed that all contracts should be renewable but should have a maximum length of three years, so that a new contract is written every three years.

Mr. McGaffney reiterated that all agreements will be one year contracts with two one-year renewals, reviewed annually, and include 30-day termination notification.

Mr. McGaffney and Ms. Warren will collaborate regarding the terms of the contracts.

FIFTH ORDER OF BUSINESS

Discussion: Landscape Plan of Action

Mr. Dowling noticed an improvement in the quality of the landscaping since the last meeting. The weather was uncooperative; January and February were unusually wet. The grass roots were rotting because they were overly saturated. Mr. Dowling felt that, due to the amount

of rain received, the contractors should not be judged by the current state of the landscaping. There are still improvements needed but they must wait until spring.

Mr. Giangrande agreed with Mr. Dowling's analysis of the situation. Mr. Pincus noted that March is predicted to be usually wet, as well.

Mr. Dowling reported that the landscaping contractor provided monthly calendars, within the time frame specified in the contract, so that the maintenance schedule will be known. Mr. McGaffney will contact Mr. Bruce King, of Kings Management Services, Inc. (Kings), to be added to the calendar distribution list.

SIXTH ORDER OF BUSINESS

Discussion: Fair Share Agreement – Allocation of Expenses

Mr. McGaffney reported that the list of expenses from the previous fiscal year was totaled and a list of actual expenses was sent, along with the bill for their fair share, to the appropriate parties. To avoid overcharging, the previous fiscal year total was used to budget for the next fiscal year. There was never an issue with the amount of charged.

Ms. Senior asked which area was Sandler. Mr. Dowling indicated that Sandler was the Vista Lago apartment complex to the south of the District.

Mr. McGaffney explained that the fair share contributions are broken up based on percentage of total acreage. Mr. Dowling indicated that Sandler and the School Board utilized the District's drainage system; when it rains, water from the apartment complex's parking lot and the school is piped into District lakes. They pay a percentage of the District's cost to maintain the stormwater system.

Mr. McGaffney noted that the snafu with the School Board was resolved. Mr. Pincus reported that the School Board stopped paying all their agreements but the District had a written contract, while other vendors did not. Mr. Giangrande believed that the contract ran in perpetuity because of the permanent requirements under the surface water management permit, which the School Board benefits from. Ms. Warren will review the agreement between the District and the School Board.

Mr. Dowling summarized that the issue with the School Board followed the 2013 repairs to catch basins on school grounds. The bill was higher than normal due to the repairs and the School Board, initially, refused to pay.

SEVENTH ORDER OF BUSINESS

Consideration of Agreement with Palm Beach County Information Systems Services

Ms. Senior asked if the agreement with Palm Beach County Information Systems Services was new. Mr. McGaffney replied no. He believed that the agreement was for the assessments with Palm Beach County.

Mr. McGaffney presented the Interlocal Agreement for Assignment of Property Data and Development of Annual Assessments for the Palm Beach County Non-Ad Valorem Districts. He asked if Ms. Warren reviewed the agreement. Ms. Warren replied affirmatively and indicated that the agreement appeared to be standard.

Mr. McGaffney explained that the agreement authorized Palm Beach County to place the assessment on the tax roll on behalf of the District.

Mr. Pincus asked if the interlocal agreement renewed an existing agreement. Ms. Warren advised that, typically, an interlocal agreement is put in place, with the County, annually. The District entered into an interlocal agreement with the County last year, or the year before, depending on the County's time table.

Mr. Dowling and Mr. Pincus did not recall having signed the agreement before. Ms. Senior asked if there was an additional expense to the District. Mr. Dowling asked if the agreement was entered into annually. Ms. Warren advised that, in most counties, the agreement was renewed annually.

Mr. McGaffney believed that the District typically accepted the agreement as part of a resolution and that it was not normally placed on the agenda.

Mr. Dowling pointed out that the County requested payment. Mr. Pincus asked if the County was paid in the past. Mr. McGaffney advised that the County always charged a fee for the service; the fee schedule was included in the agreement. Mr. Dowling recalled a previous accounting fee from the County for collecting the assessment and transmitting the funds to the District.

Mr. McGaffney pointed out that, per Section E of the agreement, the County reserves the right to review their fee schedule on the annual basis. Ms. Warren indicated that the agreement

was not sent to her and that the fees included are for County administrative costs for assessment collection.

In response to Mr. Pincus's question, Ms. Warren stated that the agreement came from the County Property Appraiser/Tax Collector's Office. Ms. Warren will research the terms of the District's previous agreement with the County and report back.

Mr. Pincus remarked that, if the County required the agreement to be entered into, there was not much that the District could do but he would like to know the history of the agreement.

Mr. Petrick surmised that the agreement was most likely signed as part of a consent agenda item.

Mr. McGaffney referred to a letter to Mr. Michal Szymonowicz, of Wrathell, Hunt and Associates, LLC (WHA), from the County, that indicated that the County updated its interlocal agreement. The County requested that the agreement be signed and returned prior to April 30, 2016; the next meeting is scheduled for April 27.

Mr. McGaffney apologized for assuming the agreement came from District Counsel and not recognizing that the County was providing an updated agreement.

Ms. Senior pointed out that the letter to Mr. Szymonowicz stated that, for many months, the County worked with District representatives to establish an interlocal agreement that was acceptable to all parties. Mr. Petrick surmised that there was an existing agreement and, due to concerns, the County updated the agreement. Ms. Senior asked if the District received a service from the County. Mr. Dowling indicated that the County collected the assessments on behalf of the District and distributed the funds to the District.

Mr. McGaffney stated that the Tax Collector's fee, for the debt service assessment, was approximately \$8,739 and the District collected roughly \$800,038. Mr. Dowling advised that, per the fee schedule in the interlocal agreement, the District fell under Tier 7, which has a fee of \$2,030.

Mr. Dowling questioned the amount of assessments the District collected. Mr. McGaffney clarified that the District collected assessments for the Debt Service, as well as \$471,307 in assessments for the General Fund; the Tax Collector fee for the collection of General Fund assessment is \$4,909.

Mr. McGaffney will coordinate with Mr. Szymonowicz to determine whether the fees were increased and report back to the Chair.

On MOTION by Mr. Petrick and seconded by Ms. Senior, with all in favor, the Interlocal Agreement for Assignment of Property Data and Development of Annual Assessments for Palm Beach County Non-Ad Valorem Districts, in substantial form, subject to District Counsel review and authorization for the Chair to execute, were approved.

EIGHTH ORDER OF BUSINESS

Staff Reports

A. District Counsel

There being nothing additional to report, the next item followed.

B. District Engineer

Ms. Senior asked if the issue with The Cove was resolved. Mr. Dowling stated that The Cove resealed the parking lot and there were minor repairs made to the catch basins; none of the catch basins were lowered. It was determined that the feeds into the catch basins were not pitched properly, which caused puddling; rather than lowering the catch basins, the pitch was changed. Mr. Petrick believed that the permit from the repairs was finalized and the repairs on The Cove’s parking lot stemmed from code violation citations. Mr. Giangrande spoke to the The Cove’s property manager of and he was comfortable with the work preformed and how it was completed. Mr. Giangrande will confirm whether the permit was finalized.

C. District Manager

i. Approval of Unaudited Financial Statements as of January 31, 2016

Mr. McGaffney presented the Unaudited Financial Statements as of January 31, 2016. On Page 1, the “General Fund” balance was \$1,850,326, which included liabilities, inflows of resources and cash. The “Debt Service Fund 2006” was \$1,024,688; the total of the funds was approximately \$1.8 million. Page 2 reflected that revenue collections were at 86%.

On Page 3, Mr. McGaffney pointed out that \$2,260, of the budgeted \$9,000, was spent on “Holiday landscape lighting”. Mr. Dowling explained that the District budgeted for LED holiday lighting but utilized standard holiday lights, which were approximately half the cost, and the red bows for the signs, which were generally 40% of the Holiday landscape lighting budget, were not used this year. In response to Mr. McGaffney’ question, Mr. Dowling felt that a similar amount should be budgeted for Fiscal Year 2017. Ms. Senior asked if the same vendor will be

used. Mr. Dowling indicated that, in order to receive a discount, the District would use the same vendor as Briar Bay. Discussion ensued regarding phasing out incandescent lighting for LED lights.

Mr. McGaffney advised that the proposed Fiscal Year 2017 budget will be presented at the next meeting.

Page 4 reflected the November 1, 2015 \$225,091 interest payment on the Series 2006 bonds; the next principal and interest payment will be made on May 1, 2016.

On MOTION by Mr. Petrick and seconded by Ms. Senior, with all in favor, the Unaudited Financial Statements as of January 31, 2016, were approved.

ii. NEXT MEETING DATE: April 27, 2016 at 8:30 A.M.

Mr. McGaffney reported that the next meeting will be held on April 27, 2016, at this location.

▪ **Capital Improvement Project List**

****This item was an addition to the agenda****

Mr. McGaffney advised that the proposed Capital Improvement Project List was small and would include projects foreseen over the next ten years. The list was used to determine if a project would be funded in one year or if the cost would be spread out over a multi-year period. The list would dictate the amount budgeted for capital improvements each year.

Mr. Giangrande explained that the Capital Improvement Project List was an excellent tool to help the District run smoothly.

Mr. McGaffney pointed out that the list does not mean that the funds must be spent; it is for budgeting purposes. The list can be used to illustrate to District constituents items on the budget that appear to be reserve item.

Mr. Giangrande stated that a Capital Improvement Project List would allow the District more flexibility with how funds are expended.

Mr. Dowling noted that the District did not have a lot of infrastructure.

NINTH ORDER OF BUSINESS

Supervisors' Requests and Public Comments

Mr. Dowling stated that maintenance issues, that required addressing, were found during the last quarterly the pump station service. Mr. Dowling approved the maintenance repairs. In response to Mr. Dowling's question, Mr. McGaffney commented that he had not received the report indicating that the maintenance work was preformed.

Mr. Dowling explained that the gaskets on the pressure seals were weak and not sealing properly. The pier, in the water, was moldy and the wood was beginning to rot; it was recommended that the pier be pressure washed and sealed. Mr. McGaffney received notice that the work on the pier was completed.

Mr. Dowling reported that the fence, around the pump station, required repair due to vandalism, and the flap of the discharge valve was blocked. Discussion ensued regarding the discharge valve flap location and the history of the stormwater permit conditions.

Mr. Dowling read a list of the items requiring repair:

- The pier that gives access to the suction pipes and distilling wells need to be pressure washed and sealed.
- The seals around the value valve need to be pressure washed and cleaned and the valve box needs to be sealed properly.
- The backup floats in the second well are not working and the cords are very stiff, which prevents them from opening and closing properly.

Mr. Dowling reported that SFU estimated the price to pressure wash and seal the pier was \$1,190, which was high; Mr. Dowling was unable to find another contractor who could, pressure wash and seal the pier and the project would require coordination with SFU to open the pressure valves. The cost to replace the backup floats was \$400. The limit switch in the valve was broken; the estimated cost to replace the switch was \$350. Due to its not opening fully when pumps were running, the discharge flapper needed to be exercised or repaired. The discharge flapper must be accessed by boat, the water was very high and it was difficult determine the source of the issue; the estimated cost to repair the flapper was \$340. The total estimated cost for repairs was \$2,280, which Mr. Dowling approved under "maintenance issues".

Mr. Dowling will follow up and ensure that the repairs were completed. He indicated that Mr. Mark Carpenter, of SFU, typically notifies him once repairs are completed.

Mr. Dowling was happy with the work performed by SFU. Mr. McGaffney requested that he be copied on emails from the vendors. Mr. Dowling asked if the maintenance invoices

should be included with the meeting agenda. The Board agreed that Mr. Dowling should continue providing maintenance updates, as necessary. SFU will repair and maintain the fence.

Mr. Dowling indicated that SFU did not have District Management's current email addresses; Mr. Carpenter was given Mr. McGaffney's contact information.

Mr. Dowling recalled that the barrier wall was painted with Behr Marquee[®] paint, which has a longer warranty than standard paint. He felt that the Marquee[®] paint held up well and was worth the additional cost. The wall was not pressure washed since it was painted and Mr. Dowling wondered if it should be pressure washed, for maintenance purposes; however, the wall did not appear to require washing. He asked if pressure washing would prolong the life of the paint.

Mr. Giangrande explained that pressure washing a wall, regularly, does not cause damage but, if there is a long period of time between pressure washings, it can cause damage. Mr. Giangrande recommended asking the painting contractor's opinion.

Mr. Dowling advised that the warranty on the paint was provided by Behr and there was no discoloration. Mr. Giangrande stated that, since there is no discoloration, pressure washing the wall should not damage the paint.

Mr. Petrick suggested requesting that a bid from RBK Diversified Services Inc. (RBK) to pressure wash the wall; RBK did a good job on the sidewalks, previously. Mr. McGaffney asked about the length of the warranty. Mr. Dowling believed that the paint had a ten-year warranty and that the cost to paint the barrier wall was approximately \$80,000.

Mr. Dowling stated that the only structural assets the District must maintain are the barrier wall and the pump station. The fountains may need new motors, at some point but they were maintained and Mr. Dowling did not foresee any major expense. He pointed out that the District has a contingency fund.

Mr. Giangrande advised that, if the barrier wall is kept painted and sealed, the concrete should last a very long time. He recommended that the contractor hired to pressure wash the wall should have experience with pressure washing painted walls. Mr. Dowling stressed that, if a chemical is used, to pressure wash, it should not harm the vegetation. Mr. Petrick pointed out that, when RBK cleaned the sidewalks, they covered the plants with plastic, to protect them. Mr. Giangrande believed that, because there were no mold issues, that the wall would only be pressure washed with water.

Ms. Senior asked when the walls were painted. Mr. Dowling believed that the walls were painted in 2012. Mr. Dowling asked if the District could utilize a preferred vendor to pressure wash the wall. Ms. Warren advised that the cost to wash the wall would be below the bid requirement threshold. Mr. Pincus saw no issue with using a preferred vendor. Mr. Dowling indicated that Briar Bay utilized RBK and that RBK had the necessary licenses and insurance to work with the District.

Mr. Dowling asked if permits would be required to pressure wash the wall. Mr. Petrick replied no. Mr. Pincus recommended verifying that the warranty did not specify a required contractor. Mr. Giangrande noted that the warranty may include maintenance conditions.

Mr. Petrick will obtain a proposal to pressure wash the wall for the next meeting.

Mr. Dowling received an email from Allstate regarding annual fish restocking. Mr. Dowling explained that, because the lakes are interconnected, the fish were released in two areas and they spread out, naturally, throughout all the lakes. Mr. McGaffney indicated that fish restocking was included in the District's contract with Allstate. Mr. Dowling believed that the cost of fish restocking was a percentage of the annual contract. Mr. McGaffney clarified that fish restocking was an additional expense.

Mr. Dowling believed that Allstate required notification, in March, if the District did not wish to restock the lakes. Historically, the Board has approved the fish restocking. Mr. Dowling advised that the cost of fish restocking was 3% of Allstate's annual contract. The lakes would be stocked with a mix of largemouth bass, bluegill, channel catfish and mosquito fish. Mr. Pincus stated that the mosquito fish are needed. Mr. Dowling noted that, because of the Zika virus, mosquito fish were highly recommended, along with treating any stagnant water. The fish will be restocked on March 31, if the District does not contact Allstate to cancel the service.

In response to Ms. Senior's question, Mr. Dowling indicated that the mosquito fish were the District's only form of mosquito prevention.

On MOTION by Ms. Senior and seconded by Mr. Petrick, with all in favor, authorization for Allstate Resource Management, Inc. to perform the annual fish stocking, in a not-to-exceed amount of 3% of the annual contract amount, was approved.

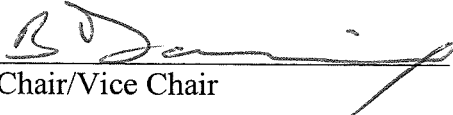
There being no further business to discuss, the meeting adjourned.

On MOTION by Mr. Petrick and seconded by Ms. Senior, with all in favor, the meeting adjourned at 10:12 a.m.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]



Secretary/Assistant Secretary



Chair/Vice Chair