

MINUTES OF MEETING
BAY LAUREL CENTER
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Bay Laurel Center Community Development District was held on Tuesday, August 20, 2024 at 10:00 A.M. at Circle Square Commons Cultural Center, 8395 S.W. 80th Street, Ocala, Florida.

Present and constituting a quorum were:

| | |
|------------------------|---------------------|
| Kenneth D. Colen | Chairman |
| Paul Brunner | Vice Chairman |
| William D. McLeod, Jr. | Assistant Secretary |
| John Gysen | Assistant Secretary |
| Robert "Bo" Stepp | Assistant Secretary |

Also present were:

| | |
|----------------|------------------|
| George Flint | District Manager |
| Rachel Wagoner | District Counsel |
| Bryan Schmalz | BLCCDD |
| Crystal House | BLCCDD |
| Robert Szozda | GMS |

FIRST ORDER OF BUSINESS

Roll Call

Mr. Colen called the meeting to order at 10:00 A.M. and Mr. Flint called the roll. A quorum was present.

SECOND ORDER OF BUSINESS

Public Comment Period

Mr. Colen: Item 2 is public comment period. Is there anyone in the public who wishes to address this Board? Please step forward and state your name for the record. Hearing none, I will close the public comment period.

THIRD ORDER OF BUSINESS

Notice of Meeting

Mr. Colen: The Notice of Meeting is in your agenda packet. It was published in the Ocala Star banner on August 1st and August 8, 2024 and meets the requirements. Why does it say State of Wisconsin?

Mr. Flint: That's where the headquarters for the newspaper is.

Mr. Colen: Oh, okay.

Mr. Flint: They're notarizing it in Wisconsin.

Mr. Colen: Alright. Thank you for clarifying that.

FOURTH ORDER OF BUSINESS

Approval of Minutes

A. May 21, 2024

Mr. Colen: Item 4 is approval of the minutes for May 1st.

Mr. Flint: May 21, 2024.

Mr. Colen: Thank you for clarifying that. Are there any corrections on the minutes?

Mr. Brunner: Yes, Mr. Chairman, I have just one very small correction on Page 13. The 4th line down says, "*More grammatical at nature.*" That should be, "*More grammatical in nature.*"

Mr. Colen: Very good. Thank you.

Mr. Brunner: That's the only one I spotted.

Mr. Colen: Good catch. Do we have a motion accepting the minutes of the May 21, 2024 meeting?

On MOTION by Mr. Brunner seconded by Mr. Stepp with all in favor the Minutes of the May 21, 2024 Meeting were approved, as amended.

FIFTH ORDER OF BUSINESS

Acceptance of Utility System(s)

A. Longleaf Ridge Roadway Extension

Mr. Colen: The next item is acceptance of utility systems. The first one is the Longleaf Ridge Roadway Extension. Can we take these all as one or do we need individual motions?

Mr. Flint: You could do them together. You have in the past.

Mr. Colen: Alright. Very good. Thank you.

B. Weybourne Phase 2 UAP

C. Sorrel Glen Phase 1

Mr. Colen: The request for Item B is Weybourne Phase 2 Project turnover and Item C is the turnover of the Sorrel Glen Phase 1 Project. Are there any questions on any of the acceptance of these utility systems?

Mr. Brunner: I accept all three as submitted.

On MOTION by Mr. Brunner seconded by Mr. Gysen with all in favor acceptance of the turnover of the Longleaf Ridge Roadway Extension, Weybourne Phase 2 and Sorrel Glen Phase I utility systems to the District were approved.

SIXTH ORDER OF BUSINESS

Compliance Items

A. Presentation of Consulting Engineer's Annual Report

Mr. Colen: Next is the Consulting Engineer's Report? Are there any comments on that, Mr. Schmalz?

Mr. Schmalz: No comments, but I would be pleased to present it if you would like.

Mr. Colen: Yeah, why don't you give us the highlights?

Mr. Schmalz: Sure. The purpose of the Annual Inspection Report, is to confirm the District is satisfying the requirements set out in Section 11.17 of the Trust Indenture, to ensure that the District is maintaining proper renewal and replacement efforts, the District is carrying the appropriate amount of insurance coverage and the District is allotting the appropriate amount of revenues to the Renewal and Replacement Fund (R&R). The summary of the report is, after completing a thorough assessment of the District's utility system, it is the opinion of Kimley Horn, that the system is being properly operated, as well as maintained and is in good overall condition. The detailed inspection of all the above ground assets, demonstrated that the District's Water, Wastewater, Reclaimed Water Systems, are more than suited to serve the current customers and support future developments. It is evident that the operations staff, employed by the District, is diligent in performing the necessary repairs and maintenance to keep the system in excellent working condition. Employees are provided the necessary tools and equipment to complete the required maintenance. The District also actively makes improvements to the operations and efficiency, highlighted by the continued efforts to improve the equipment throughout the system. Additionally, there have been no indication of noncompliance issues and the District has maintained a strong relationship with the Department of Environmental Protection (DEP) and the Southwest Florida Water Management District (SWFWMD). It can be reasonably concluded that the District exceeds all of the requirements as set forth by the 2011 bond issuance and the Series 2022A and 2022B, Supplemental Trust Indentures. The District also continues to take efforts to provide high quality water and reliable wastewater and reclaimed water service, to ensure that the system is maintained and improved through the Capital Improvement Plan.

Mr. Colen: Thank you.

Mr. Brunner: Thank you.

Mr. Colen: May we have a motion accepting the Engineer's Report?

On MOTION by Mr. Brunner seconded by Mr. Gysen with all in favor the Consulting Engineer's Annual Report was approved.

B. Consideration of Resolution 2024-05 Determining the Review of the Financial Condition of the Utility System

Mr. Colen: Before the Board is Resolution 2024-05 and the short title is:

"A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE BAY LAUREL CENTER COMMUNITY DEVELOPMENT DISTRICT DETERMINING THE REVIEW OF THE FINANCIAL OF THE UTILITIES SYSTEM FOR ENSUING FISCAL YEAR, MEET THE RATE COVENANT IN SECTION 6.01(A) OF THE TRUST INDENTURE FOR WATER AND SEWER REVENUE BONDS, SERIES 2011, PROVIDING AN EFFECTIVE DATE."

Mr. Colen: What is your pleasure? Do I hear a motion adopting this resolution?

On MOTION by Mr. Gysen seconded by Mr. Brunner with all in favor Resolution 2024-05 Determining the Review of the Financial Condition of the Utility System was approved.

SEVENTH ORDER OF BUSINESS

Public Hearings

A. Consideration of Resolution 2024-06 Adopting the Fiscal Year 2025 Budget and Relating to the Annual Appropriations

Mr. Colen: Item 7 is a public hearing and the consideration of Resolution 2024-06, Adopting the Fiscal Year 2025 Budget and Relating to the Annual Appropriations. Who is going to walk us through that?

Mr. Schmalz: Mr. Bryan Schmalz, Utility Director for Bay Laurel Center Community Development District. The budget presented to you, is the same as what was presented at the last Board meeting with three changes. We did add a line item for *Property Taxes* for \$8,000 for non-ad valorem taxes associated with the North Water Reclamation Facility (NWRF). That was something that occurred this year. It is the only facility that we currently pay those taxes on, but that did come in this year, so we added that to the budget. We did increase the IT line item from \$261,000 to \$282,000. That's primarily due to Microsoft subscriptions, versus just owning the software. Now everything's moving to a subscription-based operation. Then *Website* under the Renewal and Replacement (R&M) Budget, was added, as we are working on updating our layout

and the functionality of our website. We don't believe that it will be completed by the end of this fiscal year, so we added \$5,000 into the next fiscal year R&R Budget, to wrap that project up.

Mr. Colen: Very good. Thank you. Alright, let's go over the ad valorem taxes again. What is that for exactly?

Mr. Flint: It's actually non-ad valorem.

Mr. Colen: Non-ad valorem. Thank you.

Mr. Flint: As I recall, there were some commercial fire protection fees and there may have been one other one. It was primarily commercial fire protection, I believe.

Mr. Schmalz: That was the primary one. I can't recall if there was stormwater on there as well.

Mr. Flint: Yeah.

Mr. Colen: Alright.

Mr. Flint: I looked at it, too, because normally we don't pay property taxes, but the property taxes are, maybe \$100. It's non-ad valorem that is driving that tax bill.

Mr. Colen: Alright.

Mr. Schmalz: It is. We did question it as well when we saw it, as this is the only property that Bay Laurel currently owns, that we've received this type of bill from taxes.

Mr. Colen: You did challenge it. Are you appealing?

Mr. Schmalz: We have not, but we absolutely can.

Mr. Colen: Yeah, I think you should. They're really not entitled to it, just because of the status of CDD being quasi-governmental.

Mr. Schmalz: Yes, sir.

Mr. Colen: Alright. We have before you Resolution 2023-06:

"THE ANNUAL APPROPRIATION RESOLUTION OF THE BAY LAUREL CENTER COMMUNITY DEVELOPMENT DISTRICT (THE "DISTRICT") RELATING TO THE ANNUAL APPROPRIATIONS AND ADOPTING THE BUDGET FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2024, AND ENDING SEPTEMBER 30, 2025; AND PROVIDING AN EFFECTIVE DATE."

Mr. Colen: You have had an opportunity to review the budget. Are there any questions or any discussion? If not, I call for a motion for adoption of Resolution 2024-06.

Mr. Flint: Mr. Chairman, before you consider action, you need to take public comment.

Mr. Colen: Okay. Yes, thank you. Is there anyone in the public who wishes to speak to the Board regarding the adoption of the budget? If not, I will close the public comment period and ask for a motion to adopt Resolution 2024-06.

On MOTION by Mr. Gysen seconded by Mr. Brunner with all in favor Resolution 2024-06 Adopting the Fiscal Year 2025 Budget and Relating to the Annual Appropriations was approved.

B. Consideration of Resolution 2024-07 Adopting the Fiscal Year 2025 Rate Schedule

Mr. Colen: The next item is consideration of Resolution 2024-07, which is:

"A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE BAY LAUREL CENTER COMMUNITY DEVELOPMENT DISTRICT ADOPTING A PROPOSED RATE SCHEDULE FOR WATER AND WASTEWATER IN ACCORDANCE WITH CHAPTER 190 FLORIDA STATUTES; PROVIDING AN EFFECTIVE DATE."

Mr. Colen: Before you is the proposed Rate Schedule for comparison of the current adopted Rate Schedule. Ms. Crystal House, will you address the Board relative to the Rate Schedule? Thank you.

Ms. House: Ms. Crystal House, Office Manager. The District performed a rate study with Willdan Financial last year, which set forth the next five years of recommended rate increases, based on the operating cost. Their recommendation, which was adopted by the Board, was a 3% increase on the potable water charges, a 4% increase on the wastewater charges and a 0% increase on reclaimed water. Often, we are asked, *"What will this rate look like to one of our customers?"* If you were to take a 5,000-gallon water bill, it would go from \$95.11 to \$98.60, which is an increase of \$3.49. A 15,000-gallon water bill would go from \$121.49 to \$125.78, which is an increase of \$4.29. Once we start to get into the conservation tiers, the tiers that we do not want our residents to be in, we start to elevate our cost. When a customer utilizes 30,000-gallons of water within a month, which is three times what the Water Management District permits, to withdraw from a single home, the customer's bill will increase from \$224.79 to \$232.28, which is a \$7.49 increase. Customers who utilize 50,000-gallons of water, their bill will increase from \$459.19 to \$473.88, which is an increase of \$14.69. We have many homes that use more water than they should. One of the questions that we routinely receive from the Board of Supervisors, is how many residents are actually using water in these elevated categories? To illustrate how many gallons of water the customers are using, not counting customers in the

villas or developer inventory accounts, of the 8,879 single family residential customers that we invoiced in the month of July, 4,577 customers exceeded the actual allowable amount of 9,165-gallons a month. There were 1,161 customers, that utilized between 15,020 and 20,000-gallons, 552 customers that utilized between 20,000 and 25,000-gallons, 248 customers, that utilized between 25,000 and 30,000-gallons, 203 customers, that utilized between 30,000-gallons and 50,000-gallons, 21 customers, that utilized between 50,000 and 100,000-gallons and two customers, that utilized above 180,000-gallons.

Mr. Brunner: Do these people have swimming pools? Is there some reason for it? I mean, that's a lot of water.

Mr. Colen: That is an exceptional amount of water.

Ms. House: It is a lot of water.

Mr. Colen: Was it leak related?

Ms. House: The two that were above 150,000, had continuous leaks.

Mr. Colen: Oh, wow. Okay. Thank you.

Ms. House: You're welcome.

Mr. Schmalz: They were notified.

Mr. Colen: Alright. We can't do anything about it if they continue to let it go.

Mr. Schmalz: We send them a letter and sometimes we just don't get a response from them.

Mr. Colen: Okay. You never had to shut anybody's water off for excessive use, have you?

Mr. Schmalz: We have not, sir.

Mr. Colen: Alright.

Mr. Schmalz: If we find a home, where there's an active leak at that property where water is coming out of a home or on the property, we will shut off the water meter if we're called to that location. But for just a high use on a water bill, we will do everything in our power to notify the residents of that usage and help them find where that problem may be.

Mr. Colen: Alright. It's important that they stay in compliance on that.

Mr. Schmalz: Yes, sir.

Mr. Colen: Very good. While you're up, how are we doing with the SWFWMD permit and allocations?

Mr. Schmalz: The Water Management District submitted its Public Supply Annual Report and we are working with the Water Management District on Calesa, specifically. At this time, we have a persons per household of 1.77, with the new 2020 census and we know that's not representing the Calesa subdivision. We did a survey. Basically, at the time the resident makes an application in Calesa, we ask them how many people are going to live in the home, so we can get an idea of what that persons per household is. We have everywhere from one person to seven people living in the homes there, with an average of 3.26 persons per household. So, we are working with the Water Management District to create a site-specific survey for Calesa, that will assist us in gaining that additional population, which is representative of the Calesa community. In regards to our per capita, we landed right at about 153.8, if I recall correctly, with our target being 150 for compliance. That's the lowest we have ever been at, in my career here. So, we are making great progress. The new landscaping packages in the homes are really driving that usage. The District monitors the monthly usage of every neighborhood and looks at those particular neighborhoods. Since the new landscaping packages went into effect, which started in Weybourne and Longleaf, at On Top of the World, those communities are already achieving and exceeding the per capita requirement.

Mr. Colen: Alright. So, the Landscape Plans recently adopted a year ago, are actually enhancing the conservation of water?

Mr. Schmalz: Yes, sir.

Mr. Colen: Is that fair to say?

Mr. Schmalz: Yes, sir, that's absolutely fair to say.

Mr. Colen: Alright. Good. The District is aware of this and SWFWMD is aware of this?

Mr. Schmalz: Yes, sir. They are using us as an example to other utilities of things that we've implemented here, with the water budget type program that the District basically required, which the developers then used to evaluate the landscape and irrigation packages to meet that required water budget, that we've established within our policies.

Mr. Colen: Very good. Thank you.

Mr. Schmalz: As well as the Florida Water Star requirements.

Mr. Colen: Very good. Are there any questions? Alright, what's your pleasure here? We need a motion on Resolution 2024-07, regarding the adoption of the Rate Schedule.

On MOTION by Mr. Brunner seconded by Mr. Gysen with all in favor Resolution 2024-07 Adopting the Fiscal Year 2025 Rate Schedule was approved.

EIGHTH ORDER OF BUSINESS

Ratification Items

A. Amendment No. 1 to Grant Agreement with Florida Department of Environmental Protection

Mr. Colen: Next is Item 8, the ratification of items. The first item is ratification of Amendment No. 1 to the Grant Agreement with the Florida Department of Environmental Protection (FDEP or Department). We also have the ratification of Amendment No. 2, as well. Can we take those together?

Mr. Flint: Sure.

Mr. Colen: Okay, very good. Alright, Mr. Schmalz, would you walk us through Amendments No. 1 and 2?

Mr. Schmalz: Would the Board like me to go through the specific items that changed?

Mr. Colen: Yes, please.

Mr. Schmalz: Okay. Regarding FDEP Grant Agreement, Amendment No. 1, Section 3 of the standard Grant Agreement, was revised to change the expiration from April 30, 2025 to September 30, 2026. Section 5 was revised to include an additional \$33.9 million with only \$49,222,543.90 having match requirements. Previously, anything that was funded by FDEP, had a full match requirement. We negotiated with them on the second grant and \$10,777,456.10 of those monies, does not have a match requirement, which is good for the District. The Section 8 Table was revised to include a unique entity identifier, Federal Award Date to the Department of March 11, 2021 and total Federal funds obligated by this agreement, was increased from \$26.1 million to \$60 million, from the original agreement. Section 8 of the attachment for Amendment No. 1, added language regarding specific requirements, if the contractor meets the definition of a nonprofit organization. Wharton Smith is a for-profit corporation, so that would not apply. Attachment 3, Project Management was added, as it previously only included Task 1, Design and Permitting and Task 2, Construction. This work is already being completed, as it is a part of Kimley Horns construction and grant administrative services that the District has entered into with them.

Mr. Colen: Alright.

Mr. Schmalz: For Attachment 5, the website address was updated in two locations. Exhibit A Progress Form and the following sections were added to the Page 2 form: Task 3, Project Management, a section for Project Expenditures for Next Quarter and a Local Contributions Section. Those were the changes to Amendment No. 1.

Mr. Colen: What was modified for Amendment No. 2?

Mr. Schmalz: For Amendment No. 2, the date of expiration extends from September 30, 2026 to December 31, 2026. The FDEP Grant Manager has changed from Mr. Camry Calvin Reese to Ms. Kylie Reavis. Section 4 of Attachment 2, Cost Eligible, has been changed from 'Contractual' to 'Contractual and Miscellaneous Other Expenses.' Section 7 of Attachment 2, Grantee Mass Requirements, changed from \$26.1 million to \$49,222,543.90. A paragraph was added, which will not be of concern, but it states, *"If this agreement is funded by or with any amount of Federal American Rescue Place Act funding, FDEP may require that such Federal funding be fully expended prior to utilizing requisite matching funds for project costs. In such instance, grantees subject to the cost share, must demonstrate to the Department that the grantee has designated the necessary amount of funds as cost share, which the grantee certifies will be available for use in later phases of the project, either after all Federal funding has been expended or the Federal deadline for spending American Rescue Plan Act funding has passed."* For Section 8G of Attachment 1, a paragraph was added, which will not be of concern, as we will be finalizing the decommissioning of the South Water Reclamation Facility (SWRF) by the end of 2025. This is a paragraph that adds a September 30, 2026 deadline, for us to request any reimbursements for the project. So, that's scheduled to be completed by the end of 2025 and will not be a concern. There is a revised Work Grant Plan and the format was updated with the final payment deadline that I just mentioned, which is September 30, 2026. The budget detail was previously categorized into three categories with specific amounts and now is categorized into a single task for all \$60 million. So, regardless of it falling in any one of those categories, it would be reimbursable, instead of having specific amounts for each category. Those were the changes in Amendment No. 2.

Mr. Colen: Did you initiate your request for that or did the Department come back?

Mr. Schmalz: The Department did those, when they brought in the new Grant Manager, I believe during their review of the documents. They found that didn't meet the current language requirements that they have.

Mr. Colen: So, its updated. Are there any questions on either Amendment No. 1 or Amendment No. 2, between FDEP and the Bay Laurel Center Community Development District, relating to the NWRf Advanced Treatment Facility. If not, we need a motion adopting Amendments No. 1 and 2.

Mr. Stepp MOVED to ratify the approval of Amendments No. 1 and 2 to the Grant Agreement with the Florida Department of Environmental Protection and Mr. Gysen seconded the motion.

Mr. Kenneth Colen: Is there any discussion? Hearing none,

On VOICE VOTE with all in favor the approval of Amendments No. 1 and 2 to the Grant Agreement with the Florida Department of Environmental Protection was ratified.

B. Series 2022B Requisitions #64 - #71 – Item Modified

Mr. Colen: Alright. We will move into the ratification of Requisitions #64 through #71. I'm sure they will be happy that we get caught up on that. Requisition #64 is in the amount of \$4,093,071.98. Requisition #65 is for direct purchase of materials in the amount of \$162,952.51. Requisition #66 is another direct purchase in the amount of \$72,547.80. Requisition #67 is also a direct purchase in the amount of \$435,758.02. Requisition #68 from Wharton Smith is in the amount of \$3,200,885.40. Requisition #69 is a direct purchase in the amount of \$17,575. Requisition #70 is directly from Wharton Smith in the amount of \$2,399,335.09. Lastly, the one that came in just before the meeting, was another Wharton Smith requisition, #71, in the amount of \$1,446,748.37. What is your pleasure? We need a motion to authorize payment of Requisitions #64 through #71.

On MOTION by Mr. Brunner seconded by Mr. Gysen with all in favor the approval of Requisitions #64 through #71 for Series 2022B was ratified.

NINTH ORDER OF BUSINESS

New Business Items

A. Consideration of Proposal for Services Related to Sholom Park Non-Transient Non-Community Water System

Mr. Colen: Alright. The next item is New Business. The first item is consideration of a proposal for services related to Sholom Park Non-Transient Water System. Walk us through that, please, Mr. Schmalz.

Mr. Schmalz: Currently the District provides the services required to maintain the local and State required operator attendance and sampling for the Sholom Park Water System, also known as the Horticultural Arts and Parks Institute. The proposal would continue these services for the next fiscal year ending September 30, 2025 in the amount of \$7,385.25.

Mr. Colen: I have a conflict, because I serve on the Board. So, someone needs to make a motion approving the proposal.

On MOTION by Mr. Gysen seconded by Mr. Brunner with Mr. Stepp, Mr. McLeod, Mr. Gysen and Mr. Brunner in favor and Mr. Colen abstaining, the proposal from Bay Laurel Center CDD for services related to the Sholom Park Non-Transient Water System in the amount of \$7,385.25 was approved.

B. Consideration of Addendum #6 to NWRf Agreement for Construction Services with Guaranteed Max Price with Wharton Smith

Mr. Colen: The next item is Addendum #6 to the NWRf Guaranteed Max Price (GMP) That's going to need some explanation.

Mr. Schmalz: This GMP primarily covers the decommissioning of the South Wastewater Treatment Facility (SWTF) located on SW 90th Street. Once the new NWRf comes online and flows have been transferred, then we'll begin the process of decommissioning that facility. The scope is outlined in the GMP on Page 4, which includes the demolition of all electrical as indicated on the drawings, selective demolition of owner identified control panels, disconnection and making safe each structure for demolition and then coordination with electrical utility or relocation of overhead services at that particular location. Duke Energy has overhead powerlines that run through the middle of the site that we will be relocating to the boundaries of our property. Demolition will include an Asbestos Study, pressure washing, cleaning and disinfection of tankage and all of the concrete prior to it being demolished. It will also include grit removal of up to 25-tons, which was determined through what we call '*sludge judging*,' which is identifying the thickness of the grit through the tanks. That information was provided and calculated at 25-tons. They will perform all demolition, including partial demolition of all areas as required by the contract documents, including but not limited to structural elements, miscellaneous metals, existing pipe, pumps, valves and vaults. The intent of that site is for it to be a green field other than existing Lift Station No. 6, the 2.5-million-gallon concrete ground storage tank and the reclaimed water high service pump station. Those will be the only structures

remaining on that particular site. It would also include all of the earthwork, surveying, silt fence, mass grading, sodding and watering at the completion.

Mr. Colen: Are you able to reuse any components, pumps, blowers, anything at all?

Mr. Schmalz: At the new facility, we will be taking two blowers and two pumps from the Equalization Tank Project that we recently did. We sized and designed those for what was needed at the new facility. So, we will be taking those. Anything else, we will be staging onsite. Taking that and preparing it for auctioning, is the current plan.

Mr. Colen: Do you have a plan for auction?

Mr. Schmalz: Not at this time. There are a few different auction houses that we're looking at, that deal specifically with similar situations with municipalities and auctioning off this type of equipment.

Mr. Colen: Alright. Does it have to be auctioned off or can you engage the Florida Rural Water Association or similar organization in getting the word out on this?

Mr. Flint: Technically, it's supposed to be declared surplus, but if it's going to another government entity or a non-profit, you have some discretion. If you're going to sell it, then it has to be auctioned. So, we would want to get a list of whatever we're going to sell and have the Board declare it as surplus. You could donate it or you have the discretion to sell it to another government entity.

Mr. Schmalz: The intent is for us to go in and pull all of the control panels for the blowers, as an example, aeration panels, filters, filter panels and chemical buildings. We have a transfer pump station, which is skid mount style and transfer all of equipment for the electrical buildings. So, really what we'll be demolishing, is going to be all of the concrete structures, as well as all the underground piping and electrical related to that. I did want to point out a few specifics with the project. As I mentioned, there's an overhead powerline relocation that will occur with this project that the District will be responsible for. We're currently working with Duke Energy on that related cost. So, in this GMP, there is not a specific line item for that cost, but we have an existing electrical allowance. Ultimately, \$480,000 is still remaining from the main project and we will utilize those funds for the relocation of those overhead powerlines. There is also overhead fiber connected to those powerlines that will also require relocation. So, we've coordinated with DCM staff. You will see on Page 7, there is a cost of \$60,000, to relocate those overhead fiber lines, adjacent around the property as they currently have an easement

running through the property. There were two demolition contractors that bid on this project for a specific scope of work: *A Pece of Mind* and *PAW Materials*. There was a \$1 million difference between their bids, which really stood out to us.

Mr. Colen: Yeah.

Mr. Schmalz: So, Wharton Smith followed up with *A Pece of Mind*, which was the low bidder and confirmed that all of the required scope was included and Wharton Smith has worked with them in the past and is currently working with them on other projects. They have always met all requirements of the contract, documents and demolition. But due to this big variance, just to add a level comfort, we included an additional \$400,000. You will see on Page 7, "*Demolition Unforeseen Allowance*." So, that money, if not needed, would obviously remain the District's, but just in case there's something that they did miss on that contract, to give us a level of comfort, we decided that would be in the best interest. There is currently a remaining contingency of \$5,149,844.27 and miscellaneous allowances of \$1,451,431.63, for a total of \$6,601,275.90. So, that's the remaining allowance and contingency funds through the entire project that we still have remaining to date. As you're aware, when we started building this project, the design wasn't complete. So, because the design wasn't complete and we were bidding out certain portions, there were certain levels of uncertainty in that design, which is why we had such large contingency line items within our budget. Based on this, the proposed GMP No. 6 will be funded from contingency, without adding any additional cost to the overall project contract price. This will not add to that. Currently, with owner direct purchases and the Wharton Smith contract, we are at \$119,396,165.38. After completion of the project, it's estimated that we will have approximately \$4 million remaining in contingency and allowance line items. So, we really expect to see this project ending around a little over \$115 million. That is what we are currently targeting, as we are wrapping it up, which is great. That's a savings to the District from the original \$124 million that it was expected to cost.

Mr. Colen: Good. Well, I'm sure that the surrounding neighborhoods, Sanctuary and Friendship Park will be thrilled to see this plant finally go away.

Mr. Schmalz: I will as well.

Mr. Colen: It's been a challenge to operate, but to your credit and your staff's credit, they've always kept it in compliance and operate it as it should.

Mr. Schmalz: They won't know what to do once they go to this new facility.

Mr. Colen: Yeah, I'm sure you'll find something for them. Alright, very good. So, to the point then, the substantial completion for the Water Reclamation Plant, will remain until March 12, 2025, with final completion of general condition costs, wrapping up April 11, 2025, with the addition of this project to September 5 of 2025 and final completion on October 3rd.

Mr. Schmalz: Yes, sir.

Mr. Colen: Alright, so that's all encompassed in this.

Mr. Schmalz: It's all encompassing. That includes the master pump station, transmission mains, the NWRf and decommissioning of the SWWTF.

Mr. Colen: Very good. This is all part of the Engineering Report, is it not?

Mr. Schmalz: Yes.

Mr. Colen: Are there any other highlights that you wish to point out in the Engineering Report?

Mr. Schmalz: I believe the Engineering Report is another line item.

Mr. Colen: Okay. Alright. So then, we need a motion to adopt GMP No. 6 for a value of \$2,507,789.16.

On MOTION by Mr. Colen seconded by Mr. Gysen with all in favor Addendum #6 to the North Water Reclamation Facility Agreement for Construction Services with Guaranteed Max Price with Wharton-Smith, Inc. was approved.

C. Consideration of Revised Series 2022B Engineer's Report and Consideration of Revised 2022B Feasibility Study

Mr. Colen: Next is Item C, which is the consideration of the revised Series 2022B Engineering Report and completion of the revised 2022 Feasibility Study. I read through the report and it is very straightforward. There are no exceptions. Everything seems to be complete, according to the engineers. Do you have anything to add?

Mr. Schmalz: Yes. When the District completed the 2022B Series of bonds, we had only anticipated the award of \$26.1 million through FDEP, which required the District to fund the remaining balance of the NWRf Project. When going through the bonding process, the District was required to provide an Engineer's Report, an Opinion of Probable Costs and a Financial Feasibility Report. With the recent grant award of an additional \$33.9 million, the District has the opportunity to utilize the funds associated with the bond for projects the District was anticipating in the next five to ten years. In order for this to occur, the District was required to

update these reports to include the new projects, which include design and construction of Water Treatment Plant (WTP) No. 4, Customer Service building and the Distribution and Collections Warehouse, as well as improvements to the existing WTP No. 4 and WTP No. 3 facilities. Those are the reports that you have before you, which included those additional projects. We are able to utilize bond monies to fund those projects in the future as needed.

Mr. Colen: So, we need a motion accepting the updated Engineers Report dated April 23, 2024.

On MOTION by Mr. Brunner seconded by Mr. Gysen with all in favor the Revised Series 2022B Engineer's Report dated April 23, 2024 was approved.

Mr. Colen: We also have the June 19, 2024 Feasibility Study supplemental update on the refunding Revenue bonds for Series 2022A and taxable water and sewer revenue bonds for Series 2022B from Willdan. Who wishes to address that?

Mr. Schmalz: That's part of the same package I just described, the Engineer's Report and the Financial Feasibility Report.

Mr. Colen: Alright. So, in adopting the Engineering Study, did we also adopt the Willdan Study?

Mr. Flint: If you wanted to.

Mr. Colen: Okay, then.

Mr. Flint: I think that works.

Mr. Colen: Counsel, do we need to change anything on that motion?

Ms. Wagoner: No.

Mr. Colen: Alright. Very good then.

Mr. Brunner: So, it's done.

Mr. Flint: The goal of that action, because there's a match on the additional grant money, it allows us to use the funds appropriately to meet the match. So, we're going to record both of these documents on AMMO, which is the clearinghouse for the bonds. So, that the bondholders and anyone who is interested in the bonds know that additional grant money was received and the scope of work has been modified in the Engineer's Report.

Mr. Colen: Alright. Very good.

TENTH ORDER OF BUSINESS

Adoption of District Goals & Objectives

Mr. Flint: This is a little bit of a square peg in a round hole. The Legislature, in the last session, approved an Omnibus Special Districts Bill, that was sponsored by the Chair of the Committee, dealing with Special Districts and was being pushed by the Speaker of the House. There were a number of things in that Bill that were problematic for CDDs and Special Districts, most of which were able to be defeated, but there was a requirement that Special Districts, including CDDs, develop annual goals and objectives and performance measures. That has to be completed by October 1st of this year and then reported by December 1st of next year. After that, then it's done annually. The only place this gets posted, is on the District's website. There's no regulatory agency that these are being submitted to, that are reviewing or monitoring these. There wasn't a lot of guidance in the Legislation, as far as how we should do this. So, we prepared a memorandum that was intended to be general enough, that would apply to most CDDs. This is not tailored directly to one that owns and operates a water and wastewater utility, but the first and third areas apply no matter what. So, we developed this recommendation, and obviously, the Board can deviate from this, however you'd like to. But because of the October 1st time frame, we thought we would come up with a recommendation. So, we've broken the goals and objectives into three areas: *Community Communication and Engagement*, *Infrastructure and Facilities Maintenance* and then *Financial Transparency and Accountability*. The first, *Community Communication and Engagement*, there are three goals that are listed under that. The first one, deals with public meeting compliance. The objective would be to hold at least three Board meetings a year to conduct business. The measure would be the number of meetings and the second would be notice of meeting compliance. Again, under the Florida Statutes, we have to advertise all of our meetings in a newspaper of general circulation and depending on the type of meeting, depends on how many days and what type of advertisement gets placed. We also have to put that on the District's website. The third objective deals with public records compliance. Next, I'll skip to *Financial Transparency and Accountability*, which is the third item. There are three areas. One area deals with the annual budget preparation and adoption. The second deals with the unaudited financials that are prepared. Then the third is with the annual audit. The second area, *Infrastructure and Facilities Maintenance* probably could be enhanced a little bit with the input of Bryan. Right now, there are two objectives. One is dealing with the Field Manager or District Manager, who will conduct inspections per the District Manager Agreement. In a typical CDD Management Agreement, we would have a Field Manager, that would perform

weekly, bi-weekly or monthly inspections. It really doesn't necessarily apply in this case. The other objective would be the annual inspection that the District Engineer is required to do under the Trust Indenture. So, I think for purposes of today, if the Board wanted to consider a motion approving these subject to refining the infrastructure and facilities maintenance goals, I can get with Bryan and we can amend those, to more closely mirror what would be necessary for a CDD that owned and operated a water and wastewater utility.

Mr. Colen: Alright. Very good.

Mr. Brunner: It seems to me, reading through Section 1 and Section 3, we are already there.

Mr. Flint: Yeah, those are required. We're doing those.

Mr. Brunner: Those are already there anyway.

Mr. Flint: So, I think Section 2, just had some minor adjustments. We can probably modify those two objectives to reflect what we need.

Mr. Colen: What are we calling this?

Mr. Flint: It's the District's goals and objectives and performance measures.

Mr. Colen: Okay, Special Districts performance measurements and standards.

Mr. Flint: Yeah.

Mr. Colen: Alright. Do we need a motion adopting this?

Mr. Flint: Yes.

On MOTION by Mr. Brunner seconded by Mr. Gysen with all in favor the District's Proposed Special District's Performance Measures and Standards were approved as amended, subject to refining the infrastructure and facilities maintenance goals.

ELEVENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. Flint: Alright. Staff Reports. Do we have anything from District Counsel?

Ms. Wagoner: No, I have none.

B. Utility Status Report

Mr. Colen: Utility Status Report.

Mr. Schmalz: I figured you've heard enough from me today, so I decided to not provide a report, but all operations are normal and the District is operating as it should.

Mr. Colen: Thank you. Based on the Engineer's Report and other knowledge, I want to commend you for a job well done, for the training of your employees in your department and commend Ms. Crystal House, for her department and the management of the operations as well. You did a stellar job. Thank you.

Mr. Schmalz: Thank you. I always say to my team, *"You make us look good."* Without them, we couldn't do what we do. They are the ones who really shine. Thank you.

C. District Manager's Report

Mr. Colen: Alright. District Manager's Report.

1. Approval of Check Register

Mr. Flint: Mr. Chairman, you have the Check Register in your agenda, going back to May 31st through July 31, 2024 totaling \$3,616,991.54. The detailed register is behind the summary. If there are any questions, we can discuss those. If not, I'd ask for a motion to approve it.

On MOTION by Mr. Stepp seconded by Mr. Brunner with all in in favor the Check Register from May 31, 2024 through July 31, 2024 through January 31, 2024 in the amount of \$3,616,991.54 was approved.

2. Balance Sheet and Income Statement

Mr. Colen: Next is the Balance Sheet and Income Statement.

Mr. Flint: These are the unaudited monthly financial statements through June 30th. You also have the Combined Balance Sheet and Statement of Revenue and Expenditures for each of the District's funds, as well as a month-to-month Summary of Revenue and Expenditures. No action required on it, but if there are any questions, we can discuss those.

Mr. Colen: Very good.

3. Approval of Fiscal Year 2025 Meeting Schedule

Mr. Colen: Then we have the approval of the Fiscal Year 2025 Meeting Schedule.

Mr. Flint: Yes. Each year you're required to approve an Annual Meeting Schedule. This contemplates monthly meetings at 10:00 A.M. in this location, on the third Tuesday of each month. Those dates are listed. You can meet less often if you want or you can keep these and if there's no business, we typically cancel the meetings.

Mr. Colen: Okay. Alright, so that certainly meets the requirement for three meetings a year.

Mr. Flint: Yeah. We're good on that one.

Mr. Colen: Do you need a motion to adopt that meeting schedule?

Mr. Flint: Yes, please.

Mr. Brunner MOVED to approve the Fiscal Year 2025 meeting schedule and Mr. Gysen seconded the motion.

Mr. Gysen: The Indigo CDD meets August 19th. Could we combine that with them, if we have to?

Mr. Flint: It should be on the third Tuesday. We might have dropped off a digit on that.

Mr. Colen: Very possibly.

Mr. Flint: You guys are too good. It should be August 19th.

Mr. Gysen: Yeah.

Mr. Colen: We will change August 1st to August 19th. Good catch!

On VOICE VOTE with all in favor approving the Fiscal Year 2025 meeting schedule, as amended, changing the August meeting to August 19, 2025 was approved.

TWELFTH ORDER OF BUSINESS

Other Business

A. Approval of Bad Debt Register for 2024

Mr. Colen: Moving into Item 12, Other Business, we have the Bad Debt Register. Ms. Crystal House?

Ms. House: Last but not least, in your agenda booklets, you will find the past due histories for 15 accounts, in which the District has attempted to collect with no success. Today, I'm cordially requesting that the Board consider writing these 15 accounts, listed in your agenda booklets, as bad debt, for a grand total of \$1,090.69. Including today's request, since 2013, the

District would have written off a grand total of \$9,884.36 as uncollectible debt. The last time the debt was requested to be written off as uncollectible, was March 16, 2023.

Mr. Colen: Okay. That's a lot of paper.

Ms. House: It is.

Mr. Colen: Alright. Very good. May I have motion accepting the charge off of the bad debt?

On MOTION by Mr. Brunner seconded by Mr. Gysen with all in favor accepting the charge off the bad debt of 15 accounts in the amount of \$1,090.69 was approved.

THIRTEENTH ORDER OF BUSINESS

Supervisor's Requests

Mr. Colen: Item 13 is Supervisor's Requests. Do we have any requests from any of the Board of Supervisors?

FOURTEENTH ORDER OF BUSINESS

Next Meeting Date – September 17, 2024

Mr. Flint: The next meeting is September 17, 2024. May I have a motion to adjourn?

FIFTEENTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Brunner seconded by Mr. Gysen with all in favor the meeting was adjourned.


Secretary/Assistant Secretary


Chairman/Vice Chairman