

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, June 21, 2022 at 10:00 a.m. at Circle Square Commons Cultural Center, 8395 S.W. 80th Street, Ocala, FL.

Present and constituting a quorum were:

Kenneth D. Colen	Chairman
Paul Brunner	Assistant Secretary
William D. McLeod, Jr.	Assistant Secretary
Jo Layman	Assistant Secretary

Also present were:

George Flint	District Manager
Gerald Colen	District Counsel
John Beck (<i>by phone</i>)	District Counsel
Crystal House	BLCCDD
Bryan Schmalz	BLCCDD
Sarah Cooper	BLCCDD
Fred Harris (<i>by phone</i>)	Greenberg Traurig

FIRST ORDER OF BUSINESS

Roll Call

Mr. Kenneth Colen called the meeting to order at 10:00 a.m. and Mr. Flint called the roll. Four Supervisors were present constituting a quorum.

SECOND ORDER OF BUSINESS

Public Comment Period

Mr. Kenneth Colen: Are there any public comments? Hearing none, I'm going to close the public comment period.

THIRD ORDER OF BUSINESS

Notice of Meeting

Mr. Kenneth Colen: The notice of the meeting was published on May 15th.

FOURTH ORDER OF BUSINESS

**Consideration of Resolution 2022-08
Ratifying Board Actions Related to
Issuance of Series 2022 Refunding Bonds
– *Under Separate Cover***

Mr. Kenneth Colen: Under separate cover you have before you Resolution 2022-08. The title of this resolution is:

“A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE BAY LAUREL COMMUNITY DEVELOPMENT DISTRICT (CDD) RATIFYING, CONFIRMING AND APPROVING THE SALE OF THE DISTRICT’S SERIES 2022B BONDS, RATIFYING, CONFIRMING AND APPROVING THE ACTIONS OF THE CHAIRMAN, VICE CHAIRMAN, TREASURER, SECRETARY, ASSISTANT SECRETARIES AND ALL DISTRICT STAFF REGARDING THE SALE AND CLOSING OF THE DISTRICT’S SERIES 2022B BONDS, DETERMINING SUCH ACTION AS BEING IN ACCORDANCE WITH THE AUTHORIZATION GRANTED BY THE BOARD, PROVIDING A SEVERABILITY CLAUSE; AND PROVIDING AN EFFECTIVE DATE.”

Mr. Kenneth Colen: Is there any discussion on this resolution? If not, I would ask for a motion to adopt Resolution 2022-08 as read.

On MOTION by Mr. Brunner seconded by Ms. Layman with all in favor Resolution 2022-08 Ratifying Board Actions Related to Issuance of Series 2022 Refunding Bonds was approved.

FIFTH ORDER OF BUSINESS

Consideration of NWRP Site Agreement of Purchase and Sale with On Top of the World Communities, LLC

Mr. Kenneth Colen: I don’t have an Item 5 in my agenda package.

Mr. Flint: I apologize. Item 5 is Item 6 in your agenda book. There is no Tab 5.

Mr. Kenneth Colen: This is the agreement for the purchase and sale and the key provisions. Mr. Beck, would you like to take us through this?

Mr. Beck: Sure. This document is a contract for the purchase of land for use of the Water Treatment Facility (WTF) negotiating this contract. We drafted this. The Board is essentially purchasing the land in order to make the land development for the WTF. The title will be conveyed once all of the due diligence is completed. I understand that we have the appraisal and the purchase price. It was appraised by a certified appraiser, Mr. Steve Albright. Once the title is conveyed, the CDD will be able to move forward and start development of the WTF. We don’t have many restrictions other than the CDD going forward, having to disclose when certain permits and government authorizations are called for.

Mr. Kenneth Colen: Alright.

Mr. Flint: Mr. Chairman, I would like to make just one comment. Bryan pointed out to me just before the meeting that on the first page, on the property description, the 101.29 acres does not include the 25-foot access strip. That access strip is identified in Exhibit A where the property is identified, but the acreage is not included in that 101.29 acres. The 101.29 reference would need to be revised to reflect the acquisition of the easement.

Mr. Kenneth Colen: I think that is 101 acres. Right, Bryan?

Mr. Schmalz: Mr. Bryan Schmalz, Utility Director for Bay Laurel Center. That is an additional 4.13 acres, bringing the total to 105.42 acres.

Mr. Kenneth Colen: Thank you for that.

Mr. Schmalz: You're welcome.

Mr. Kenneth Colen: Alright. So that will have to be corrected. We will determine whether it affects the purchase price, whether that was inclusive of or in addition to.

Mr. Schmalz: It was inclusive based off of the appraisal.

Mr. Kenneth Colen: Alright. Thank you. So, it was just a scrivener's error. Have the Board Members had an opportunity to go through the Purchase and Sale Agreement?

Mr. Brunner: Yes.

Mr. Kenneth Colen: Alright. Do you have any questions on it?

Mr. Brunner: I did not.

Mr. Kenneth Colen: Counsel has given us a synopsis of it. What is the Board's pleasure? We need a motion to accept this agreement for the purchase and sale with the adjustment in the land area. I'm going to have to abstain from this since I'm President of the company that is selling the land. Let's take a roll call vote.

On MOTION by Mr. Brunner seconded by Ms. Layman to approve the NWRP Site Agreement of Purchase and Sale with On Top of the World Communities, LLC as amended by roll call vote:
Supervisor Colen: Abstain
Supervisor Layman: Aye
Supervisor Brunner: Aye
Supervisor McLeod: Aye
Motion Passed 3-1.

Mr. Flint: I will provide Mr. Kenneth Colen with Form 8B to fill out and keep on file.

Mr. Kenneth Colen: We also have the Temporary Easement Agreement, which gives them access to the site as well. With your permission, we will amend the motion to include the Temporary Easement Agreement. I think that’s all. No, we have the Replat Dedication, Execution and Recordation Agreement. The District is going to have to take that on.

Mr. Flint: Yes. Those are exhibits to the Purchase and Sale Agreement, so it’s assumed that they are part of the agreement.

Mr. Kenneth Colen: Okay. Thank you. I will fill out Form 8B before I leave.

SIXTH ORDER OF BUSINESS

Consideration of Bond Counsel Engagement with Greenberg Traurig, P.A. Related to Indigo East CDD Water and Sewer Revenue Refunding Bond, Series 2022 A on behalf of Bay Laurel Center CDD

Mr. Kenneth Colen: The next item is behind Tab 7.

Mr. Flint: This is the proposal from Greenberg Traurig for Bond Counsel.

Mr. Kenneth Colen: Okay. I was reading through this and I think it is a fair proposal. However, with where we are and the uncertainty of the bond market, I don’t think there’s anything to lose by waiting to execute it until August 8th or slightly thereafter, when we have the validation hearing on August 8th at 9:15 a.m., I believe.

Mr. Flint: Correct.

Mr. Kenneth Colen: Before Judge Rogers in Marion County. Does that require any action on the Board’s part to table that?

Mr. Flint: If there’s consensus among the Board Members to defer action on that agreement, we’ll just schedule it for a future meeting.

Mr. Brunner: Ken, why don’t you table it.

Mr. Kenneth Colen: Okay.

On MOTION by Mr. Kenneth Colen seconded by Mr. Brunner with all in favor the Bond Counsel Engagement with Greenberg Traurig, P.A. related to the Indigo East CDD water and sewer revenue refunding bond, Series 2022 A on behalf of the Bay Laurel Center CDD was tabled until August 8, 2022 or thereafter.

SEVENTH ORDER OF BUSINESS

Consideration of GMP No. 2 (Addendum No. 1) to the North Water Reclamation Facility Agreement for Construction Services with Guaranteed Max Price

Mr. Kenneth Colen: Next is Guaranteed Max Price (GMP) No. 2, Addendum No. 1. Mr. Schmalz?

Mr. Schmalz: Mr. Bryan Schmalz, Utility Director for Bay Laurel Center. This is the addendum to the contract associated with the construction of the North Water Reclamation Facility with Wharton-Smith, Inc. The GMP provided before you, has a total cost of \$7,336,714.41. This does include a 5% contingency overall and the cost of installation of the transmission mains associated with a 24-inch PVC force main and a 20-inch reclaimed water main and all of the required valves, fittings, and appurtenances. The project was bid between Miller Pipeline and Ciraco Underground, which are two wonderful underground contractors that we have experience working with. Based off of the bids that came in, Ciraco Underground was the low bidder.

Mr. Kenneth Colen: Yeah.

Mr. Schmalz: By approximately \$114,000. So, they were awarded the piece of the job that was related to the actual transmission mains. Also included with the GMP is what we call the in and under piping associated with the actual plant site itself, which was done by Wharton-Smith. If you look towards the rear of the booklet that you have, you will see a lot of tables that have different colors; green, blue, and purple, identifying the particular process piping that's associated with that. That was bid out to multiple vendors with Ferguson Waterworks being able to guarantee the delivery timeframe that was necessary.

Mr. Kenneth Colen: Ferguson being the supplier.

Mr. Schmalz: Yes. Ferguson being the supplier reaching a specific milestone. If you look at the very last page, Wharton-Smith provided a layout of the piping that is included, highlighted in red, just for reference to be clear on what was actually included with that particular piping there.

Mr. Kenneth Colen: Alright.

Mr. Schmalz: Also, with the cost, there was a volatility adder added into the cost of the piping material; on the third to last page, of approximately \$40,439.36.

Mr. Kenneth Colen: I saw that.

Mr. Brunner: I assume that we chose the option of mulch over sod.

Mr. Schmalz: Yes.

Mr. Brunner: Was it \$98,000?

Mr. Schmalz: Yes. That was a substantial savings there.

Mr. Brunner: Absolutely.

Mr. Flint: Its flat as can be out there, so the chance for erosion is slim to none.

Mr. Schmalz: It's minimal based off of that 25-foot that we were just speaking of previously. It's a very flat area. Adjacent to that, it is very steep, but the actual area that we will be installing the transmission pipe, is flat, which is a benefit to us.

Mr. Kenneth Colen: Whose scope is the rainmaking end to help it grow. Alright. I really didn't have any substantial questions about it. What is the estimated delivery time on the pipe and are they delivering the whole order at once or phasing it in?

Mr. Schmalz: The plan is to bring it in as its available and begin installation immediately. When it comes to the Wharton-Smith material, if you look on those charts that I mentioned a minute ago, you can see that they have onsite on or before dates listed there. Those are the guaranteed delivery dates.

Mr. Kenneth Colen: Okay. So, this spans out quite a distance. That's a big gamble, because what I'm finding is that the pricing on pipes isn't set until it actually leaves the plant.

Mr. Schmalz: Correct.

Mr. Kenneth Colen: The manufacturer.

Mr. Schmalz: Yes.

Mr. Kenneth Colen: So, we have a long lead time on this. We are looking at six months ahead.

Mr. Schmalz: Yes.

Mr. Kenneth Colen: For much of this.

Mr. Schmalz: That's why the volatility adder was put in there.

Mr. Kenneth Colen: Yeah.

Mr. Schmalz: In order to deal with the potential price adjustments as well as a 5% contingency added in all of the projects.

Mr. McLeod: They are pushing about 18,000 feet of pipe.

Mr. Schmalz: Yes. The exact transmission line alone, not even the plant yard piping is 11,500 linear foot of 24-inch DR18 PVC and 6,500 linear feet of 20-inch ductile iron pipe. The reason why we had the difference between the PVC and the ductile iron pipe is wastewater is very corrosive and it damages ductile iron piping, especially if you have a bad interior lining that occurs during construction when its manufactured, such as an imperfection. The wastewater will cause that pipe to corrode to the point where you have a major leak. So, we don't want to take the risk on that. PVC pipe is more expensive currently, but we don't feel that's an area that we want to take a risk on. We want PVC pipe. As far as the ductile iron pipe, that is actually what is providing the reclaimed water, which is not near as corrosive and has a cement mortar liner that prevents the corrosion from occurring there. So, from a value engineering standpoint, we moved to ductile iron pipe on the reclaimed water to provide savings with this project.

Mr. Kenneth Colen: Alright. That makes good sense. I think a motion is required to approve GMP No. 2 dated June 14, 2022.

On MOTION by Mr. Brunner seconded by Mr. McLeod with all in favor the GMP No. 2 (Addendum No. 1) to the North Water Reclamation Facility Agreement for Construction Services with Guaranteed Max Price dated June 14, 2022 was approved.

Mr. Kenneth Colen: Thank you for that explanation.

EIGHTH ORDER OF BUSINESS

Ratification Items

A. Standard Grant Agreement with Florida Department of Environmental Protection

Mr. Kenneth Colen: Behind Tab A is the Standard Grant Agreement with the Florida Department of Environmental Protection (FDEP) that was executed.

Mr. Flint: On May 27th.

Mr. Kenneth Colen: Thank you. Are there any questions on this? If not, I would entertain a motion to accept and ratify the agreement.

On MOTION by Ms. Layman seconded by Mr. Brunner with all in favor the Standard Grant Agreement with Florida Department of Environmental Protection was ratified.

B. Retention and Fee Agreement with Kutak Rock, LLP Related to Validation of Bonds

Mr. Kenneth Colen: The Retention and Fee Agreement is under the next tab. This is between the District and Kutak Rock, LLP.

Mr. Flint: This is for the bond validation hearing.

Mr. Kenneth Colen: Thank you. Have you had an opportunity to review it? What is your pleasure? If you agree, we need a motion to ratify.

On MOTION by Mr. Brunner seconded by Ms. Layman with all in favor the Retention and Fee Agreement with Kutak Rock, LLP Related to Validation of Bonds was ratified.

C. Series 2022B Requisition #1

Mr. Kenneth Colen: Tab C is Requisition #1 for \$33,024.99. This is with Wharton-Smith. If there are no question, I need a motion to accept and ratify that requisition.

On MOTION by Mr. Brunner seconded by Mr. McLeod with all in favor Requisition #1 for Series 2022B was ratified.

• **Provision for Investment Services Related to Series 2022B Bonds**

Mr. Flint: Mr. Chairman, I would like to defer action on this item to the next Board meeting.

Mr. Kenneth Colen: Alright. We need a motion to table the discussion on that item.

On MOTION by Mr. McLeod seconded by Mr. Brunner with all in favor the provision for investment services related to the Series 2022B Bonds was tabled to the next meeting.

NINTH ORDER OF BUSINESS

Other Business

Mr. Kenneth Colen: Is there any other business to come before the Board? Hearing none,

TENTH ORDER OF BUSINESS

Supervisor’s Requests

Mr. Kenneth Colen: Are there any Supervisor’s requests? Counsel, do you wish to have any input? Hearing none, we need a motion to adjourn.

ELEVENTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Bruner seconded by Mr. Kenneth Colen with all in favor the meeting was adjourned.


Secretary/Assistant Secretary


Chairman/Vice Chairman