

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, March 21, 2023 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
Jo Layman	Assistant Secretary
John Gysen	Assistant Secretary

Also present were:

George Flint	District Manager
Gerald Colen	District Counsel
Bryan Schmalz	BLCCDD
Crystal House	BLCCDD

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. All Supervisors were present with the exception of Mr. McLeod.

SECOND ORDER OF BUSINESS

Public Comment Period

Mr. Kenneth Colen: Is there anyone who wishes to address the Board? Hearing none. I will close the public comment period.

THIRD ORDER OF BUSINESS

Notice of Meeting

Mr. Kenneth Colen: The notice of meeting was advertised in the Ocala Star Banner on September 27, 2022.

Mr. McLeod joined the meeting.

FOURTH ORDER OF BUSINESS

Acceptance of Utility Systems

A. Bridlewood Phase 1

- B. Bridlewood Phase 2**
- C. Lexington Phase 1**
- D. Sundance**
- E. Calesa Sales Center**
- F. Crescent Ridge Phase 4**
- G. Longleaf Ridge Phase 5**
- H. Roan Hills Phase 2**
- I. Earl Township Roadway Extension Phase 2**

Mr. Kenneth Colen: Next is the acceptance of utility systems. Can we do this as a single motion?

Mr. Flint: Yes.

Mr. Kenneth Colen: Have you had an opportunity to review them? We have Bridlewood Phase 1; Bridlewood Phase 2; Lexington Phase 1; Sundance, which are all in Stone Creek; Calesa Sales Center; Crescent Ridge Phase 4; Longleaf Ridge Phase 5; Roan Hills Phase 2 and Earl Township Roadway Extension Phase 2.

Mr. Brunner: Where is that, Ken? Is that the one that goes out past the roundabout?

Mr. Kenneth Colen: Yes. It goes from the Aquatic Center, north to SW 38th Street.

Mr. Brunner: Thank you.

Mr. Kenneth Colen: May I have a motion accepting these utility systems being turned over to the District?

On MOTION by Mr. Brunner seconded by Ms. Layman with all in favor acceptance of the turnover of the Bridlewood Phase 1 & 2, Lexington Phase 1, Sundance, Calesa Sales Center, Crescent Ridge Phase 4, Longleaf Ridge Phase 5, Roan Hills Phase 2 and Earl Township Roadway Extension Phase 2 utility systems to the District were approved.

FIFTH ORDER OF BUSINESS

Consideration of Grant Administration Agreement with Kimley-Horn

Mr. Kenneth Colen: Bryan, would you like to give us the rundown?

Mr. Schmalz: Yes sir. Mr. Bryan Schmalz, Utility Director for the Bay Laurel Center CDD. As you are aware, the District was awarded a Federal grant from the Department of Treasury through the Florida Department of Environmental Protection (FDEP) in the amount of \$26.1 million. The District entered into an agreement with FDEP on May 27, 2022. A part of this agreement is a requirement that for any projects over \$10 million, we shall provide certification in accordance with the Davis-Bacon Act. The Davis-Bacon Act of 1931 requires contractors and

sub-contractors working on Federally funded jobs to pay labor wages and benefits no less than what employers pay for similar projects. This is called, “*The prevailing wage.*” Additionally, a recipient that spends \$750,000 or more of Federal funds, must have a single or program specific audit conducted in accordance with the Code of Federal Regulations (CFR). Under this agreement, Kimley-Horn would ensure that payment would be resolved and meet compliance requirements in order to have successful audits and provide all requirements of the Davis-Bacon Act. This agreement covers this cost from the beginning of the project, which began in May of 2022 through the projected completion, which is currently January of 2025. They have already been completing the work to date to keep the District in compliance with the grant, as construction started in May. The total amount of this agreement was \$520,000.

Mr. Kenneth Colen: Right.

Mr. Schmalz: The actual agreement provides a more detailed explanation of the individual items that they will be taking care of for us. I’ll say this. The Davis-Bacon Act is a very taxing process, to the point where when we’re bidding out jobs for this project, we had one contractor as an example, that did the HVAC systems. If he had complied with the Davis-Bacon Act, he would add \$46,000 into the project.

Mr. Kenneth Colen: Wow.

Mr. Schmalz: Because of the additional cost that he’ll expend doing that. It is a very complex process and Kimley-Horn will be taking care of that for us.

Mr. Kenneth Colen: Alright. Very good. I was just looking at “*Limitation of Liability,*” because they are taking quite a challenge here.

Mr. Schmalz: Yes sir.

Mr. Kenneth Colen: I guess if you do it all the time.

Mr. Schmalz: Yes. The group that is doing the work with Kimley-Horn is very familiar with it. We already established guidelines and protocols for all subcontractors. This also includes verification of immigration status with E-Verify, which is also a requirement of Davis-Bacon as well as a requirement of the District.

Mr. Kenneth Colen: Alright. Are there any questions?

Mr. Brunner: No.

Mr. Kenneth Colen: This requires a motion of a Board to accept the Grant Administration Agreement, Contract #WG028 in the amount of \$520,000.

On MOTION by Mr. Gysen seconded by Mr. Brunner with all in favor the Grant Administration Agreement, Contract #WG028 with Kimley-Horn in the amount of \$520,000 was approved.

Mr. Kenneth Colen: Thank you.

SIXTH ORDER OF BUSINESS

Consideration of Addendum No. 3 to the North Water Reclamation Facility Engineering Services Agreement

Mr. Kenneth Colen: The next item is Addendum No. 3, which is an agreement between Kimley-Horn Associates and the Bay Laurel Center CDD. Bryan?

Mr. Schmalz: The District entered into an agreement for the design of the North Water Reclamation Facility and related construction administration services with Kimley-Horn Associates on February 16, 2023. The length of the construction administration services was estimated at 24 months. Typically, that's from the Notice of Commencement of Construction, which occurred in May of 2022. I did dig a little deeper in this and we determined the actual start date of their construction administration services began in August of 2022. Those services begin when construction truly begins and when submittals begin, that didn't occur until August as they weren't onsite. So, they agreed that their services would not begin until August of 2022. So, looking out 24 months beyond that, they would provide those services up until July of 2024, which puts us short of the completion of the project. The agreement that you have before you, the amendment to the agreement, would extend these services by six months. That would bring us to the end of January 2025, providing the construction administration services required for the Engineer of Record.

Mr. Kenneth Colen: How do you define project completion?

Mr. Schmalz: The project completion will be up to the point where we are submitting to FDEP completing as-builts and submitting FDEP completion of construction with the available Operation and Maintenance (O&M) Performance Report that is available onsite.

Mr. Kenneth Colen: When we put the plant into service.

Mr. Schmalz: Yes sir.

Mr. Kenneth Colen: Finally. Okay. Because there is always going to be work to do on these things.

Mr. Schmalz: Correct. In talking with Kimley-Horn, they said if we go a little beyond the January deadline, they are not going to beat us up on it. They are just going to wrap up the job,

but we had to give them a hard stop date as far as the agreement. So, we landed on a six-month agreement. The agreement that they presented initially was for another year, pushing us into June of 2025. At this time, when looking at the construction schedule that Wharton-Smith provided to us, we decided to start at six months and then we can evaluate later if we need to extend our services further based off the completion of construction. Currently, Wharton-Smith has revised the timeline and we're targeting starting in November of 2024. So, with a start of November of 2024, that gives us some time afterwards to wrap up the testing and start up.

Mr. Kenneth Colen: Okay.

Mr. Brunner: Okay. Is this particular request just for what they have to do with the screw press?

Mr. Schmalz: No. This is for the entire scope of the engineering services.

Mr. Brunner: Okay.

Mr. Schmalz: The scope for Kimley-Horn is \$390,000. There is an additional \$21,500 in this agreement for additional engineering services for the architect because we re-designed for a better layout functionality of the building where the screw presses are located.

Mr. Brunner: Okay.

Mr. Schmalz: That is in the amount of \$21,500, bringing the total cost of this amendment to \$411,500.

Mr. Kenneth Colen: How was it that this wasn't part of the original design?

Mr. Schmalz: The facility was designed and as we were going through the process and started to construct it, we found some areas that needed improvement, the flow of the area and the way it drained. As we started communicating with FKC about how the screw press needs to be installed, we determined that we had to raise the floor of the area based on this specific equipment that we selected, as well as the need for best management practices for the polymer that we're using. It (the polymer) was originally designed to be on the floor. The chemical pump skids were intended to be elevated as they actually prefer a flooded suction.

Mr. Kenneth Colen: Yeah.

Mr. Schmalz: Then this would require the polymer to be moved by a crane, which then required the building to be modified for a crane. There will be a crane that runs around on an I-beam to be able to move the polymer totes which are 275 gallon square tanks around the area, we

can use the crane to pull the equipment apart and repair it as needed. So, that added to the additional scope as well.

Mr. Kenneth Colen: Okay.

Mr. Brunner: On weekends, these could be used for wine grapes.

Mr. Schmalz: I wouldn't recommend it. They would definitely need to be sterilized.

Mr. Kenneth Colen: Yeah. Okay.

Mr. Schmalz: So those are the main reasons why. The final product is going to be a better product for the District to maintain for the life of the facility. This facility will not need expansion through completion and build-out of the plant.

Mr. Kenneth Colen: Any time you get gravity flow, it is so much better.

Mr. Schmalz: Absolutely. Yes.

Mr. Kenneth Colen: And having to lift it. Alright. Are there any questions? If not, I would entertain a motion to accept Amendment Number 3 to an Agreement Between Kimley-Horn and Associates, Inc. and the Bay Laurel Center CDD.

On MOTION by Mr. Brunner seconded by Ms. Layman with all in favor Amendment Number 3 to the North Water Reclamation Facility Engineering Services Agreement Between Kimley-Horn and Associates, Inc. and the Bay Laurel Center CDD was approved.

SEVENTH ORDER OF BUSINESS

Discussion Items

A. Renewal & Replacement WTP No. 1 PLC Upgrade Discussion

Mr. Kenneth Colen: Next is the renewal and replacement of Water Treatment Plant (WTP) No. 1 Programable Logic Controller (PLC) upgrade.

Mr. Schmalz: The District is scheduled to upgrade the existing PLC, located at WTP No. 1 and the South Wastewater Treatment Plant reclaimed water high service pump station. This is due to the existing PLCs being obsolete as they don't have parts for them anymore. They are obsolete, which make it very difficult to obtain parts. We have been purchasing items, new sealed in the box, that were excess from suppliers, but that supply is dwindling. Now what we're finding is we can only purchase open boxed items. We don't want to continue to operate in that manner, so we recommended replacing the PLCs. Both of those PLCs were approved in the Renewal and Replacement (R&R) Budget for this fiscal year in the amount of \$15,000 each. Then as we began digging into that project further, we looked at the WTP No. 1 site and

determined that we need to look at upgrading our chemical feed system from gas chlorination to sodium hypochlorite, which is like liquid chlorine or bleach. That is due for quite a few reasons. Gas is very dangerous and it's also becoming very difficult to obtain. The costs went up drastically and there have been shortages in our industry with gas chlorine, but not liquid chlorine. So, for liability and safety reasons, we proposed next year, in the upcoming budget to upgrade our system to go from gas chlorination to liquid chlorination. This requires flow signals coming from our wells, so we can pace based on the flow coming from the well sites at a certain amount, depending on the dosage setting. With that, we have to run a lot more inputs and outputs (IOs) to the facility. So, we looked at the PLC and said, *"Ultimately we need to build a larger PLC for the future growth of the site, but with the economy and current inflation, the cost of materials went up dramatically."* We recently received a quote and the price went from \$15,000 to \$37,900 at WTP No. 1, which is a relatively substantial increase from what was originally expected, considering the \$15,000. We are recommending that the Board approve us proceeding with the WTP No. 1 upgrades and postponing the reclaimed water high service pump station upgrades because we have a lot of spare parts still in inventory. That way, we can continue with the upgrades as scheduled for next year in the chlorination systems.

Mr. Kenneth Colen: Alright. When do you expect this project to start?

Mr. Schmalz: It will begin four weeks after approval by the Board.

Mr. Kenneth Colen: Okay. Are there any questions? Hearing none, we need a motion. Actually, we don't have a proposal, do we?

Mr. Schmalz: No.

Mr. Kenneth Colen: So, no motion is required. This is just information.

Mr. Schmalz: No motion is needed as long as you tell me to proceed.

Mr. Flint: You might want to set a not-to-exceed and authorize the upgrade of the PLCs.

Mr. Kenneth Colen: That's a good way to do it. What is the not-to-exceed?

Mr. Schmalz: \$37,900.

Mr. Flint: You might want to do something a little higher than that.

Mr. McLeod: Like \$40,000.

Mr. Kenneth Colen: We need a motion authorizing staff to proceed with the change out of PLCs to an upgrade for a not-to-exceed amount of \$40,000.

On MOTION by Mr. McLeod seconded by Mr. Gysen with all in favor the Renewal & Replacement WTP No. 1 replacement of Water Treatment Plant (WTP) No. 1 Programable Logic Controllers in a not-to-exceed amount of \$40,000 was approved.

B. SWFWMD Per Capita Update

Mr. Schmalz: I wanted to provide an update to the Board regarding our per capita. As you are aware, the District was required to provide a Water Supply Annual Report by April 1st of each calendar year to the Southwest Florida Water Management District (SWFWMD). I describe this report as taxes for water. It ultimately determines if we're in compliance with our 150-gallon per capita. We have some deductions that we are able to get for what we send to the golf courses, which helps us to come into compliance with that. One new factor that we were able to assist the Circle Square Ranch with their Water Use Permit renewal and add the hayfield as an item that we can now claim as a deduction. Long story short, our 2022 per capita is 153 gallons which is close to the 150 gallons. So that's a huge improvement, being three gallons off from where our target is. With that being said, last year was a drought year for us. The year before (2021), we had a few hurricanes and received near 65 inches of rain and this last year (2022), we received 43 to 44 inches of rain. Our typical average is 53 inches.

Mr. Kenneth Colen: I was going to say.

Mr. Schmalz: Considering that we were in a drought and still landed at 153 gallons per capita, that's really good and shows all of the efforts that's being done by the Board with the programs that are working with the residents. All new homes are now required to meet Florida Water Star (FWS) Standards and have to be designed to not exceed 6,000 gallons per month irrigation demand. They are also taking care of what I call, "*Legacy Homes*," existing homes with the incentive programs for toilet rebates, turf reduction, irrigation controller programs and irrigation audits. All of those have been very successful programs and we're working towards our conservation efforts. So, you can see where we were and now we are down to 153 gallons, which is a huge accomplishment.

Mr. Kenneth Colen: Within our Consumptive Use Permit, there was a schedule.

Mr. Schmalz: Yes.

Mr. Kenneth Colen: An expected reduction. Where do we fall with that? For 2022, what was our expected usage?

Mr. Schmalz: 167.5 gallons is what they expected us to be at. What Mr. Kenneth Colen is referring to is we created a table and said, "*With all of these conservation efforts, we listed out the years with what we expected to fall down to each year to reduce our per capita.*" By this year, we expected to be at 167.5 gallons and we are at 153 gallons. So that's huge. Mr. Kenneth Colen can speak on behalf of this, but we have been struggling with the per capita for my entire career here.

Mr. Kenneth Colen: Yeah.

Mr. Schmalz: So, to see us down this close to meeting 150 gallons, is nice to see.

Mr. Kenneth Colen: Yeah.

Mr. Schmalz: As we continue our efforts with this next year, I hope that we are there.

Mr. Kenneth Colen: Well, that was my next question. Do you anticipate this usage will be replicated in the future?

Mr. Schmalz: I do. When you look at a lot of the new construction efforts that we have done. On Top of the World (OTOW) has voluntarily performed the FWS Program as well as programs for reducing water usage in backyards that have Bahia. We've seen those neighborhoods meet the per capita immediately. We have neighborhoods that have been in place for 20 years that don't meet our per capita requirements. Stone Creek and OTOW are officially required to meet these starting June of 2023, to allow them time to get their programs in place and re-design their homes and landscaping packages. We haven't even started closing the homes in Stone Creek yet that are required to meet the new construction standards. So, that will aid in our efforts as well. They are just now starting to pull some across the finish line with the FWS standards.

Mr. Kenneth Colen: It's a challenge because I know that there are a few neighborhoods in there that don't practice conservation.

Mr. Schmalz: No. We are actually meeting routinely with the Stone Creek Water Conservation Group. The gentleman that started it is Mr. Brian Roland. He has a group of individuals out there, a dozen now. Even one lady on the Board used to work with the SFWMD. We have been meeting routinely, going over where the water use is and it is really elevated in what we call, "*The Garden Series Homes,*" which are the homes controlled by the HOA. So, we

use OTOW as the example and say, “*These areas in OTOW are HOA controlled areas,*” which includes Friendship Village, Colony, Americana, Friendship Park and Crescent Ridge I. They are pretty much at 150 gallons per capita, whereas, we have homes in Santa Fe in Stone Creek, where the usage was 1,700 gallons per day, with the average of being over 1000 gallons for the entire year. So, there were substantial increases. We are communicating with the residents and giving them the information, so they can go back to their HOA and say, “*Why are we helping to pay for this excessive usage?*” So, there are a couple of spin off groups from this, such as in Nottingham, which is another neighborhood in Stone Creek, that have their own irrigation group that meets and tries to figure out how they can reduce their water use. I think those are all great tools. Communication and education are the key to water conservation.

Mr. Kenneth Colen: Well stated. Alright, well congratulations on that.

Mr. Schmalz: Yes, sir. Thank you.

EIGHTH ORDER OF BUSINESS

Consideration of Proposal from Willdan for Water, Wastewater, Reclaimed Water, Miscellaneous Charges and AFPI Capacity Charges Rate Study

Mr. Kenneth Colen: Crystal, will you take us through the Request for Proposals (RFP) process, please?

Ms. House: Yes. Ms. Crystal House, Office Manager. Going off of what Bryan said with per capita, one of the main things that the District has is a tier rate structure. Our tier rates are actually up as of the end of this fiscal year. So, the District advertised on February 12, 2023 in the Ocala Star Banner, that we were seeking proposals from qualified consultants to conduct a comprehensive potable water, wastewater, reclaimed water, miscellaneous charges and an AFPI Capacity Rate Study. The purpose of the study was to evaluate the District’s existing retail and bulk water and sewer rates, to provide recommendations for future rate adjustments. The objective of the study was to adequately fund potable water and wastewater operations, reclaimed water, capital improvement costs, debt obligations and depreciation, while maintaining the modest rates. The deadline for the consultants was March 8th at 4:00 p.m. The scope of the services included, but were not limited to, meeting onsite with District staff to discuss our goals, information gathering and project schedule, analysis of the water, wastewater, reclaimed and capacity fund finances, develop recommended Rate Schedules, develop an electronic rate model and provide training to District staff and present their findings to you in August of 2023. The

District received only one proposal, which is presented in your agenda for consideration and discussion. Based on the forementioned scope of services, our recommendation to the Board of Supervisors is to select Willdan Financial Services (Willdan) to conduct this District's Rate Schedule. The Project Manager, Ms. Tara Hollis, who has over 20 years' experience in this field, has worked multiple times in the past with the District on previous Rate Studies, Financial Feasibility Studies, bond compliance and litigation support. Their actual fixed cost came in at \$29,500, which was under budget.

Mr. Kenneth Colen: Very good.

Mr. Flint: Under your rules, if you receive just one proposal, you have the option of rejecting and rebidding, but I think in this case, Willdan has the experience and history. The price that they provided is competitive and within budget. There's been a consolidation of some of the other companies that provides Rate Studies. Raftelis merged with Mike Burton and PRMG, so the pool of firms has shrunk. For some reason, Raftelis decided not to respond. So, we recommend that you go with the proposal that you received.

Mr. Kenneth Colen: Alright.

Ms. House: They worked with us before.

Mr. Flint: Yes.

Mr. Kenneth Colen: Correct.

Ms. House: Five years ago.

Mr. Flint: They did the existing Rate Study.

Mr. Kenneth Colen: They are very familiar with it.

Mr. Brunner: They certainly have the experience and are not using a subcontractor.

Mr. Schmalz: They participated with all of the recent bond evaluations.

Mr. Kenneth Colen: One of their divisions has done Engineering Studies. Alright, do we have a motion to accept the Willdan proposal?

On MOTION by Mr. Brunner seconded by Ms. Layman with all in favor the Proposal from Willdan Financial Services for Water, Wastewater, Reclaimed Water, Miscellaneous Charges and AFPI Capacity Charges Rate Study in the amount of \$29,200, was approved.

NINTH ORDER OF BUSINESS

**Ratification of Series 2022B Requisitions
#15 - #17**

Mr. Kenneth Colen: Next is the ratification of the Series 2022B Requisitions #15, #16 and #17.

Mr. Flint: Under the Trust Indenture, they can be processed prior to Board action. These three requisitions were signed by me as an authority entity and by the District Engineer and we are just asking the Board to ratify these.

Mr. Kenneth Colen: Okay. Do we have a motion to ratify?

On MOTION by Mr. Gysen seconded by Mr. Brunner with all in favor Requisitions #15 through #17 for Series 2022B were ratified.

TENTH ORDER OF BUSINESS

Presentation of Bad Debt Register 2023

Mr. Kenneth Colen: Ms. House?

Ms. House: In your agenda booklet, you will find past due histories for 10 accounts that the District attempted to collect with no success to date. Today, I'm cordially requesting the Board to consider writing off these 10 accounts for a grand total of \$842.36.

Mr. Flint: If you remember, five or six years ago, this was a lot longer.

Mr. Brunner: Yes.

Mr. Flint: Staff has been doing an excellent job of reducing the bad debt expense. These are at a point where they are not collectable.

Mr. Kenneth Colen: I need a motion accepting the Bad Debt Register and charging off the amount of \$842.36.

On MOTION by Mr. McLeod seconded by Mr. Brunner with all in favor accepting the Bad Debt Register and charging off \$842.36 was approved.

ELEVENTH ORDER OF BUSINESS

Other Business

Mr. Kenneth Colen: Do we have any other business to come before the Board?

Mr. Brunner: One quick question on water reduction.

Mr. Kenneth Colen: Yes.

Mr. Brunner: Is the Residential Turf Reduction Program going to continue through this calendar year?

Mr. Schmalz: It will continue through the 2023 Fiscal Year. We will present it to the Board for the 2024 Fiscal Year. With approval, it would continue.

Mr. Brunner: I just wanted to be sure. I had a couple of neighbors ask about it.

Mr. Schmalz: Absolutely. There are still available funds for that program. It's becoming more and more popular and we are happy to see that take off.

Mr. Brunner: Very good. Thank you.

TWELFTH ORDER OF BUSINESS

Supervisor's Requests

Mr. Kenneth Colen: Are there any Supervisor's Requests? Hearing none, District Counsel, do you have anything to add?

Mr. Gerald Colen: Nothing.

Mr. Kenneth Colen: Nothing. Alright. We need a motion to adjourn.

THIRTEENTH 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