

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, May 16, 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
Sarah Burgess	BLCCDD

FIRST ORDER OF BUSINESS

Roll Call

Mr. Flint called the meeting to order at 10:00 a.m. and called the roll. All Supervisors were present in person constituting a quorum.

SECOND ORDER OF BUSINESS

Public Comment Period

Mr. Flint: We just have Board Members and staff.

THIRD ORDER OF BUSINESS

Notice of Meeting

Mr. Kenneth Colen: The notice of meeting was published in the Ocala Star Banner.

FOURTH ORDER OF BUSINESS Approval of Minutes

- A. February 21, 2023 Meeting**
- B. March 21, 2023 Meeting**
- C. April 18, 2023**

Mr. Kenneth Colen: Next, we have the minutes of February 21st, March 21 and April 18th, 2023. Are there any corrections to the minutes?

Mr. Schmalz: I do have a couple that I would like to point out to the Board. On the February 21st meeting on page 3, the 9th line down, refers to “the pressure groundwater injection” and that was grout injection. Then we have on the March 21st meeting on page 5, the 13th line down, it says the “screw press through” and it’s supposed to say “scope”. On the April 18th meeting, there were multiple locations where it should have said, “wastewater treatment facility” but it said, “water treatment facility”, and we need to correct those.

Mr. Schmalz: I have comments on the March 21st meeting on page 5. In the 3rd paragraph from the bottom, “The facility was designed and as we were going through the process and started to construct it and hire the contractor, we found some areas that needed improvement, the flow of the area and the way it flowed”. It needs to say, “the way it drained”. And then the last sentence “The skids were supposed to be high and they actually prefer a flooded section” needs to say, “suction.” The second to last sentence also says “275 square gallon tanks” and “square” needs to be taken out.

Mr. Flint: Mr. Chairman, there were some other minor corrections throughout, and we would just ask that the Board approve the minutes, subject to incorporation of those.

On MOTION by Mr. Brunner seconded by Ms. Layman, with all in in favor, the minutes of the February 21, 2023, March 21, 2023, and April 18, 2023 Board of Supervisors meetings, were approved as amended.

FIFTH ORDER OF BUSINESS

Review and Acceptance of Fiscal Year 2022 Audit Report

Mr. Flint: As a government entity, the CDD is required to have an annual independent audit performed, and you selected Grau & Associates as your independent auditor. This is the audit for Fiscal Year 2022, which ended on September 30, 2022. If you refer to the very last page which is the Report to Management, you can see there are no current year findings and recommendations or prior year findings or recommendations, and that we have complied with all of the provisions of the Auditor General that they are required to review. It is a clean audit with no findings or recommendations.

On MOTION by Mr. Gysen seconded by Mr. Brunner with all in favor, the Review and Acceptance of Fiscal Year 2022 Audit Report, was approved.

SIXTH ORDER OF BUSINESS

**Consideration of Resolution 2023-04
Approving the Proposed Fiscal Year 2024
Budget and Setting a Public Hearing**

Mr. Kenneth Colen: Resolution 2023-04 sets a public hearing to approve the budget in accordance with Florida Law, addressing transmittal, posting, and publication requirements addressing severability and providing an effective date.

Mr. Schmalz: We can either go line by line, or I can hit the big items as far as the budget goes and what some of the larger increases were if the Board prefers that method.

Mr. Kenneth Colen: Lets go over the larger increases.

Mr. Schmalz:

- Health insurance was a big one for us this year, reaching out to our carrier and looking at the proposed cost. They provided us with a range from 6% to 26%, which can be pretty hard to budget for. We decided to budget at 13% for that line item, so as that comes closer, we will be looking at other carriers as well as other plan options to minimize costs, while maintaining our appearance in the workforce and attracting qualified candidates.
- Electricity was a big one, we have additional lift stations coming online, additional water being produced, additional wastewater being treated which our primary use is electricity when it comes to those categories.
- We have chemicals and supplies that have increased in the past year. We went from \$170 for a 150-pound chlorine cylinder to \$305. When I looked at last year's budget, my notes said that we went from \$100 to \$170. So, it has substantially increased. Then we used sodium hypochlorite as well for disinfection at our water treatment plant facility, and that cost went from 89 cents a gallon to \$1.25 a gallon.
- There is also sludge hauling costs to transport biosolids from the wastewater treatment facility. The population has increased and due to that we have additional wastewater and have additional biosolids to transport. Typically, for every 1,000 gallons of wastewater treated, we have 10 gallons of biosolids that we have to dispose of. As we grow, we are beginning to exceed the capacity of our existing biosolids application site, which then leaves us with the alternative to

have it transported to another biosolids management facility, operated by American Pipe and Tank, so those costs would be included in that.

- When it comes to the renewal and replacement budget, we are planning on doing, as discussed in previous meetings, upgrades at water treatment plant #1 to convert from chlorine gas to sodium hypochlorite, so that was a large item. All of the other items in there were pretty typical. Looking at programs, we did carry over the reclaimed water high service pump station PLC upgrade program that was originally scheduled this year, but due to costs increasing, we decided to put it off until next year. We are also having some rehabilitations within the service as, as well as a metal building at our high service pump station at the South plant to cover that and the electrical building. The electrical building has a fiberglass shell that is beginning to crack. We've had multiple contractors look at it and it is very difficult to seal, so we are just looking at an alternative of putting a metal building over the structure, an open pole barn concept that would protect the structure and still provide us access to our high service pump station.

Mr. Kenneth Colen: What location is that?

Mr. Schmalz: It's the high service pump station at the South Wastewater Treatment Facility, adjacent to the ground storage tank. That item will be remaining after the demolition of the south facility. We are minimizing the improvements to existing components that are planning on being decommissioned, just because there is no reason to spend those additional dollars.

Mr. Kenneth Colen: Are you about completed with the work that you are doing on the chlorinators at water treatment plant #3?

Mr. Schmalz: Yes, we were repairing the water treatment plant #3 chemical building structure and recoating the containment area. We should be done with that within the next 3 weeks. What's taking a lot of time is grinding the coatings down in the containment area. If I can recall correctly, there have been 6 coats applied to that since the facility was constructed, so they have been grinding to get down to the concrete and then reapply the new material. All of the ground storage tanks have been painted at all of the facilities this year as well, and that is the last remaining project that we have there.

Mr. Kenneth Colen: Are there any other highlights?

Mr. Schmalz: The only other thing that I would point out in that area would be the lift station #15 wet well rehab located off of 90th Terrace Road in Candler Hills, right off of the multi-modal path there. When the structures were previously built the insides were not lined, and they also had ductile iron piping, which is subject to corrosion inside of wet wells. Those were installed back in 2003 approximately. They are starting to degrade on the inside so what we are working on doing is replacing the piping with high density polyethylene piping, which will not corrode, as well as coating the wet well structure to protect the concretes. Any questions?

Mr. Brunner: Yes sir, I just have one question on page 1 under administrative expenses, under "Supervisors Fees proposed 2024". Normally, that amount would end in an even number, and I am just curious where the 89 came from.

Mr. Flint: I think the FICA taxes are rolled into that line item.

Mr. Kenneth Colen: The engineering costs are staying the same, and that is primarily the bond certification.

Mr. Schmalz: That one includes bond certification and also does include any unexpected evaluations that need to be done, working with our engineering groups between Jones Edmunds, Kimley Horn and Tillman & Associates. That one at this time, we do not see a need to increase or decrease as we are still working through a lot of moving parts with construction of the north facility and changing those flows over.

Mr. Kenneth Colen: The work that you're planning in Candler Hills is relative to that, I saw there was an irrigation crew that found pipes that they were locating. What is the timing of that?

Mr. Schmalz: We are looking towards the end of June to beginning of July to begin the directional boring of the 12-inch force main from Southwest 81st Loop and 90th Terrace Road in Candler Hills on the south end. Then we will go south towards the South Wastewater Treatment Facility. That will cause the District to shut down the multi-modal path for approximately 2 to 3 weeks. During that we will have to detour those residents through 87th Circle on the west side of Candler Hills. The roadway will remain open, there will be cones and signs marked for traffic safety in general because of the increased presence of construction workers, but all lanes will remain open.

Mr. Kenneth Colen: So, all of that work will be completed within this budget and there will be no carryover?

Mr. Schmalz: That is included with the Wharton Smith GMP, so that will continue through their scope, but it is planned on being completed this year. They decided to move forward with the offsite work, so that way we have everything in place in the event they are able to speed up the timeline, we have all of the piping in place to go ahead and make that transfer from the south plant to the north plant.

Mr. Kenneth Colen: Thank you for clarifying because I didn't see it in the R&R budget. Any other questions?

On MOTION by Mr. Gysen seconded by Ms. Layman with all in favor, Resolution 2023-04 Approving the Proposed Fiscal Year 2024 Budget and Setting a Public Hearing, was approved.

SEVENTH ORDER OF BUSINESS

Ratification of Contract Agreement with Willdan Financial Services for Services Related to a Water, Wastewater, Reclaimed Water, Miscellaneous Charges and AFPI Capacity Charges Rate Study

Mr. Flint: We bid out the reconsulting services and brought those back to you at the last meeting, and the Board selected Willdan Financial Services, who is the firm that performed the last rate study and also does the annual reports for us. So, this is just approving the actual agreement that has already been signed, we are asking the Board to ratify the agreement. We are really just getting this into the records, you've already selected and approved the financial terms.

On MOTION by Mr. McLeod seconded by Mr. Brunner with all in favor, the Contract Agreement with Willdan Financial Services for Services Related to a Water, Wastewater, Reclaimed Water, Miscellaneous Charges and AFPI Capacity Charges Rate Study was ratified.

EIGHTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. Kenneth Colen: Do we have anything from the attorney?

Mr. Gerald Colen: Nothing to report.

B. Utility Status Report

Mr. Kenneth Colen: May we have the Utility Status Report, please?

Mr. Schmalz: Good morning. Bryan Schmalz, Utility Director for Bay Laurel Center. So, just an update on our water treatment production, we are currently producing an annual average daily flow of almost 4.4 million gallons per day. That means that in the past 12 months, we have produced 1.56 billion gallons of water. We are seeing on average, 18% to 19% of that is used for indoor with the remaining of that utilized for outdoor irrigation, which does not include golf courses. That is a 19% increase in flows from the same time period last year. Looking back at our service connection increase, we've had an 11.1% increase in connections. We have recently started seeing some rainfall in our area, so we hope to see those flows diminish a little bit, but we do have a lot of new construction in our area, which irrigates 7 days a week. That does drive up our demands dramatically. Just as a side note also for the Board, Stone Creek has a lined pond and a well that they pump groundwater into and then they pump out of that pond called Reflection Bay. They then utilize that water to irrigate the HOA main roadways. That pond has been taken out of service for repairs due to some failing pipework and specific areas of liner that need repairs, so we have had to provide them with a temporary connection to the potable supply system to augment their supply for the irrigation. That amount will be exported out of our water use permit quantities, as we are sending it to another water use permit area. If we look at wastewater flows over the past 12 months, our annual average is right at 800,000 gallons per day. I looked at the past 5 months, and looking at a short-term duration, we are upwards around 850,000 to 900,000 gallons per day. We are seeing an increase in flows at the facilities, and overall, it is 291,000,000 gallons of wastewater treated within the past 12 months. 63% of that has gone out to public access reuse system areas such as golf courses and common areas. We are moving along at the wastewater treatment facility with the south equalization basin tank construction, and we are hoping to get that pushed across the finish line within the next two months to bring that online and assist with equalizing the flows hydraulically and aid in our treatment process. As far as the North Water Reclamation Facility goes, I have provided some photos for you today. You can see the facility from aerials. I did zoom in to the oxidation ditch on your last photo, you can see the size of that particular tank and it ranges in height from a little over 21 feet to a little over 17 feet in height. The facility is coming along nicely. Still a lot of concrete pouring is being done. We are working on the chlorine contact chamber. We began all of the pipework and drain work underneath the digesters, so the facility is coming along nicely. As Ken mentioned earlier, we will be doing some work within the next month to 2 months that

will be impacting residents within On Top of the World and Stone Creek. Part of that is the one I mentioned earlier which will be doing a directional bore underneath portions of the cart path along 90th Terrace Road down to the southern portion of Candler, making the connection from the new plant to the old facility so that it can redirect flows. We will also be doing some directional boring up in the Stone Creek community. We ran a 16-inch reclaimed water main down along our property boundary, and we will be stubbing out and connecting to the HOA system within Stone Creek, so we will be able to provide reclaimed water. We are also connecting to their golf course. Their golf course operates similarly to the HOA system, they have a groundwater well that dumps into a creek that runs down into a large pond, and then they pump out of that for irrigation on the golf course. We will have the ability in the future as we have more reclaimed water available to augment their water supply so that they leave the groundwater alone. We will be communicating with both HOAs and customer service representatives from On Top of the World and Stone Creek, I have already provided Mr. Colen with some material for his news article, and we will be coordinating with both and providing the MOT plans for shutdowns for On Top of the World.

Ms. Layman: How long do the shutdowns last?

Mr. Schmalz: The shutdown in On Top of the World's multi-modal path will take about 2 to 3 weeks. They have to string out all of the sections of pipe and then fuse weld them together. We use a very thick DR11 material, which is stronger and lasts longer. They have to fuse it all together so there are no mechanical joints under the roadway, and stretch that all the way along the cart path from 81st Loop to 87th Circle. That is what eats up a lot of time. There will be some night work associated with that job as well, because once you begin drilling through, you have to begin pulling or you risk the hole collapsing. So, there could be an instance of a 24-hour day going into multiple shifts.

Mr. Brunner: Is that the same pipe and procedure that we saw at the new plant?

Mr. Schmalz: Yes, that is exactly what it is. Mr. Brunner actually witnessed them fusing a 36-inch pipe at the new facility.

Mr. Kenneth Colen: Thank you for that.

- C. District Manager's Report**
 - 1. Approval of Check Register**

Mr. Flint: We have the approval of the check register from February, March, and April totaling \$5,031,722.56. The detailed register is behind the summary. If there are any questions, we can discuss those. Otherwise, I would ask for a motion to approve.

On MOTION by Mr. Brunner seconded by Ms. Layman with all in favor, the Check Register, was approved.

2. Balance Sheet and Income Statement

Mr. Flint: Then you have the unaudited financial statements. There is no action required on these. If there are any questions, we can discuss those.

3. Presentation of Number of Registered Voters – 0

Mr. Flint: Each year, we are required to announce the number of registered voters within the boundaries of the District as of April 15th, and you can see there are currently 0. There is no action required on that.

NINTH ORDER OF BUSINESS

Other Business

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

TENTH ORDER OF BUSINESS

Supervisor’s Requests

Mr. Flint: Are there any Supervisor’s Requests for anything that was not on the agenda that the Board wanted to discuss? Hearing none,

ELEVENTH ORDER OF BUSINESS

Next Meeting Date – June 6, 2023

Mr. Kenneth Colen: Our next meeting is going to be June 6, 2023, at the same place and time. May I have a motion to adjourn?

TWELFTH ORDER OF BUSINESS

Adjournment

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


Secretary/Assistant Secretary


Chairman/Vice Chairman