

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, October 18, 2022 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
John Gysen	Assistant Secretary

Also present were:

George Flint	District Manager
Rachel Wagoner	District Counsel
Bryan Schmalz	BLCCDD
Crystal House	BLCCDD
Patty Soriano	OTOW

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 and Ms. Layman.

SECOND ORDER OF BUSINESS

Public Comment Period

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Notice of Meeting

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

FOURTH ORDER OF BUSINESS

**Ratification of Series 2022B Requisitions
#8 - #11 – Item Updated**

Mr. Kenneth Colen: The next item is the ratification of the Series 2022B Requisition #8.

Mr. Flint: Mr. Chairman, I apologize. We did add Requisitions #9, #10 and #11, which I've handed out. The agenda has been amended to ratify Requisitions #8 through #11.

Mr. Kenneth Colen: Alright. So, we'll note that. You have before you Requisitions #8, #9, #10 and #11. Mr. Schmalz, would you like to address that, please?

Mr. Flint: I will. For the Board's benefit, the form of the requisition is in the Trust Indenture from the bond issue. It requires any funds that are requisitioned or paid out of the construction and acquisition account. The engineer has to sign the requisition certifying that the costs are appropriate and consistent with the Engineer's Report. There's a certification of the Consulting Engineer, which has to be signed by an authorized officer of the District, which is sometimes the Chair or sometimes it's me, depending on availability. We always put them on the agenda just to be ratified by the Board so we get them in the record, but Board approval is not required on these.

Mr. Kenneth Colen: Very good. What's your pleasure? Are there any questions? If none, we need a motion ratifying Series 2022B Requisitions #8 through #11.

On MOTION by Mr. Brunner seconded by Mr. Gysen with all in favor Requisitions #8 - #11 for Series 2022B were ratified.

FIFTH ORDER OF BUSINESS

Ratification of Lease Agreement with Pitney Bowes for Relay3500

Mr. Kenneth Colen: Item 5 is the ratification of a Lease Agreement with Pitney Bowes for Relay 3500, which is a postage meter. What's the advantage of having a Relay 3500 from Pitney Bowes?

Ms. House: Good morning. Ms. Crystal House, Office Manager. This 36-month agreement covers the leasing cost associated for both the automatic postage machine and an inserter. The District currently prints postage by hand and estimates the correct amount of postage to be placed on any larger envelopes. The automatic postage machine will save time and labor, by not only having to print out the postage manually, but it will also automatically update to the correct postage amounts should it increase. Lastly, it will take the guesswork out of what the postage should be on a larger envelope. The Relay 3500 inserter machine will help eliminate the time-consuming task of folding and inserting mail. With the speed capacity of handling up to 3,000 documents per hour, this machine will allow the District the ability to process and mail

many of our mailings that we are currently having to outsource. Between the two machines, there's a potential annual cost savings to the District upwards of \$11,000.

Mr. Kenneth Colen: Thank you. Are there any questions? If none, we need a motion ratifying the Lease Agreement with Pitney Bowes.

On MOTION by Mr. Gysen seconded by Mr. Brunner with all in favor the Lease Agreement with Pitney Bowes for Relay3500 was ratified.

SIXTH ORDER OF BUSINESS

Ratification of Agreement with CUSI for Off-site Server Hosting

Mr. Kenneth Colen: Item 6 is the ratification of an agreement with CUSI for offsite server hosting. CUSI stands for Continental Utility Systems. We've been working with them for a very long time. May we hear from you?

Ms. House: Ms. Crystal House, Office Manager. This five-year agreement takes our existing billing software and hosts everything in the Cloud. There are many benefits to this Cloud environment, including a fully managed environment. The entire desktop and server environment are both hosted. Updates and maintenance are entirely managed by hosted services. There's no need to cover the cost to maintain or upgrade our existing server. Downtime will be minimal when completing updates to the system. There will be redundant backups to the infrastructure. Users can access the workstation environment from any internet connected device and state of the art cybersecurity platforms and software. This hosted environment will provide increased speeds for the processing of reports, billings and e-billings, thus saving the District in staffing labor.

Mr. Kenneth Colen: If the software can be accessed from any internet connection, how is our data kept secure in backup and just generally?

Ms. House: We have to actually do a double sign in. We're signing into their network in order to get into our system.

Mr. Kenneth Colen: Could someone hack and mirror our keystrokes and sign in such that they could gain access?

Ms. House: When that was asked of them, they said no.

Mr. Kenneth Colen: Okay. Alright. Because I'm going by analogy here. Our control software is such that it's standalone and does not interact with the internet. I don't know if that's even an option in this situation.

Ms. House: With our current existing server, it's more apt to be hacked versus going into the Cloud utilizing the double controls to get into it, but I can absolutely research more into it if you'd like.

Mr. Kenneth Colen: If you would, please.

Ms. House: Absolutely.

Mr. Kenneth Colen: I know we're just getting an onslaught of half-attempts.

Ms. House: Yes.

Mr. Brunner: This is a five-year agreement, I believe.

Mr. Kenneth Colen: Yeah. So, if you would. What is our pleasure? Do we want to ratify and hope for the best or wait for clarification and take it up with her at the next meeting? Is time of the essence with this?

Ms. House: It is. The agreement has actually already been sent over to Continental, but I can have them hold onto it if you decide to table it until the next meeting.

Mr. Kenneth Colen: Well, I'm in favor of ratifying it to get things going, but we may have to make some modifications if we find that their security is not up to our requirements.

Ms. House: Okay.

Mr. Brunner: If it's ratified and that does occur, can it be canceled?

Mr. Kenneth Colen: That's the question. What would the cost of cancellation be?

Ms. House: I will absolutely reach out to them.

Mr. Kenneth Colen: Okay.

Mr. Brunner: Because this quote, according to this, expired early this month.

Mr. Kenneth Colen: I've already signed it.

Mr. Brunner: I saw that.

Mr. Kenneth Colen: So, it's just a matter of ratification. Sitting here, it suddenly came into my brain and I started thinking about security issues because of some recent activity.

Mr. Kenneth Colen: Alright. What's your pleasure? Do we have a motion to ratify?

Mr. Brunner: Ratify with?

Mr. Kenneth Colen: With the caveat that we're going to get a report on the security capabilities for the system.

On MOTION by Mr. Brunner seconded by Mr. Gysen with all in favor the Agreement with CUSI for Off-site Server Hosting was ratified, subject to the Board receiving a report on the security capabilities for the system.

SEVENTH ORDER OF BUSINESS

**Consideration of Resolution 2023-01
Determining the Review of the District's
Utility System**

Mr. Kenneth Colen: Next is the consideration of Resolution 2023-01, determining the review of the District utility system?

Mr. Flint: Yes. Mr. Chairman, the Series 2011 Trust Indenture requires that annually the Consulting Engineer review the District's financials and insurance policy, do an inspection of the facilities to make sure that they're being properly maintained, properly budget revenue and expenses and properly insuring the assets. I would ask for one modification to the resolution in your agenda. In the first whereas clause, I would strike from the word, "System" to the end of that whereas clause.

Mr. Kenneth Colen: Conditioning of the utilities?

Mr. Flint: Yeah. So, it would end at, "*The review of the financial condition of the utility system;*". This indenture references it being done within 90 days prior to the end of the fiscal year, but because we were in the process of refinancing the 2011 bonds, the engineers work was delayed. I don't want to say that we did it within 90 days prior to the fiscal year. I think if we just end it after the word, "System," we're being accurate.

Mr. Kenneth Colen: Okay.

Mr. Flint: Bryan has provided you with an executive summary of the Engineer's Report and I'll let Bryan present that to you.

Mr. Kenneth Colen: Thank you.

Mr. Schmalz: Mr. Bryan Schmalz, Utility Director for Bay Laurel Center. The findings and conclusions section of the report that was provided to you reads, "*After completing a thorough assessment of the District's utility system, it's in the opinion of Kimley Horn, that the system is being properly operated, is well maintained and is in good overall condition. The*

detailed inspection of all above-ground assets, demonstrated that the District's water, wastewater and reclaimed water systems, are more than suited to serve the current customers and support future development. It is evident that the operation 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 with the necessarily tools and equipment to complete the required maintenance. The District also actively makes improvements to operations and efficiency highlighted by the continued efforts to improve the equipment throughout the system. It can be reasonably concluded that the District exceeds all requirements as set forth by the 2011 bond issuance. This District continued to take efforts to provide high-quality water and reliable wastewater, reclaimed water service, and ensures that the system is maintained and improved to the Capital Improvement Plan. The Capital Improvement Plan has been successful in identifying areas of need and funding the necessary improvements and system expansions. The District has continued to maintain the R&R funds as recommended by the Consulting Engineers. The District also maintains the proper level of insurance indicating that all requirements included within the report are met."

Mr. Kenneth Colen: Very good. I just have a procedural question. Since this is for the 2011 bond, at what point does the schedule come together on the 2011 and the 2022 bonds, so that there would be one report?

Mr. Flint: Yeah, they're subject to the same Master Trust Indenture.

Mr. Kenneth Colen: Right.

Mr. Flint: So next June, we'd be doing a report that would cover both bond issues.

Mr. Kenneth Colen: Yeah, I figured that.

Mr. Flint: At that point, possibly we will have refinanced these bonds, but they would still be subject to the requirement.

Mr. Kenneth Colen: Okay. Thank you. Alright, we need a motion accepting Resolution 2023-01:

"A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE BAY LAUREL CENTER COMMUNITY DEVELOPMENT DISTRICT DETERMINING THE REVIEW OF THE FINANCIAL CONDITION OF THE UTILITY SYSTEM FOR FISCAL YEAR 2022 MEET THE RATE COVENANT IN SECTION 6.01(A) OF TRUST INDENTURE FOR WATER, SEWER REVENUE BONDS, SERIES 2011, PROVIDING AN EFFECTIVE DATE."

On MOTION by Mr. Brunner seconded by Mr. Gysen with all in favor Resolution 2023-01 as read was approved as amended.

EIGHTH ORDER OF BUSINESS

Consideration of Agreement with Grau & Associates to Provide Auditing Services for the Fiscal Year 2022 - Added

Mr. Kenneth Colen: The next item is not in your book. It's a handout for the consideration of the Agreement with Grau & Associates to provide auditing services for Fiscal Year 2022, which was added. Mr. Flint, will you take us through this? It's probably the same as last year's?

Mr. Flint: Yes. The CDD as a government entity, is required to have an annual independent audit performed. You went through a bidding process prescribed by Statute and selected Grau & Associates to be your independent auditor. You'll see towards the bottom of Page 4, the fee for their service will not exceed \$20,000 for the September 30, 2022 audit. That number is consistent with the bid that they submitted when you selected them.

Mr. Kenneth Colen: Board Members, what is your pleasure? We would need a motion to accept the agreement with Grau & Associates for auditing services for Fiscal Year 2022.

On MOTION by Mr. Brunner seconded by Mr. Gysen with all in favor the Agreement with Grau & Associates for Fiscal Year 2022 Auditing Services in a not-to-exceed amount of \$20,000 was approved.

Mr. Kenneth Colen: Hopefully, there will be timely delivery of the report.

Mr. Flint: Yeah. They have room to improve. That's for sure.

Mr. Kenneth Colen: Yes.

NINTH ORDER OF BUSINESS

Other Business

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

Mr. Flint: I have nothing further.

Mr. Kenneth Colen: Okay. Then we'll move on.

TENTH ORDER OF BUSINESS

Supervisor's Requests

Mr. Kenneth Colen: Do we have any Supervisor's requests?

Mr. Brunner: No.

Mr. Kenneth Colen: Then we need a motion to adjourn.

ELEVENTH 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