

MINUTES OF MEETING

Board of Supervisors

Reedy Creek Improvement District

January 23, 2019

9:30 a.m.

President Hames called the regular meeting of the Reedy Creek Improvement District Board of Supervisors to order at 9:30 a.m. on Wednesday, January 23, 2019 at the Administrative Offices of the District, 1900 Hotel Plaza Boulevard, Lake Buena Vista, Florida.

Those present were Larry Hames, Donald Greer, Max Brito and Wayne Schoolfield, constituting a quorum of the Board of Supervisors. Others in attendance included; John Classe, District Administrator; Ann Blakeslee, Deputy District Administrator; Wanda Siskron, District Clerk, Tina Williams, Assistant District Clerk, and Erin O'Donnell, Administration; Bruce Jones, Craig Sandt, and Eddie Fernandez, Contract & Risk Management; Chris Quinn, Susan Higginbotham, Lexy Wollstadt, and Heidi Powell, Finance; Yenni Hernandez and Ron Zupa, Technology Services; Mike Crikis and Jeff Holland, Environmental Sciences; Kate Kolbo, Planning & Engineering; Chief Richard LePere, RCFD; Todd Wiederkehr, Property Management; Jason Herrick and Mark Swanson, RCES; John McGowan and Melissa Corey, WDP&R; and Andrew Vincent, Ernst & Young.

President Hames asked the attendees to please stand for the Pledge of Allegiance.

SAFETY MINUTE

Mr. Eddie Fernandez presented the safety instructions for the Administration Building. Mr. Fernandez identified the locations of the emergency exits and the location of the AEDs in case of an emergency. Mr. Fernandez advised that a first-aid kit is located at the Security Guard's desk right outside the Boardroom. Mr. Fernandez advised that in the event of a fire, there are two exits on the first floor and emergency personnel wearing safety vests will escort everyone to the nearest exit. Mr. Fernandez advised everyone to get a first-aid kit, a seatbelt cutter and window breaker tool and to always check smoke alarms to be sure they are in working condition. Mr. Fernandez advised that the safety tip of the month is, "Don't Make a Safety Resolution in 2019, Make a Commitment."

APPROVAL OF MINUTES

Minutes from the December 12th BOS Meeting were approved as presented.

The District Clerk recorded proof of publication of the meeting notice. **(EXHIBIT I)**

REPORTS

A departmental report was presented by the District Administrator and Deputy District Administrator. **(EXHIBIT J)**

Mr. Classe advised that Ms. Betty Maxwell suffered a stroke on January 12th while recuperating from shoulder surgery, but has just been moved from the ICU at ORMC in downtown Orlando to their rehab floor. Betty is now on the mend and our thoughts are with her as she continues her journey to a full recovery.

Mr. Classe presented a video of Mr. Jeff Holland, Deputy Manager, RCID Environmental Sciences, whereby he was referenced in the Tennessee Senate hearings on aquatic plant treatment. Mr. Holland is a professional fisherman in addition to being an expert Biologist in RCID's Lab. Mr. Classe recognized and thanked Mr. Holland for his expertise.

Ms. Blakeslee advised that she would withhold her comments until the end of the BOS meeting due to the partial loss of her voice related to a sore throat and cold.

CONSENT AGENDA

President Hames proceeded to the Consent Agenda and advised that the Consent Agenda exists of general administrative items and items under a specific cost threshold. Any item could be pulled from the Consent Agenda for further discussion, if requested. Consent Agenda items are shown below:

Item 6A – Semi-Annual Report of Easements

Semi-Annual Report of Easements executed by the District Administrator or Deputy District Administrator as required by Resolution No. 565 approved by the Board at its February 25, 2015 meeting for period July-December 2018. **(EXHIBIT A)**

Item 6B – A.3 Parking Garage, A.3 Pedestrian Bridge and Orange Parking Garage Wayfinding Signage – Amendment of Construction Services Agreement

CONSIDERATION of Request for Board approval to amend RCID's contract with **Creative Sign Designs, LLC**, and to add to the contract sum the amount of **\$39,560.86** to compensate the contractor for changes in the scope of work attributable to the removal and replacement of signage associated with a name change of the A.3 Parking Garage. Funding for this request is included in the approved project budget and is derived from the RCID 2013-A Transportation Projects Ad Valorem Bonds. **(EXHIBIT B)**

President Hames asked if anyone had a reason to bring up any items on the Consent Agenda for further discussion. No items were pulled from the Consent Agenda for review. Upon motion by Mr. Greer and duly seconded, the Board unanimously approved the Consent Agenda.

REGULAR AGENDA

Item 7A – A.3 Parking Garage and Pedestrian Bridge Projects – Amendment of Professional Services Agreement

Mr. Bruce Jones requested Board approval to amend the Agreement for Professional Services between RCID and **Acomb Ostendorf and Associates, LLC**, and add to the fee in the total amount of **\$361,298.00**, for additional construction management services supporting the A.3 Parking Garage and Pedestrian Bridge Projects. Of the total amount, **\$281,044.00** of the fee is allocable to the A.3 Parking Garage project and **\$80,254.00** is allocable to the A.3 Pedestrian Bridge project. Funding for this request is included in the approved project budget and is derived from the RCID 2016-2020 Transportation Projects Ad Valorem Bonds. Mr. Jones advised that the existing contract expires at the end of January. This request will extend the contract through the month of April. President Hames asked if there were any public comments on this request and there were none. Upon motion by Mr. Brito and duly seconded, the Board unanimously approved the request. **(EXHIBIT B)**

Item 7B – World Drive North Project – Budget Revision

Mr. Jones requested Board approval to increase the project budget for the World Drive North improvements by **\$2,300,000.00**. The funds will be from unused/unallocated budget in the Western Way Extension project. The overall budget for the 2016-2020 District-Wide Transportation Projects remains unchanged. Funding for this request is included in the approved project budget and is derived from the RCID 2016-2020 Transportation Projects Ad Valorem Bonds. Mr. Jones advised that this request is to move funds to the budget for the World Drive North project to cover additional contractor work. There will be no change to the total portfolio budget. Mr. Jones advised that the Western Way Extension project is nearing completion. President Hames asked if there were any public comments on this request and there were none. Upon motion by Mr. Greer and duly seconded, the Board unanimously approved the request. **(EXHIBIT C)**

Item 7C – World Drive North Area Development Project – Amendment of Construction Services Agreement

Mr. Jones requested Board approval to amend the Agreement between RCID and **Brightview Landscape Development, Inc.**, and to add to the contract sum an amount Not-To-Exceed **\$1,250,000.00**, for the removal and relocation of twenty-one trees, including several large specimens of oak trees, located in the World Drive North project area, which will be relocated to various areas within current area development project limits. Funding for this request is included in the approved project budget and is derived from the RCID 2016-2020 Transportation Projects Ad Valorem Bonds. Mr. Jones advised that this requested amount could be somewhat less as refinements are still being made. This request is for relocating four large oak trees on the corner of World Drive North that do not provide an aesthetic look. These trees will be placed in other

areas. There are also several large crepe myrtles to be relocated. Mr. Wiederkehr advised that the mortality rate for these trees is less than 10%. President Hames asked if there were any public comments on this request and there were none. Upon motion by Mr. Greer and duly seconded, the Board unanimously approved the request. **(EXHIBIT D)**

Item 7D – Osceola Parkway and Victory Way Interchange Project – Amendment of Professional Services Agreement

Mr. Jones requested Board approval to amend the Agreement for Professional Services between RCID and **Jordan and Associates Consulting, Inc.**, and add to the Not-To-Exceed fee in the total amount of **\$499,077.00**, for additional Construction Management services supporting the Osceola Parkway and Victory Way Interchange Project. Funding for this request is included in the approved project budget and is derived from the RCID 2016-2020 Transportation Projects Ad Valorem Bonds. Mr. Jones advised that this request is for an additional seven months of services due to a significant delay caused by the early works contractor. Mr. Jones advised that this amount is a negotiated fee. President Hames asked if there were any public comments on this request and there were none. Upon motion by Mr. Brito and duly seconded, the Board unanimously approved the request. **(EXHIBIT E)**

Item 7E – Live Front to Dead Front Switch Change-Out – Revision of Preliminary Budget

Mr. Herrick requested Board approval to revise the preliminary budget for the Live Front to Dead Front Switch Change-Out project by reducing approved funding in the construction and contingency line items and increasing funding in the design line item. The total preliminary budget amount will remain unchanged. Funding for this request is derived from the RCID Series 2015-1 Utility Revenue Bonds (Non-Taxable). Mr. Herrick advised that three projects are related to this request. Mr. Herrick advised that no additional funds are required, just a request to move monies from construction to contingency out of the 2015-1 Utility Bonds. Mr. Herrick explained that Live Front switches are of the old type and there are safety issues with those as components are live and can be mistakenly touched when opened to perform maintenance. The Dead Front switches are the newer type being installed and are much safer. Mr. Herrick advised that seven switches will be replaced and two will be eliminated. Mr. Herrick advised that the replacement of Live Front switches is a two-year project which will include switch change-outs at Caribbean Beach, the Wastewater Treatment Plant and Ft. Wilderness. President Hames asked if there were any public comments on this request and there were none. Upon motion by Mr. Schoolfield and duly seconded, the Board unanimously approved the request. **(EXHIBIT F)**

Item 7F – Live Front to Dead Front Switch Change-Out – Professional Design Fees

Mr. Herrick requested Board approval to execute a Change Order under Master Services Agreement #M000098 Work Authorization #W0 to **Leidos Engineering LLC**, in the total amount of **\$17,200.00** comprised of **\$16,900.00** in professional design fees and **\$300.00** in reimbursable expenses for design, bidding and construction phase services associated with the Live Front to Dead Front Switch Change-Out project. Funding for this request is derived from the RCID Series 2015-1 Utility Revenue Bonds (Non-Taxable). President Hames asked if there were any public comments on this request and there were none. Upon motion by Mr. Brito and duly seconded, the Board unanimously approved the request.

Item 7G – Project C2 Electric Service – Preliminary Budget

Mr. Herrick requested Board approval to establish a preliminary budget of **\$2,185,000.00** for the Project C2 Electric Service project. Funding for this request is derived from the RCID Series 2015-1 Utility Revenue Bonds (Non-Taxable). Mr. Herrick advised that this request is for electric service for the new Swan & Dolphin project. President Hames asked if there were any public comments on this request and there were none. Upon motion by Mr. Greer and duly seconded, the Board unanimously approved the request. **(EXHIBIT G)**

Item 7H – Project C2 Electric Service – Professional Design Fees

Mr. Herrick requested Board approval to execute a Work Authorization under Master Services Agreement #M000097 to **TRC Companies, Inc.**, in the total amount of **\$149,305.00** comprised of **\$145,630.00** in professional design fees and **\$3,675.00** in reimbursable expenses for design, bidding and construction phase services associated with the Project C2 Electric Service project. Funding for this request is derived from the RCID Series 2015-1 Utility Revenue Bonds (Non-Taxable). Mr. Herrick advised that this request covers a new tower at the Swan and Dolphin project. Mr. Herrick advised that TRC Companies, Inc. is fairly new to the District. President Hames asked if there were any public comments on this request and there were none. Upon motion by Mr. Brito and duly seconded, the Board unanimously approved the request.

Item 7I – Project C2 Electric Service – Owner-Furnished Materials (OFM)

Mr. Herrick requested Board approval of Owner-Furnished Materials (OFM) in the amount of **\$160,000.00** for the Project C2 Electric Service project. Funding for this request is derived from the RCID Series 2015-1 Utility Revenue Bonds (Non-Taxable). Mr. Herrick advised that this request will cover costs of switches and transformers. Mr. Herrick advised that the timetable for completion of this project is early January/February 2020. President Hames asked if there were any public comments on this request and there were none. Upon motion by Mr. Schoolfield and duly seconded, the Board unanimously approved the request.

Item 7J – Project C2 Electric Service – RCES Soft Costs

Mr. Herrick requested Board approval of an amount Not-To-Exceed **\$225,000.00** for RCES engineering and construction support, including survey, submittal review and project inspection costs for the Project C2 Electric Service project. Funding for this request is derived from the RCID Series 2015-1 Utility Revenue Bonds (Non-Taxable). Mr. Herrick advised that this requested amount is reduced to 15% of the construction estimate as the design is being outsourced. President Hames asked if there were any public comments on this request and there were none. Upon motion by Mr. Schoolfield and duly seconded, the Board unanimously approved the request.

Item 7K – Project H Natural Gas Service – Construction Costs

Mr. Herrick requested Board approval to award a contract to **SabCon Underground LLC**, in the amount of **\$114,298.00** for construction of new natural gas service to Project H. Staff also requests Board authorization for the District Administrator or Deputy District Administrator to execute change orders up to an aggregate amount of **10%** of the contract amount. Funding for this request is derived from the RCID Series 2015-1 Utility Revenue Bonds (Non-Taxable). In addition, this

project will receive customer Cost-in-Aid-of-Construction (CIAC) funds. Mr. Herrick advised that the BOS had approved an established budget in July of last year. Mr. Herrick advised that SabCon Underground LLC is the lowest of three bids received. Their bid was quite a bit lower than the other two and they are an excellent contractor. President Hames asked if there were any public comments on this request and there were none. Upon motion by Mr. Brito and duly seconded, the Board unanimously approved the request. **(EXHIBIT H)**

8. OTHER BUSINESS

Item 8A – Utility Projects – Status of Bond Funds

In response to the BOS's previous request, Mr. Mark Swanson presented an update on the status of bond funds 2015-1, 2018-1, and 2018-2, which total \$94,000,000.00. Mr. Swanson advised that as of FY19, 1st Quarter, 62% of the funds have been paid out and 26% more or 88% total has been approved by the BOS towards contracts. All funds are expected to be brought to the BOS for contract approvals by FY20, 2nd Quarter. Mr. Swanson advised that some of the bigger projects for the 2015-1 bonds totaling \$38,000,000.00 are the Hollywood Studios/Disney Springs Expansion/EPCOT Expansion that are moving quickly. Mr. Swanson advised that the 2018-1 bonds total \$34,000,000.00. As of FY19, 1st Quarter, 22% of the funds have been paid out and 21% more or 43% total has been approved by the BOS towards contracts. All funds are expected to be brought before the BOS for contract approvals by FY20, 3rd Quarter. Mr. Swanson advised that some of the bigger projects for the 2018-1 bonds are the River Country Resort/Skyliner/Solar Expansion. Mr. Swanson advised that the 2018-2 bonds total \$22,000,000.00. As of FY19, 1st Quarter, 13% of the funds have been paid out and 10% more or 23% total has been approved by the BOS towards contracts. All funds are expected to be brought to the BOS for contract approvals after FY20, 4th Quarter. Mr. Swanson advised that a couple of the bigger projects for the 2018-2 bonds are the North Services Area Chilled Water Expansion and EPCOT Chilled Water Expansion. Mr. Swanson advised that no BOS action is needed for this update.

Item 8B – Renewable Energy Credits

Mr. Swanson presented an update on the Renewable Energy Certificates (REC). Mr. Swanson advised that RCID is establishing a Renewable Energy Certificate (REC) Distribution Program. The RECs track the ownership of environmental and social benefits of the renewable energy. Our solar arrays are eligible renewable energy resources and create RECs. RCID's intent is to formally transfer ownership of these RECs to its electric utility customers. RCID will utilize the North American Renewable (NAR) Registry to create, track and manage its RECs. This program has a cost of \$3,000.00 per year and is included in this year's budget. This program has a customer benefit as well as a social benefit as certain amounts of the RECs can be claimed in portfolios.

President Hames asked if there was any further business to discuss.

Ms. Blakeslee advised that previously Mr. Todd Wiederkehr had been added as a 3rd signatory on RCID checks. Ms. Blakeslee advised that since Mr. Chris Quinn, Finance Manager, is now at

RCID, his name should be added as the 3rd signatory and Mr. Wiederkehr's name removed. President Hames asked if there were any public comments on this request and there were none. Upon motion by Mr. Brito and duly seconded, the Board unanimously approved the request.


Ms. Blakeslee advised that a meeting was just held with the Auditors. It was noted that when RCID set up the OPEB Trust, funds that had been set aside for the past several years were used to initially fund the Trust. The funds had been budgeted each year they were set aside, but were not being carried forward as a reserve each year. This cumulative amount was not initially shown in the 2018 budget. Ms. Blakeslee advised that in order to record the transaction in accordance with accounting principles, \$10,000,000.00 needed to be reflected in the Labor budget for 2018 and reflected in Financial Statements as Labor expense. President Hames asked if there were any public comments on this request and there were none. Upon motion by Mr. Brito and duly seconded, the Board unanimously approved the request.

Mr. Classe advised that the next BOS Meeting will take place on February 27th, at 9:30 a.m.

Mr. Classe then presented the Final Thought from John Sinclair, American poet, writer, and political activist, "Failure is a bruise, not a tattoo."

There being no further business to come before the Board, the meeting was adjourned.

ATTEST



John H. Classe, Jr.
Secretary, Board of Supervisors



Laurence C. Hames
President, Board of Supervisors