

MINUTES OF MEETING

Board of Supervisors

Reedy Creek Improvement District

February 26, 2020

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, February 26, 2020, at the Administrative Offices of the District, 1900 Hotel Plaza Boulevard, Lake Buena Vista, Florida.

Those present were President Larry Hames, Max Brito, and Don Greer, 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 Graham, Assistant District Clerk; Erin O'Donnell, Administration; Bruce Jones and Craig Sandt, Contract and Construction Management; Chris Quinn, Eddie Fernandez, Susan Higginbotham and Heidi Powell, Finance; Kerry Satterwhite, Property Management; Jason Middleton and Kimberley Ferretti, Human Resources; Samarth Thomas and Yenni Hernandez, Technology Services; Mike Crikis, Environmental Sciences; Kate Kolbo, Planning & Engineering; Jerry Wooldridge, Bldg. & Safety; Chief Richard LePere and Deputy Chief Eric Ferrari, RCFD; Jason Herrick, Mark Swanson, and Ray Crooks, RCES; Marty Pawlikowski, WDI; Ed Milgrim and Ilana Perras, Milgrim Law Group; Steven Miller and Joshua Tillman, WDP&R; Nathaniel Johnson and Tyler Calderon, JP Morgan; Coleman Cordell, Bank of America; Bob Gang, Greenberg Traurig; and Monique Spotts, Bryant, Miller & Olive.

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 two AEDs in case of an emergency. 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 that a first-aid kit is located at the Security Guard's desk right outside the Boardroom. Mr. Fernandez advised that the monthly safety tip is "Eye Wellness Safety." Mr. Fernandez advised that one million workers suffer eye injuries each year. Mr. Fernandez advised that everyone should wear protective glasses in order to prevent many types of eye injuries.

APPROVAL OF MINUTES

Minutes from the January 22, 2020 BOS Meeting were approved and accepted as presented.

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

REPORTS

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

Mr. Classe advised that a team of 12 volunteers from RCID went to the Second Harvest Food Bank on the morning of January 30th and sorted food and packaged goods for the first half of the day. The RCID team filled enough boxes of food to distribute to 8,000 people. It's all about giving back to our community and making a difference.

Mr. Classe advised that the Legislative Session in Tallahassee is going well for the District. Mr. Classe advised that there is nothing of significance in the areas of utilities, environmental or transportation that would affect RCID.

Ms. Blakeslee advised that Mr. Tomas Lares, Founder, Speaker and CEO of the United Abolitionists organization spoke to a group of RCID employees at a Lunch and Learn event on February 14th. Mr. Lares addressed the number of cases of human trafficking and that it is very prevalent here in Florida. Ms. Blakeslee advised that our "Change for Change" proceeds from January-March 2020 will be donated to this group.

Ms. Blakeslee advised that the Relay for Life event will take place March 27-29 at Maxwell Field, located at Station 4. Ms. Blakeslee advised that this event is about education and raising funds to fight cancer in memory of loved ones.

Ms. Blakeslee advised that a Utility Rate hearing will be held next month. Ms. Blakeslee also advised that there are several people in the audience today who are involved in the Bond Pre-Closing of RCID's bond refinancing.

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 – First Amendment to Lease Agreement and Amendment to Memorandum of Lease – FL Solar 5, LLC

CONSIDERATION of Request for Board approval of First Amendment to Lease Agreement and Amendment to Memorandum of Lease between Reedy Creek Improvement District and **FL Solar 5, LLC** in connection with the Origis 50 MW solar farm to revise the legal description of the ground lease premises and Board authorization for the District Administrator or Deputy District Administrator to execute and deliver the amendments. **(EXHIBIT A)**

Item 6B – Second Amendment to Duke Energy Transaction Schedule for Calendar Year 2022

CONSIDERATION of Request for Board approval for the District Administrator to execute the Second Amendment to the Transaction Schedule dated August 27, 2014 by and between **Duke Energy Florida, LLC (“DEF”)** and Reedy Creek Improvement District (“RCID”). Such Amendment has been agreed upon as of January 6, 2020 (“Effective Date”). **(EXHIBIT B)**

Item 6C – Natural Gas Enabling Agreement with City of Lakeland, Electric Department

CONSIDERATION of Request for Board approval for the District Administrator to execute the North American Energy Standards Board (NAESB) Enabling Natural Gas Agreement between **City of Lakeland, Electric Department (LAK)** and Reedy Creek Improvement District (RCID) allowing RCID to transact (purchase or sell) natural gas commodity with LAK. **(EXHIBIT C)**

Item 6D – Natural Gas Enabling Agreement with RDAF Energy Solutions, LLC

CONSIDERATION of Request for Board approval for the District Administrator to execute the North American Energy Standards Board (NAESB) Enabling Natural Gas Agreement between **RDAF Energy Solutions, LLC (RDAF)** and Reedy Creek Improvement District (RCID) allowing RCID to transact (purchase or sell) natural gas commodity with RDAF. **(EXHIBIT D)**

Item 6E – Amended Transmission Network Service Agreement and Network Operating Agreement

CONSIDERATION of Request for Board approval for the District Administrator to execute the Amended and Restated Service Agreement No. 147 and Network Operating Agreement (NOA) for Network Integration Service between **Duke Energy Florida (DEF)** and Reedy Creek Improvement District (RCID) dated March 1, 2020 providing firm transmission service for RCID’s network resources. **(EXHIBIT E)**

Item 6F – RCID Board Resolution No. 613

CONSIDERATION of Request for Board adoption of RCID **Resolution No. 613** (repealing Resolution No. 522) **(EXHIBIT F)**

Item 6G – RCID Board Resolution No. 614

CONSIDERATION of Request for Board adoption of RCID **Resolution No.614** (repealing Resolution No. 524). **(EXHIBIT G)**

Item 6H – RCID Board Resolution No. 615

CONSIDERATION of Request for Board adoption of RCID **Resolution No.615** (repealing Resolution No. 544). **(EXHIBIT G)**

Item 6I – Permanent Access Easement to Mattamy Homes

CONSIDERATION of Request for Board approval of a roadway access easement from RCID to **Mattamy Homes**, the developer of Island Village in Celebration, to allow Mattamy Homes to construct a secondary access road to Island Village from the south, as required by Osceola County,

and Board authorization for the District Administrator or Deputy District Administrator to execute and deliver the easement. **(EXHIBIT I)**

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. Brito and duly seconded, the Board unanimously approved the Consent Agenda.

REGULAR AGENDA

Item 7A – SNCEP MCC Replacements – Initial Budget Revision

Mr. Herrick requested Board approval to revise the initial budget from **\$2,260,000.00 to \$2,465,000.00** for the SNCEP MCC Replacements project. Funding for this request is subject to reimbursement from the RCID Series 2018-2 Utility Revenue Bonds (Taxable). Mr. Herrick advised that this request is for replacement of two remote control centers at chiller plants that failed last year due to a lightning strike. Chillers went offline for more than one hour. The replacements will be an uninterruptible power supplier. 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.

Item 7B – SNCEP MCC Replacements – Change Order

Mr. Herrick requested Board approval to execute a Change Order to Contract #C005309 with **Carter Electric, Inc.**, in the amount of **\$268,146.82** for SNCEP MCC Replacements project. Funding for this request is subject to reimbursement from the RCID Series 2018-2 Utility Revenue Bonds (Taxable). Mr. Herrick advised that this request is for work needed due to frequent lightning storms per year that take chillers offline. 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.

Item 7C – SNCEP MCC Replacements – Owner-Furnished Material (OFM)

Mr. Herrick requested Board approval of Owner-Furnished Material (OFM) in the amount of **\$20,000.00** for the SNCEP MCC Replacements project. Funding for this request is subject to reimbursement from the RCID Series 2018-2 Utility Revenue Bonds (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. **(EXHIBIT J)**

Item 7D – World Drive North Phase 2 Electric Infrastructure Relocation – Professional Fees

Mr. Herrick requested Board approval to execute a Work Authorization under Master Services Agreement #M000098 to **Leidos, Inc.** in the total amount of **\$135,045.00** in professional fees for design, bidding and construction phase services associated with the relocation of electrical infrastructure on the World Drive North Phase 2 project. Funding for this request is included in the approved project budget and is derived from the RCID 2016-2024 Transportation Projects Ad Valorem Bonds. Mr. Herrick advised that this request is for electrical design related to utilities relocation. 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.

Item 7E – World Drive North Phase 2 Electric Infrastructure Relocation – Owner-Furnished Material (OFM)

Mr. Herrick requested Board approval of Owner-Furnished Material (OFM) in the amount of **\$1,100,000.00** for the World Drive North Phase 2 project. Funding for this request is included in the approved project budget and is derived from the RCID 2016-2024 Transportation Projects Ad Valorem Bonds. Mr. Herrick advised that this request is for 4 miles of 3-phase cable, 12 miles of cable and 3 switches. 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 7F – World Drive North Phase 2 Electric Infrastructure Relocation – RCES Soft Costs

Mr. Herrick requested Board approval of an amount of **\$350,000.00** for RCES engineering and construction support, including survey, submittal review and project inspection costs for the World Drive North Phase 2 project. This request includes Board authorization for RCID's and/or RCES's direct purchase of miscellaneous good and ancillary professional services as necessary for the project. Funding for this request is included in the approved project budget and is derived from the RCID 2016-2024 Transportation Projects Ad Valorem Bonds. . 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. **(EHIBIT K)**

Item 7G – Review of RCID Financial Statements

Mr. Quinn requested the Board to accept FY2019 RCID Financial Statements. Mr. Quinn advised that in September, the auditors from Ernst & Young came to the District for interim work and returned to the District for December and January. The Auditors met with the RCID Audit Committee on February 5th and Financial Statements were completed. The Auditors issued various compliance reports including a management letter and all areas were good. Mr. Quinn advised that RCID received the highest opinion that E&Y can give and all areas were positive. Mr. Quinn reported that the District had an increase in total net position of \$48.2 million; a decrease in net long-term debt of \$49.2 million with principal payments of \$41.3 million; an increase in net pension liability of \$7.5 million; increase in net OPEB liability of \$18.5 million with the discount rate decreasing from 4.19% to 2.66%. Mr. Quinn advised the Board of Financial Statement highlights for FY2019 as shown in the copy of Financial Statements previously provided to the BOS. Mr. Quinn reported on 2020 Issues which include Governmental Accounting Standards Board (GASB) 84 Fiduciary activities which has an implementation guide 2019-2; and potential impact on OPEB plan, notes and schedules as well as treatment of the 457 deferred compensation plan. 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. **(EHIBIT L)**

Item 7H – Transportation Projects Capital Budgets Reallocation

Mr. Classe requested Board approval to reallocate uncommitted funds in the District's Transportation Projects Capital Improvements Program to specifically approve the following

actions. Funding for this request is included in the approved project budget and is derived from the RCID 2016-2024 Transportation Projects Ad Valorem Bonds.

- 1) Create a new project, District-Wide DMS Improvements, with an initial budget of **\$4,000,000.00.**
- 2) Create a new project, District-Wide Fiber Improvements, with an initial budget of **\$4,000,000.**

Mr. Classe advised that the Transportation Projects have grown over the years. These projects started with Buena Vista Drive and Disney Springs with the 2013 Ad Valorem bonds. Subsequently, two additional bonds were issued for the expansion of the capital projects program. Collectively, the bonds were referred to as the "Transportation Ad Valorem Bonds. Mr. Classe advised that RCID has been working with Osceola County for the past year on the existing RCID Osceola Parkway bonds. Recently, Osceola County issued new bonds and provided funds to RCID for the County's obligation related to those RCID bonds. So there is no longer an agreement with Osceola County related to the Osceola Parkway. Mr. Classe advised that funds from Osceola County were put into funding RCID roadway-related projects which are now called "2016-2024 Transportation Projects Ad Valorem Bonds". Mr. Classe presented a slide with the proposed budget for the District-Wide Digital Messaging Signs (DMS) that informs the public when there are road closures. Mr. Classe advised that this request also includes moving forward with a District-Wide Fiber Improvements initial budget. Mr. Classe advised that Ms. Kolbo has been studying this project for some time and feels comfortable about both of these budget requests. 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 M)**

Mr. Quinn then gave a brief update on the Utility Bond Projects. Mr. Quinn advised that the 2015-1 Utility funds are now depleted and that the 2018-1 funds are almost gone. Mr. Quinn advised that the 2018-2 funds have just under \$5M to be expended and it won't be long before that happens. Mr. Quinn advised that the BOS will hear more in the next few months. Mr. Quinn advised that no action is required by the BOS at this time.

8. OTHER BUSINESS

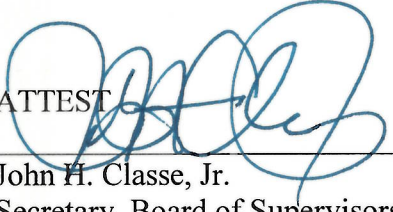
President Hames asked if there was any further business to discuss.

Mr. Classe advised that the next BOS Meeting will take place on March 25th at 9:30 a.m.

Mr. Classe presented the Final Thought from John Quincy Adams, 6th US President, "If your actions inspire others to dream more, learn more, do more and become more, you are a leader."

There being no further business to come before the Board, the meeting was adjourned at 10:04 a.m.

ATTEST



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



Laurence C. Hames
President, Board of Supervisors