

MINUTES OF MEETING

Board of Supervisors

Reedy Creek Improvement District

March 27, 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, March 27, 2019 at the Administrative Offices of the District, 1900 Hotel Plaza Boulevard, Lake Buena Vista, Florida.

Those present were Larry Hames, Donald Greer, Jane Adams and Max Brito, 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, and Erin O'Donnell, Administration; Jerry Wooldridge, Building & Safety; Bruce Jones and Dana Keller, Contract & Risk Management; Chris Quinn, Susan Higginbotham, Lexy Wollstadt, and Heidi Powell, Finance; Jason Middleton, Human Resources; Ron Zupa, Technology Services; Mike Crikis, Environmental Sciences; Kate Kolbo, Planning & Engineering; Chief Richard LePere, Deputy Chief Eric Ferrari, and Deputy Chief Keith Cartwright, RCFD; Jason Herrick, Mark Swanson, and John Giddens, RCES; John McGowan, WDP&R; Marty Pawlikowski, Walt Disney Imagineering; and Ed Milgrim, Milgrim Law Firm.

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

SAFETY MINUTE

Ms. Dana Keller presented the safety instructions for the Administration Building. Ms. Keller identified the locations of the emergency exits and the location of the two AEDs in case of an emergency. Ms. Keller 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. Ms. Keller advised that a first-aid kit is located at the Security Guard's desk right outside the Boardroom. Ms. Keller advised that last month's safety tip was "Mental Health Awareness". All RCID employees attended a "Mental Hygiene" class over the last month and feedback was well-received. Ms. Keller advised that with several recent suicides over the last couple of weeks, to please be aware of those around you who may be suffering from depression and reach out to them whenever possible.

APPROVAL OF MINUTES

Minutes from the February 27th BOS Meeting were approved as presented.

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

REPORTS

A departmental report was presented by the District Administrator. **(EXHIBIT N)**

Mr. Classe reported that with Mr. Doug Wagner's departure from RCES, Mr. Brian Jones has now been named to replace him. Mr. Classe advised that Mr. Jones had been with RCES until 2015 when he was transferred to Disney's Hollywood Studios, so some of the BOS Members will probably remember him. Mr. Classe advised that Mr. Jones could not be at the BOS meeting today, but would attend a meeting in the future.

Mr. Classe presented slides with photos of a young boy named Jermaine who was hosted by the RCFD and then spent time at the Magic Kingdom. Mr. Classe advised that RCID works in conjunction with Give Kids the World and other charities to host children suffering from life-threatening illnesses.

Mr. Classe presented slides of a new apparatus that was recently added to the RCFD fleet. This piece of equipment is called the Bronto and will be used primarily for high reach evacuations. Joint training was recently held between the Orange County Fire Department and RCFD with a night rescue from the monorail. This new equipment can reach all cabins on the monorail. There will eventually be two of the Brontos on property.

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 – Project S Chilled Water and Low-Temperature Hot Water Services – Preliminary Budget

CONSIDERATION of Request for Board approval to revise the preliminary budget for the Project S Chilled Water and Low Temperature Hot Water Services project by reducing approved funding in the soft cost line item by **\$25,000.00** and increasing funding in the Owner-Furnished Materials line item by the same amount. The total preliminary budget amount will remain unchanged. Funding for this request is derived from the RCID Series 2018-2 Utility Revenue Bonds (Taxable).

Item 6B – Project S Chilled Water and Low-Temperature Hot Water Services – Owner-Furnished Materials (OFM)

CONSIDERATION of Request for Board approval of Owner-Furnished Materials (OFM) in the amount of **\$25,000.00** for the Project S Chilled Water and Low-Temperature Hot Water Services

project. Funding for this request is derived from the RCID Series 2018-2 Utility Revenue Bonds (Taxable). **(EXHIBIT A)**

Item 6C – 2019 Capital Improvement Projects – Cloud-Based Digital Information Repository Service

CONSIDERATION of Request for Board approval to enter into a multi-year, multi-project license agreement with **Newforma**, permitting an unlimited number of users to access the Newforma Project Cloud proprietary digital information repository service for a one-time fee of **\$18,625.00**. The fee for the service permits use of the system in conjunction with the administration of one or more projects with an aggregate construction cost of not more than **\$51,000,000.00**. The service will be utilized on all of the projects comprising the 2019 Capital Improvements Projects. Funding for this request is included in the approved project budget and is derived from the RCID 2016-2020 Transportation Projects Ad Valorem Bonds. **(EXHIBIT B)**

Item 6D – World Drive North Extension Phase 2 – RCES Utility Design and Support Services

CONSIDERATION of Request for Board approval of an amount of **\$35,000.00** for RCES Utility design and support services for the relocation of natural gas, electrical, potable water, wastewater, reclaimed water and fiber optic 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 2016-2020 Transportation Projects Ad Valorem Bonds. **(EXHIBIT C)**

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 – Real Property Exchange Agreement – RCID and Flamingo Crossings, LLC

Ms. Kate Kolbo requested Board approval of a Real Property Exchange Agreement between RCID and **Flamingo Crossings, LLC (FCLLC)** in which RCID and FCLLC agree to exchange certain land owned by each party and of equivalent value; and Request for Board authorization for the District Administrator or Deputy District Administrator to execute the Real Property Exchange Agreement and to execute the deeds and other closing documents contemplated under the Agreement. Ms. Kolbo presented a slide showing the location of the land being exchanged. Ms. Kolbo advised that this request is associated with right-of-way for the Western Way Extension project. Ms. Kolbo advised that final legal descriptions are being prepared and upon completion the land transfer will be completed. President Hames asked if there were any public comments on this request and there were none. Upon motion by Ms. Adams and duly seconded, the Board unanimously approved the request. **(EXHIBIT D)**

Item 7B – Real Property Exchange Agreement – RCID and Walt Disney Parks & Resorts U.S., Inc.

Ms. Kolbo requested Board approval of a Real Property Exchange Agreement between RCID and **Walt Disney Parks & Resorts U.S., Inc. (WDP&R)** in which RCID and WDP&R agree to exchange certain land owned by each party and of equivalent value; and Request for Board authorization for the District Administrator or Deputy District Administrator to execute the Real Property Exchange Agreement and to execute the deeds and other closing documents contemplated under the Agreement. Ms. Kolbo presented a slide which showed the location of the property being exchanged with this request. Ms. Kolbo advised that this request is associated with right-of-way for the Western Way Extension project. Ms. Kolbo advised that surveys were completed by RCES. 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 7C – Real Property Exchange Agreement – RCID and ARDC-Ocala 201, LLC (ARDC)

Ms. Kolbo requested Board approval of a Real Property Exchange Agreement between RCID and **ARDC-Ocala 201, LLC (ARDC)** in which RCID and ARDC agree to exchange certain land owned by each party and of equivalent value; and Request for Board authorization for the District Administrator or Deputy District Administrator to execute the Real Property Exchange Agreement and to execute the deeds and other closing documents contemplated under the Agreement. Ms. Kolbo presented a slide showing the location of the property being exchanged with this agreement. Ms. Kolbo advised that this request is associated with right-of-way for the Western Way Extension project. Ms. Kolbo advised that there were three separate property owners of these three properties. Therefore, this is the reason for three separate agreements. 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 F)**

Item 7D – Project Blake Lake Electric Service – Preliminary Budget

Mr. Herrick requested Board approval to issue a work authorization under Master Services Agreement #M000090 to **Team Fishel Company, Inc.**, in the amount of **\$89,939.94** for the Project Black Lake Electric Service project. 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 this request is for work on the Best Western project. This request is for the lowest bid received. Only two bidders responded out of three due to third bidder being too busy to submit a bid. 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 G)**

Item 7E – A.3 Parking Garage BVD Modifications Project – Amendment of Constructions Services Agreement

Mr. Jones requested Board approval to amend the Agreement between RCID and **Southland Construction, Inc.**, and to add to the contract sum an amount Not-To-Exceed **\$300,260.00**, for

the milling and resurfacing of westbound lanes of Buena Vista Drive from entrance to the exit of the A.3 Garage, including both intersections. 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 re-do repair work on the roadway that was already performed several years ago and that this project can absorb the cost. Mr. Jones presented a slide which showed that this project is at 90% of the original budget and this is the last significant expenditure. Mr. Jones advised that the cost of the A-3 Parking Garage is considerably lower due to using precast materials as opposed to building on-site as was done with the other two garages. 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 H)**

Item 7F – Osceola Parkway and Victory Way Area Development Project – Construction Services Agreement

Mr. Jones requested Board approval to award a Lump-Sum Fixed-Price Agreement for Construction Services in the amount of **\$4,539,400.00** to the lowest responsive bidder, **Cepra Landscaping JV, LLC**, for construction of area landscaping and development improvements supporting the Osceola Parkway and Victory Way Interchange project. This request also includes Board authorization for RCID's direct purchase of certain materials included in the contract amount. 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 additional contract amount. 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 the lowest bid of three bids received. Mr. Jones advised that bids were very close between Cepra and BrightView. Mr. Jones advised that this covers all of the landscaping for this interchange and that Cepra is doing a great job on the A.3 Garage project. 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 I)**

Item 7G – Transaction Schedule Between Florida Municipal Power Agency (FMPA) and Reedy Creek Improvement District (RCID)

Mr. John Giddens requested Board approval of a Transaction Schedule Between Florida Municipal Power Agency and RCID dated March 27, 2019. Board authorization is also requested for the District Administrator to execute this document. Mr. Giddens advised that RCID has an electric co-generation plant that has been idle for over 2 years due to an opportunity to generate electricity in a more efficient manner by sending natural gas to a highly efficient plant such as RCID's agreement with Duke. However, Mr. Giddens reported that the agreement with Duke expires in two months, so RCID has been evaluating other cost-effective opportunities. Mr. Giddens advised that FMPA has a facility that is thirteen times the size of our units and 15% more efficient. Mr. Giddens reported that there are no modifications or changes to the RCID operations and that there is no impact to electric transmission. 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 J)**

Item 7H – Gas Purchase Option Confirmation Agreement between Infinite Energy, Inc. and RCID

Mr. Giddens requested Board approval of a Gas Purchase Option Confirmation Agreement between **Infinite Energy, Inc.** and RCID dated March 27, 2019. Board authorization is also requested for the District Administrator to execute this document. Mr. Giddens reported that this agreement offers an option to purchase firm natural gas supply up to a specified amount and hurricane protection as well as looking for other sources to provide natural gas to RCID. Mr. Giddens advised that liquidity in the natural gas market has lessened at RCID supply points and natural gas suppliers and supplies are hard to get whenever there are weather-related issues. Mr. Giddens advised that this agreement is for a 3-year term. President Hames asked if there were any public comments on this request and there were none. Upon motion by Ms. Adams and duly seconded, the Board unanimously approved the request. **(EXHIBIT K)**

8. PUBLIC HEARING

President Hames then called a Public Hearing to order at 10:03 a.m. to consider adoption of proposed utility rates for chilled water, electric and natural gas for customers served by the Reedy Creek Improvement District effective for the first meter reading after March 25, 2019.

Mr. Mark Swanson advised that due to lower fuel costs, RCID will implement lowering utility rates for electricity, natural gas and chilled water for a budget reduction of approximately **\$2.3M**. Mr. Swanson advised that this mid-year rate reduction is approximately **3.6%** for electric rates, **8.9%** for natural gas, and **2.6%** for chilled water. Mr. Swanson advised that RCID can keep its utility rates lower due to higher consumption in a smaller geographic area. Mr. Swanson asked that the BOS accept the rate reductions. 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. President Hames closed the Public Hearing at 10:10 a.m. and the regular BOS Meeting was reconvened. **(EXHIBIT L)**

9. OTHER BUSINESS

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

Mr. Classe advised that Mr. Giddens would be providing a solar array update. Mr. Giddens presented slides with photos and various facts of the solar array, solar trackers, solar inverters and the solar sub-station. The newest solar array facility consists of 500,000 solar panels that track the sun's angle, on 270 acres. Mr. Giddens advised that this is a good location surrounded by wetlands and the RIBs and is partially visible from SR429. Mr. Giddens advised that these panels are two pieces of glass with a silicon mat between the panels. The sun's protons interact with the silicon causing the electrons to move across the positive and negative side of the silicon which creates an electrical current. This particular array is set up at a north to south orientation and tracks east to

west and will not produce electricity unless the sun is shining. When winds are more than approximately 25 mph, the panels will rotate to a position to protect them from wind damage. Approximately 70 volts are generated out of each panel. It takes about 40,000 panels to get four megawatts of energy. Mr. Giddens advised that the inverters convert direct current (much like a car battery) to alternating current for usability in the electric distribution grid. The thirteen inverters combine the individual panels and step up the voltage from 34,500 to 69,000 volts to the solar sub-station. Mr. Giddens advised that the developer of this project constructed the project in approximately nine months from site preparation. Mr. Giddens advised that the solar array operation is working well. When the trackers are working during sunny days, 52MW of energy are generated; if a cloudy day, only 10% of the 52MW's may be generated. Mr. Giddens advised that RCID is required to match what RCID produces to what RCID uses and that models have been developed to minimize the differences. Mr. Giddens advised that battery storage costs would be significant, so it is not economical as well as there are space limitations.

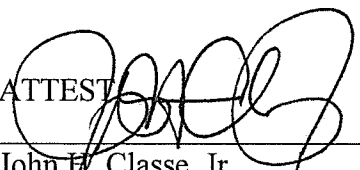
President Hames asked if there was any further business to discuss.

Mr. Classe advised that the next BOS Meeting will take place on April 24th, at 9:30 a.m.


Mr. Classe then presented the Final Thought from Audrey Hepburn, British actress, model, dancer, and humanitarian, "To plant a garden is to believe in tomorrow."

There being no further business to come before the Board, the meeting was adjourned at 10:25 a.m. and a brief recess was held before the RCID VEBA Board Meeting was called to order at 10:40 a.m.

ATTEST



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



Laurence C. Hames
President, Board of Supervisors