

MINUTES OF MEETING

Board of Supervisors Annual Landowners Meeting

Reedy Creek Improvement District

May 22, 2019

The annual meeting of the owners of land within the Reedy Creek Improvement District (RCID) was called to order at 9:30 a.m. on Wednesday, May 22, 2019 at the Administrative Offices of the District, 1900 Hotel Plaza Boulevard, Lake Buena Vista, Florida, by Chairman Larry Hames.

Landowners present were Larry Hames; Don Greer; Jane Adams; Wayne Schoolfield; Max Brito; Todd Rimmer, Walt Disney Parks and Resorts U.S., Inc. (WDP&R).; Lee Schmutde, Palm Hospitality; and Page Pierce, The Celebration Company, Flamingo Crossings, LLC and Golden Oak Development, LLC, constituting a quorum of the Landowners of the District. Others in attendance included John Classe, District Administrator; Ann Blakeslee, Deputy District Administrator; Wanda Siskron, District Clerk; Tina Graham, Assistant District Clerk; Jerry Wooldridge, Building and Safety; Richard LePere, Eric Ferrari, Keith Cartwright, Scott Underwood, Marguerite Nyhuis-Zierdt, and Raphael Port, Emergency Services; Mike Crikis, Environmental Sciences; Chris Quinn, Susan Higginbotham, Lexy Wollstadt and Heidi Powell, Finance; Todd Wiederkehr, Property Management; Ron Zupa, Technology Services; Jason Middleton, Human Resources; Tim Stanford and Katherine Luetzow, Planning and Engineering; Dana Keller, Eddie Fernandez, Bruce Jones and Craig Standt, Contract & Risk Management; John McGowan, Legal, WDP&R; Sanj Marosi, Media Relations, WDP&R; Jason Herrick, Reedy Creek Energy Services; and Ed Milgrim, Milgrim Law Firm.

Chairman Hames called the meeting to order. First order of business was the Reedy Creek Emergency Services Color Guard presenting the colors as everyone stood and recited the Pledge of Allegiance.

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 safety tip of the month is "Be Afraid" as hurricane season begins June 1st. Mr. Fernandez advised that there are predicted 13 named storms for the 2019 Season. It is predicted that 8 hurricanes will actually form with two potentially at a Category 3 or above. Mr. Fernandez advised everyone to practice and be prepared before hurricane season begins.

Chairman Hames asked if the meeting was properly noticed. The District Clerk, Wanda Siskron, acknowledged that the meeting was properly noticed. **(Exhibit A)**

Mr. Classe presented the Letter of Certification from Jeff L. Green, P.S.M., setting forth the amount of land owned by each Landowner within the District. **(Exhibit B)**

Mr. Classe called the roll of Landowners, and based on the verbal roll call, advised the following Landowners were present in person or by proxy, representing 23,497.30 of the 24,607.60 acres within the District:

Jane Adams
Max Brito
Donald Greer
Laurence Hames
Wayne Schoolfield
Flamingo Crossings, LLC
Golden Oak Development, LLC
Reedy Creek Improvement District
The Celebration Company
Palm Hospitality
Walt Disney Parks and Resorts U.S., Inc.

Mr. Classe introduced the Landowner Representatives (in addition to the Board members) present for the meeting: Mr. Todd Rimmer, representing Walt Disney Parks and Resorts U.S., Inc. (WDP&R); Mr. Lee Schmutde, representing Palm Hospitality; and Mr. Page Pierce, representing Flamingo Crossings, LLC, Golden Oak Development, LLC and The Celebration Company.

The following Landowners were not present and/or not represented by proxy for the verbal roll call:

ARDC-Ocala
FS Orlando II, LLC
FS Orlando Golf, LLC
Florida Department of Transportation
Hess Retail Stores, LLC
JL-FX Hotel Development, LLC
JL-FX Orlando Hotel 4, LLC
Mattamy Orlando LLC
Orange County
Orlando Gateway Group, LLC
Walgreen Co.

Chairman Hames requested nominations for Chairman for the meeting. Mr. Rimmer made a motion to nominate Mr. Hames as Chairman for the meeting. Motion was seconded by Mr. Schmutde. All

in favor. Nomination approved. Chairman Hames then requested nominations for Secretary for the meeting. Mr. Lee Schmudde made a motion to nominate Mr. Classe as Secretary. Motion was seconded by Mr. Pierce. All in favor. Nomination approved.

Secretary John Classe announced the expiration of the terms of Board of Supervisors' Members Maximiano Brito and Laurence Hames. Chairman Hames asked for nominations for Seat 1 being vacated by Laurence Hames. Mr. Lee Schmudde, Palm Hospitality, made a motion to nominate Laurence Hames for Seat 1 for a four-year term to expire June 1, 2023. Motion was duly seconded. Chairman Hames asked for any further nominations. There being no further nominations, Chairman Hames moved that nominations be closed for Seat 1. Motion was duly seconded. Chairman Hames asked for nominations for Seat 2 being vacated by Maximiano Brito. Mr. Page Pierce, Flamingo Crossings, LLC, Golden Oak Development, LLC and The Celebration Company, made a motion to nominate Maximiano Brito for Seat 2 for a four-year term to expire June 1, 2023. Motion was duly seconded. Chairman Hames asked for any further nominations. There being no further nominations, Chairman Hames moved that nominations be closed for Seat 2. Motion was duly seconded. The Clerk then handed out Ballots for Seats 1 and 2 to the Landowners. Ballots were completed and then retrieved by the Clerk. The Clerk then examined all of the ballots and declared them to be duly executed. The Clerk advised Chairman Hames and Secretary John Classe of the results from the ballots. Mr. Classe then announced that Laurence Hames and Maximiano Brito had been elected to four-year terms to expire June 1, 2023, each receiving all votes represented at the meeting.

Chairman Hames stated the next item of business was ratification by the Landowners of all actions by the Board of Supervisors and Officers of the District since the last meeting in May of 2018. Mr. Todd Rimmer, representing WDP&R, moved a motion to ratify all actions of the Board of Supervisors and Officers of the District since the last Landowners' meeting. Mr. Page Pierce, Flamingo Crossings, LLC, Golden Oak, LLC and The Celebration Company, seconded the motion, and the motion was unanimously approved. **(Exhibit C)**

Chairman Hames then asked Secretary Classe to present the annual reports to the Landowners.

Secretary Classe asked Ms. Katherine Luetzow to present Planning & Engineering's two reports; the 2018 Annual Report for Reclamation & Water Control, Roadway & Bridge Infrastructure and the 2019 Annual Water Control Inspection Report.

Both the 2018 Annual Report for Reclamation & Water Control, Roadway and Bridge Infrastructure and 2019 Annual Water Control Inspection Reports were then presented by Ms. Luetzow. Ms. Kuetzow advised that these two reports were included in the Landowners material previously provided and that the reports are required by RCID's Charter to be presented to the Landowners for their acceptance. Ms. Luetzow advised that these reports identify scheduling of ongoing maintenance and the planning for future expansion. Mr. Brito made a motion to accept the 2018 Annual Report for Reclamation & Water Control, Roadway and Bridge Infrastructure and Mr. Greer seconded the motion. This report was accepted on behalf of the Landowners. Ms. Adams made a motion to accept the 2019 Water Control Structures Inspection Report as presented. Mr. Greer seconded the motion. This report was accepted on behalf of the Landowners. **(Exhibit D)**

Mr. Schoolfield asked Ms. Blakeslee to present the Annual Financial Report on behalf of the District Treasurer. Ms. Blakeslee advised that Mr. Chris Quinn would be presenting the Annual Financial Report. Mr. Quinn presented an overview of Fiscal Year ended September 30, 2018, summarizing the governmental activities and utility operations by major financial statement classification. Mr. Quinn reviewed property taxes and governmental expenses; utility revenues and expenses; capital assets, and outstanding debt, all as of September 2018. Mr. Quinn reported that the District's financial strength of \$323M is very solid. Mr. Quinn reported that the District's credit ratings are very strong with an AA- rating for Ad Valorem Bonds and an A rating for Utility Revenue Bonds. Mr. Quinn reported that the auditors advised that RCID is in compliance with the State of Florida requirements and issued a clean report. Mr. Quinn reported that the Fiscal Year 2019 Budget is on target. Mr. Quinn reported that the current millage rate is 12.3996 and that the utility debt service coverage is 1.29. Mr. Brito made a motion to accept the Annual Financial Report as presented. Ms. Adams seconded the motion and report was accepted as presented.

Chairman Hames requested the report on operations and accomplishments during the preceding year.

Mr. Classe reported that he would be focusing on a couple of different areas related to Capital Projects; World Drive North-Phase 1 completed and now working on Phase 2; Western Way Extension is now completed and open to traffic; Floridian Place is done and will be open to traffic in the near future; The Grapefruit Parking Garage and Pedestrian Bridge are open and operating and there is only landscaping left to complete; and the World Drive North Phase 2 project and the Magic Kingdom Parking Lot Regional Stormwater Facility are in the design phase and should be completed within a few years with current bond proceeds.

Mr. Classe then advised that the department manager from Environmental Sciences and Building and Safety will give a report on operations and accomplishments for the District during the preceding year. **(Exhibit F)**

Mr. Crikis reported on the Mosquito Surveillance program and advised that the District had set 2,045 mosquito traps and performed full identification for 300,000 specimens. In support of the sentinel chicken program, 2,304 blood samples were collected and analyzed for virus transmission. This data was used to direct the application of chemicals for mosquito control within the Walt Disney World Parks & Resorts property which encompasses 120 linear miles of application routes.

Mr. Crikis reported that Environmental Sciences utilized long-term water quality data and expertise to address environmental regulations, permits, and watershed management expectations with State and Federal agencies. Mr. Crikis reported that fishery activities produced healthy and dynamic fish populations and that RCID maintains and moves fish from over-abundant areas to less-abundant areas. Relocation of fish is sometimes caused by construction zones and fish have to be moved to nearby healthy lakes. Mr. Crikis reported that monitoring programs collected samples for more than 100,000 analyses to represent the 172,000 acre Reedy Creek watershed. Mr. Crikis advised that RCID is the only local government in Florida that has not had a pollution loading assessment placed

against it. Mr. Crikis advised that all work is performed by RCID employees and that no contract work is performed from outside agencies.

Mr. Wooldridge reviewed Building and Safety operations and accomplishments during the preceding year. Mr. Wooldridge reported that 5,842 permits were issued during the last twelve months, with 20,035 plan reviews being conducted. Mr. Wooldridge reported that there were 49,099 inspections completed last year. Mr. Wooldridge advised that this is a significant increase from last year due to several large projects. Mr. Wooldridge advised that the major project was the opening of Toy Story Land at Hollywood Studios which is an 11-acre project. Mr. Wooldridge advised that there will be several projects for the next year. One of the major projects will be Star Wars Galaxy Edge which will partially open on August 29th. Mr. Wooldridge advised that Star Wars Galaxy Edge is amazing and is light years beyond Avatar which was a huge success in itself. Mr. Wooldridge reported that the Skyliner (Gondola) project will be in operation in September. This project is the new transportation system from several of Disney's resorts to Hollywood Studios and Epcot. Mr. Wooldridge advised that the new NBA Experience will be opening in August at Disney Springs and the new Riviera Hotel will be opening in the fall.

Chairman Hames advised that the next item on the agenda is for Ratification of Actions by the BOS and Officers of the District. Mr. Todd Rimmer, WDP&R, made a motion to ratify these actions and Mr. Page Pierce, Flamingo Crossings, LLC, Golden Oak, LLC and The Celebration Company seconded the motion. The motion was unanimously approved.

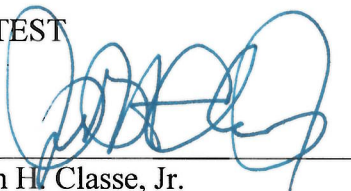
Chairman Hames and the Board members thanked everyone for their reports.

There being no further business to come before the Landowners, the meeting was adjourned at 10:12 a.m.



Donald R. Greer
Vice-President, Board of Supervisors

ATTEST



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