

## MINUTES OF MEETING

Board of Supervisors

Reedy Creek Improvement District

*August 22, 2018*

9:30 a.m.

President Greer called the regular meeting of the Reedy Creek Improvement District Board of Supervisors to order at 9:30 a.m. on Wednesday, August 22, 2018 at the Administrative Offices of the District, 1900 Hotel Plaza Boulevard, Lake Buena Vista, Florida.

Those present were Donald Greer, Jane Adams, Max Brito, Larry Hames 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 and Craig Sandt, , Contract & Risk Management; Susan Higginbotham, Lexy Wollstadt, and Heidi Powell, Finance; Ron Zupa and Yenni Hernandez, Technology Services; Mike Crikis and Jeff Holland, Environmental Sciences; Jerry Wooldridge, Building and Safety; Kate Kolbo, Planning & Engineering; Chief Richard LePere, Deputy Chief Keith Cartwright and Deputy Chief Eric Ferrari, RCFD; John Giddens, Jason Herrick and Mark Swanson, RCES; Ashley McGehee, WDI; Joe Mooney, GHD; and Nathan Barnette, grandson of BOS Member Wayne Schoolfield.

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

### **SAFETY MINUTE**

President Greer advised that there was no safety presentation today.

### **APPROVAL OF MINUTES**

Minutes of the July 25<sup>th</sup> BOS Meeting were approved as presented.

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

### **REPORTS**

Departmental reports were presented by the District Administrator and Deputy District Administrator. **(EXHIBIT J)**

Mr. Classe advised that there was a gift bag located at each BOS Member's seat. The gift is an engraved coffee mug to be used at each meeting and can be left at RCID to be stored until the next meeting.

Mr. Classe advised that RCID has a new member of the Senior Leadership Team and introduced Mr. Jason Middleton as the new Manager-Human Resources. President Greer welcomed Jason to the RCID team.

Mr. Classe then read a letter received from Mr. Jeff Smith, Director/Fire Chief in Volusia County. Mr. Smith's letter thanked the RCFD for the Honor Guard's assistance during the loss of Volusia County's Battalion Chief Jason Castelli.

Mr. Classe advised that at the end of today's meeting, he will be presenting a Capital Projects update.

Mr. Classe advised the BOS that immediately following today's meeting, the BOS will be taking a tour of several projects on property and then to lunch afterwards.

Ms. Blakeslee advised that budget talks have been going on for quite a while now. Ms. Blakeslee advised that there will be a brief budget workshop for FY2019 at the end of today's meeting.

## **CONSENT AGENDA**

President Greer 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 Non-Exclusive Easement Agreement with Golden Oak Development, LLC**

CONSIDERATION of Request for Board approval of First Amendment to Non-Exclusive Easement Agreement with **Golden Oak Development, LLC**, amending the existing Easement Agreement as a result of the relocation of the RCID reuse and potable water lines covered by the existing Agreement. **(EXHIBIT A)**

### **Item 6B – Letter Agreement between Golden Oak Development, LLC and RCID**

CONSIDERATION of Request for Board approval of a Letter Agreement between **Golden Oak Development, LLC**, and RCID in which Golden Oak Development, LLC, agrees to pay for any future relocations of said utilities if required by RCID, and Board authorization for the District Administrator to execute this document. **(EXHIBIT B)**

**Item 6C – Temporary Construction Easement Agreement – Sheriff’s Office Substation**

CONSIDERATION of Request for Board approval of a Temporary Construction Easement Agreement for Sheriff’s Office Substation at Disney Springs and Board authorization for the District Administrator to execute this document. **(EXHIBIT C)**

**Item 6D – Non-Exclusive Permanent Utility Easement Agreement with Orange County**

CONSIDERATION of Request for Board Approval of a Non-Exclusive Permanent Utility Easement Agreement with **Orange County** granting Orange County an Easement to install and maintain an Orange County Utilities sanitary sewer force main on District property to serve the Golden Oak Phase 5 residential development. Board authorization is also requested for the District Administrator to execute this document. **(EXHIBIT D)**

**Item 6E – Western Way Extension Project – Duke Energy Electrical Service Design and Installation**

CONSIDERATION of Request for Board Approval to compensate **Duke Energy** in the amount of **\$1,551.84**, which constitutes the cost of providing the design and installation of the electrical service to the street lighting, irrigation and traffic signalization load center in support of the Western Way Extension 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.

**Item 6F – A.3 Parking Garage Project – Smart City Telecom Facilities Special Construction**

CONSIDERATION of Request for Board approval to enter into an agreement with **Smart City Telecom** in the amount of **\$35,639.49**, which constitutes the cost of providing service of its underground telecommunications facilities to the Parking Garage and Pedestrian Towers in support of the A.3 Parking Garage 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 included in the approved project budget and is derived from the RCID 2016-2020 Transportation Projects Ad Valorem Bonds.

**Item 6G – OCIP Support Services – Amendment to Professional Services Agreement**

CONSIDERATION of Request for Board approval to amend the Professional Services Agreement between RCID and **Colonial Risk Management, Inc.**, to add funding in the amount of **\$40,000.00** for reimbursement of drug testing expenses. Funding for this request is included in the approved project budget and is derived from the RCID 2016-2020 Transportation Projects Ad Valorem Bonds.

President Greer 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 – Western Way Roadway Extension Project – Construction Services**

Ms. Kate Kolbo requested Board approval to award a Fixed-Price Lump-Sum Agreement for construction services to the lowest responsive bidder, **Precision Contracting Services, Inc.**, in the total amount of **\$517,511.00**, for the installation of 12,000 feet of conduit and fiber between Fire Station No. 1 and the intersection of Western Way and Buena Vista Drive. 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 included in the approved project budget and is derived from the RCID 2016-2020 Transportation Projects Ad Valorem Bonds. Ms. Kolbo advised that this request will complete the last run of fiber and is dedicated to Traffic Ops and Technology Services. President Greer 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.

### **Item 7B – World Drive Phase 2 Project Regional Stormwater Facility – Design Services**

Ms. Kolbo requested Board approval to award a Professional Services Agreement to the lowest responsive proposer, **LandDesign**, in the total amount of **\$248,312.00**, comprised of **\$246,612.00** in professional design fees and **\$1,700.00** in reimbursable expenses for the design of a Regional Stormwater Facility. The scope of services includes weekly design meetings, stormwater modeling, final drainage design and permitting, structural design for outfall structure(s), design of utility relocation, geotechnical exploration, survey, plans production and post design services to support the bidding and construction phase of the job. 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 included in the approved project budget and is derived from the RCID 2016-2020 Transportation Projects Ad Valorem Bonds. Ms. Kolbo advised that there was a last minute change in the amount being requested for approval. The total request is for **\$371,510.00**, comprised of **\$360,635.00** in professional design fees and **\$10,875.00** in reimbursable expenses. Ms. Kolbo advised that there will need to be a stormwater pond to support roadwork for World Drive Phase 2. Ms. Kolbo advised that pond will provide stormwater management for a portion of the Magic Kingdom parking lot. The new pond will bring the area up to current regulations which were not in place when the Magic Kingdom parking lots were constructed. President Greer asked if there were any public comments on this request and there were none. Upon motion by Mr. Hames and duly seconded, the Board unanimously approved the request.

### **Item 7C – A.3 Parking Garage – Temporary Pedestrian Shuttling**

Mr. Bruce Jones requested Board approval to reimburse **Walt Disney World Parks & Resorts (WDP&R)** for the direct costs incurred for shuttling pedestrians between its Casting Building and the Speedway gasoline station along Buena Vista Drive for a time period of approximately twenty-five consecutive weeks and at a total anticipated cost Not-To-Exceed **\$112,500.00**. The shuttling of pedestrians is required due to the need to close the pedestrian walkway along Buena Vista Drive during the remainder of the A.3 Parking Garage project construction. Mr. Jones advised that this request is for costs that will be incurred for shuttling pedestrians due to safety reasons and closing

of the pedestrian walkway along BVD. President Greer 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 7D – Project MI Chilled Water and Low-Temperature Hot Water Services – Revision of Preliminary Budget**

Mr. Jason Herrick requested Board approval to revise the preliminary budget for the Project MI Chilled Water and Low-Temperature Hot Water Services project from **\$675,000.00** to **\$510,000.00**. Funding for this request is derived from the RCID Series 2018-2 Utility Revenue Bonds (Taxable). In addition, this project will receive customer Cost-In-Aid-of-Construction (CIAC) funds. Mr. Herrick advised that this request is for a reduction in the preliminary budget based on bids received from three proposers. The lowest bid of \$320,706.00 was received from Harper Limbach, LLC and we will be asking for approval to award them the contract in the next related item. Mr. Herrick advised that this work is very complicated due to three different buildings being involved at Epcot and the location is very congested. President Greer asked if there were any public comments on this request and there were none. Upon motion by Mr. Hames and duly seconded, the Board unanimously approved the request.

**Item 7E – Project MI Chilled Water and Low-Temperature Hot Water Services – Construction Services**

Mr. Herrick requested Board approval to award a contract to **Harper Limbach, LLC**, in the amount of **\$320,706.00** for construction of new chilled water and low-temperature hot water services to Project MI at Epcot. 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 included in the approved project budget and is derived from the RCID Series 2018-2 Utility Revenue Bonds (Taxable). In addition, this project will receive CIAC funds. Mr. Herrick advised that this request is for construction services related to this project and Harper Limbach, LLC is the lowest bidder. President Greer asked if there were any public comments on this request and there were none. Upon motion by Mr. Hames and duly seconded, the Board unanimously approved the request.

**Item 7F – Project MI Chilled Water and Low-Temperature Hot Water Services – Owner-Furnished Materials**

Mr. Herrick requested Board approval of owner-furnished materials (OFM) in the amount of **\$25,000.00** for the Project MI Chilled Water and Low-Temperature Hot Water Services project. Funding for this request is included in the approved project budget and is derived from the RCID Series 2018-2 Utility Revenue Bonds (Taxable). In addition, this project will receive CIAC funds. Mr. Herrick advised that this request is for owner-furnished materials related to this project. President Greer 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 7G – Epcot MVP #8 Chilled Water Valve Replacement – Revision of Preliminary Budget**

Mr. Herrick requested Board approval to revise the preliminary budget for the Epcot MVP #8 Chilled Water Valve Replacement project from **\$726,000.00** to **\$887,000.00**. Funding for this request is included in the approved project budget and is derived from the RCID Series 2018-2 Utility Revenue Bonds (Taxable). Mr. Herrick advised that this request is for work on Valves Pit #8 located near turnstiles at entrance to Epcot. Mr. Herrick advised that this work is a tough job because contractors are limited to only a small window of time each day to perform this work due to the location. President Greer asked if there were any public comments on this request and there were none. Upon motion by Mr. Hames and duly seconded, the Board unanimously approved the request.

**Item 7H – Epcot MVP #8 Chilled Water Valve Replacement – Construction Services**

Mr. Herrick requested Board approval to award a contract to **S.I. Goldman Company, Inc.**, in the amount of **\$575,000.00** for construction of the Epcot MVP #8 Chilled Water Valve Replacement project at Epcot. 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 included in the approved project budget and is derived from the RCID Series 2018-2 Utility Revenue Bonds (Taxable). Mr. Herrick advised that this request is for construction services only as owner-furnished materials and RCES soft costs have previously been approved by the BOS for this project. President Greer asked if there were any public comments on this request and there were none. Upon motion by Mr. Hames and duly seconded, the Board unanimously approved the request. **(EXHIBIT F)**

**Item 7I – Electrical Equipment at the Studios North Central Energy Plant – Design Services**

Mr. Herrick requested Board approval to execute a Work Authorization under Master Services Agreement #M000065 to **Tetra Tech, Inc.**, in the total amount of **\$193,000.00** for design, bidding and construction administration services for the Replacement of 480V Electrical Equipment at the Studios North Central Energy project. Funding for this request is included in the approved project budget and is derived from the RCID Series 2018-2 Utility Revenue Bonds (Taxable). Mr. Herrick advised that this request is to replace motor control D&C which was damaged due to a major failure at the North Central Energy Plant at Hollywood Studios. Mr. Herrick advised that a request for establishing a budget will be brought to the BOS at a later date. Mr. Herrick advised that there are two energy plants at Hollywood Studios with one supporting Star Wars and Toy Story. Mr. Herrick advised that this is a big job and we hope to have it replaced by fall of next year. Ms. Blakeslee advised that insurance will cover a good portion of the damages. President Greer 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 F)**

**Item 7J – Recovered Materials Processing Facility Project – Revision of Preliminary Budget**

Mr. Herrick requested Board approval to revise the preliminary budget for the Recovered Materials Processing Facility project from **\$1,942,000.00** to **\$1,971,000.00**. Funding for this request is derived from the RCID Series 2015-1 Utility Revenue Bonds and the RCID Series 2018-1 Utility Revenue Bonds. Mr. Herrick advised that this request is for staging recycling locations from which

to load and then take to South Service area. Mr. Herrick advised that recycled materials include plastic, glass, and cardboard which are separated and then taken offsite by Republic. Mr. Herrick advised that the recycling facility is sized to handle future growth. President Greer 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 7K – Recovered Materials Processing Facility Project – Monitoring Services**

Mr. Herrick requested Board approval to reimburse **Walt Disney Imagineering (WDI)** in a Not-To-Exceed amount of **\$29,000.00** for bald eagle monitoring services in support of the Recovered Materials Processing Facility project. Funding for this request is included in the approved project budget and is derived from the RCID Series 2015-1 Utility Revenue Bonds and the RCID Series 2018-1 Utility Revenue Bonds. Mr. Herrick advised that this request is related to an eagle nest located near the site and that two eagles have been spotted at this location year after year. Mr. Herrick advised that if there is any change in the behavior of the eagles, work will shut down until May. Mr. Herrick advised that the Fish and Wildlife Commission is okay with this plan. President Greer asked if there were any public comments on this request and there were none. Upon motion by Mr. Hames and duly seconded, the Board unanimously approved the request. **(EXHIBIT G)**

**Item 7L – First Amendment to Transaction Schedule between Duke Energy Florida and RCID**

Mr. John Giddens requested Board approval of First Amendment to Transaction Schedule dated August 27, 2014 by and between **Duke Energy Florida, LLC**, and Reedy Creek Improvement District and Board authorization for the District Administrator to execute this document. Mr. Giddens advised that this request is related to the existing five-year contract that RCID has with Duke Energy. Mr. Giddens advised that RCID has been talking with other companies related to future electric supplies. Mr. Giddens advised that because of regulatory constraints, Duke is not in the position to be responsive to long-term electric supply requests until next year. Mr. Giddens advised that the request to extend this contract with Duke would enable them to participate in our future proposal for long-term electrical supply. Mr. Giddens advised that this extension has been reviewed by Legal and there are no disadvantages to extending the agreement. Mr. Giddens advised that in evaluation of the market, the Duke extension is competitive for purposes of long-term electric supply evaluation and feels comfortable going forward with this extension. President Greer 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 H)**

**8. BUDGET WORKSHOP**

Ms. Susan Higginbotham gave an update on the proposed operating budget and millage for FY2019. Ms. Higginbotham reported that FY2018 actual revenues are projected to be on target with the FY18 budgeted revenues. The FY2018 revenues include a decrease in ad valorem and an increase in Osceola Parkway which net with each other, ending at \$134M. FY 2019 assessed values are at \$11.8B, up 9.8%. FY2019 budgeted revenues will increase by \$15.6M for a total of \$149M. Ms. Higginbotham reported that there will be a 3.07% overall millage rate increase to 12.3996 mills. Ms. Higginbotham reported that the General Operating millage rate will decrease from

6.963 mills to 6.919 mills and that Debt Service millage will increase from 5.067 mills to 5.4806 mills. For Expenditures, Ms. Higginbotham advised that Labor includes seven additional positions; 2-EMS; 1-IS&T; 1-Property Management; 2-Building & Safety; and 1-Environmental Sciences, and \$1.5M in labor is attributable to annual wage increases for both contractual employees and non-contractual employees. Other Expenses include Roadway Maintenance; \$1.5M for Epcot Resorts Blvd. pavement restoration; One bridge replacement for \$1.6M in 2019; Roadway Street Light Replacement, Phase I, \$1.3M replacing lights with LED lights; Building Planned Work for FY19, interior lighting replacement to LED and replacement of ceiling tiles, crews quarters bathroom rehabs in FS1 and FS2; Outside Services; Lemon Garage anticipated to open in January 2019, an additional \$2M. Ms. Higginbotham advised that Capital Outlay is down \$1M and includes one Bronto for \$1.3M, which is equipment needed to support the Skyliner Project; and Debt Service net increase of \$5.6M. Ms. Blakeslee advised that there are several lawsuits still pending against Orange County's Tax Assessor due to assessed valuations. WDP&R is paying 100% of their taxes due and the Four Seasons is paying 75% of their taxes to RCID. We will continue to keep track of exposure and look at reserves in fund balance. Ms. Blakeslee advised that at the September BOS meeting, we will talk more about where we are. There is no action needed by the BOS at today's meeting.

Mr. Mark Swanson addressed the Utility budget for 2019. Mr. Swanson advised that FY19's utility costs are \$2.0M or -1.0% less than the FY18 plan costs; rate comparison more favorable than other utilities; natural gas significantly favorable by returning to FY18 budgeted rates; water and sewer not quite as favorable as Orange County due to Orange County's system being fully paid for and subsidies received by them; and solid waste rates are sustaining current rates. Mr. Swanson advised that at next month's September 12<sup>th</sup> BOS Meeting, there will be a work session related to costs and budget. Mr. Swanson advised that at the September 26<sup>th</sup> BOS meeting, a presentation will be submitted with a proposal for no rate increase due to low costs in fuel prices.

## **OTHER BUSINESS**

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

Mr. Classe gave an update to the BOS on the District's Capital Projects which includes Disney Springs 3<sup>rd</sup> Parking Garage; Osceola Parkway Interchange; World Drive North Flyover and Phase 2; Floridian Place Extension; and Western Way Extension. Mr. Classe presented several slides which showed the progress on all of these projects.


Mr. Classe advised that the next BOS Meeting will take place on September 12<sup>th</sup> at 5:05 p.m. for the tentative budget discussion and on September 26<sup>th</sup> at 4:30 p.m. for approval of FY19 budget.

Mr. Classe then presented the Final Thought from Christopher Robin, storybook character, "You are braver than you believe, stronger than you seem and smarter than you think."



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

  
\_\_\_\_\_  
Donald R. Greer  
President, Board of Supervisors

ATTEST   
\_\_\_\_\_  
John H. Classe, Jr.  
Secretary, Board of Supervisors