

MINUTES OF MEETING

Board of Supervisors

Reedy Creek Improvement District

August 24, 2022

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, August 24, 2022 at the Administrative Offices of the District, 1900 Hotel Plaza Boulevard, Lake Buena Vista, Florida.

Those present were Larry Hames, Jane Adams, Don Greer, and Max Brito, constituting a quorum of the Board of Supervisors. Others in attendance included; John Classe, District Administrator; Tina Graham, District Clerk; Tracy Borden, Assistant Clerk; and Ryan Conrad, Administration; Chris Quinn, Susan Higginbotham and Heidi Powell, Finance; Samarth Thomas, Technology Services; Ed Milgrim and Ilana Perras, Milgrim Law Group; Erin O'Donnell, Communications; Katherine Luetzow, Planning & Engineering; Mark Swanson and Anthony Kasper, RCES; Mike Rickabaugh, Building & Safety; Jason Middleton and Eddie Fernandez, Human Resources; Mike Crikis, Environmental Sciences; Jeff Kosik, Disney Environmental Compliance; Gregg Harkness, retired RCID; and Richard Bilbao, Orlando Business Journal. Those participating via teleconference were: Wendy Duncan, Environmental Sciences; Lexy Wollstadt, Finance; Richard LePere and Eric Ferrari, RCFD; Craig Sandt, Facilities; Yenni Hernandez, Technology Services; and Chris Ferraro, RCES.

SAFETY MINUTE

Mr. 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 September is National Preparedness Month, National Farm Safety and Health Week, and National Food Safety Education Month. Instead of sharing actual food, we are going to share food for thought on four principles for safety success. Not as delicious but just as important.

1. Be **Responsible** – no one should care more about your safety than you do. Own it.
2. Be **Cautious** – some hazards are not within your control. Be critical but not complacent.
3. Be **Informed** – read the manual, become educated, identify and use the proper protective equipment for the job at hand.
4. Be **Decisive** – it all boils down to the choices we make. The choice to wear a piece of equipment; the choice to call for advice when you're unsure; the choice to move in or back up when something doesn't look or feel quite right.

Responsible, Cautious, Informed, Decisive. RCID.

Safety success can only happen when we as an organization empower employees to use these principles and when we subsequently provide the tools and resources for their success.

Mr. Fernandez asked all the leaders present, to take a moment at their next team gathering to thank their teams for their continued commitment to District safety.

APPROVAL OF MINUTES

Minutes from the July 27, 2022 BOS Meeting were approved and accepted as presented.

The District Clerk recorded proof of publication of the meeting notice.

REPORTS

A departmental report was presented by the District Administrator.

Mr. Classe advised that Mr. Gregg Harkness nominated Mike Crikis for the Outstanding Eagles Scout Award and Mr. Harkness and Mr. Kosik were here to present Mr. Crikis with his award. Mr. Harkness advised that each year an award is given to adults that have earned their eagle as a child and have continued to distinguish themselves as an adult. This year a total of four were awarded, and he was honored to be here to present this award to Mr. Crikis. The NESAs Outstanding Eagle Scout Award "NOESA" is a distinguished service award of the Boy Scouts of America. It is awarded to an Eagle Scout by the National Eagle Scout Association for distinguished service to his profession and community upon the recommendation of his local BSA council NESAs committee, Scout executive and council president. The Board congratulated Mr. Crikis on receiving his award.

Mr. Classe reported that on August 16th, the Benefits & Wellness Committee along with the Employee Engagement Committee hosted our annual Benefits and Wellness Fair here in the boardroom. We had representatives from Cigna, Humana, Go365, Brown and Brown and the RCID Safety Committee. Activities included K9 for Heroes, emotional support dog, chair massages, basic eye screening and appointment scheduling with Eye Glass World, DermaScans and Jeremiah's Italian Ice. We had a very successful turnout of over 60 District employees from multiple departments.

Mr. Classe gave up update on Mr. Jerry Wooldridge's Celebration of Life that took place on August 3rd, at Disney's Coronado Springs Resort. Mr. Classe advised that the service was well attended with an estimate of over 300 attendees.

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 can be pulled from the Consent Agenda for further discussion, if requested. Consent Agenda items are shown below:

Item 6A – World Drive North Phase 3 – Design Services

CONSIDERATION of Request for Board approval to award a Change Order to **TLP Engineering Consultants, Inc.**, in the amount of **\$49,375.00**, for additional design services, specifically to prepare and attend the pre-bid Page Flip meeting, coordinate with utility designers, and address constructability

comments. Funding for this request is included in the approved project budget and will be derived from the RCID 2016-2024 Transportation Projects Ad Valorem Bonds. **(EXHIBIT A)**

Item 6B – Fifth Amendment – Cypress Lake Alternative Water Supply Agreement

CONSIDERATION of Request for Board approval of the “Fifth Amendment to the Cypress Lake Alternative Water Supply Agreement” and for the Board to authorize the District Administrator to execute the Amendment. **(EXHIBIT B)**

Item 6C – Potable Water Well Rehabilitation Program Phase 1 (P1126) – Design Services

CONSIDERATION of Request for Board approval to execute a Change Order to Agreement #M000157, Work Authorization W001 with **Carollo Engineers, Inc.**, in the total amount of **\$17,316.66**, for additional professional services for the Potable Water Well Rehabilitation Program Phase 1 project. Staff also request Board authorization for the District Administrator to execute change orders up to an aggregate amount of **10%** of the contract amount. Funding for this request will be derived from the RCID Series 2018-1 Utility Revenue Bonds (Non-Taxable).

Item 6D – World Drive North Phase 3 – Design Services

CONSIDERATION of Request for Board approval to execute a Work Authorization under Master Services Agreement #M000227 to **Chen Moore & Associates, Inc.**, in the total amount of **\$15,452.00** comprised of **\$14,880.00** in professional design fees and **\$572.00** in reimbursable expenses for additional design, bidding, and construction phase services associated with the World Drive North Phase 3 project. Funding for this request is included in the approved budget and will be derived from the RCID 2016-2024 Transportation Projects Ad Valorem Bonds. **(EXHIBIT A)**

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 Ms. Adams and duly seconded, the Board unanimously approved the Consent Agenda.

REGULAR AGENDA

Item 7A – ECEP Chiller Plant Rehabilitation Phase 2 (B1015) – Owner-Furnished Material (OFM)

Mr. Kasper requested Board approval of additional Owner-Furnished Material (OFM) in the amount of **\$250,000.00** for the ECEP Chiller Plant Rehabilitation Phase 2 project. The total OFM amount will increase from **\$1,600,000.00** to **\$1,850,000.00**. Funding for this request will be derived from the RCID Series 2021-2 Utility Revenue Bonds (Taxable). Mr. Kasper advised that additional electrical equipment is needed for this 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.

Item 7B – Epcot LTHW Distribution System Renewal Phase 1 (B1016) – Design Services

Mr. Kasper requested Board approval to execute an agreement with **Salas O’Brin** in the amount of **\$329,860.00** comprised of **\$317,173.00** in professional services fees and **\$12,687.00** in reimbursable expenses for design, bidding, permitting, and construction phase services associated with the Epcot LTHW Distribution System Renewal Phase 1 project. Staff also request Board authorization for the District Administrator to execute change orders up to an aggregate amount of **10%** of the contract amount. Funding for this request will be derived from the RCID Series 2021-2 Utility Revenue Bonds (Taxable). Mr. Kasper advised that the existing pipeline is about 30-40 years old and the return pipeline has developed a leak.

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 7C – Epcot LTHW Distribution System Renewal Phase 1 (B1016) – RCES Soft Costs

Mr. Kasper requested Board approval of an amount Not-To-Exceed **\$50,000.00** for RCES engineering and construction support, including survey, submittal review and project inspection costs for the Epcot LTHW Distribution System Renewal Phase 1 project. This request includes Board authorization for RCID's and/or RCES's direct purchase of miscellaneous goods and ancillary professional services as necessary for the project. Funding for this request will be derived from the RCID Series 2021-2 Utility Revenue Bonds (Taxable). 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.

Item 7D – World Drive North Phase 3 – Design Services

Mr. Kasper requested Board approval to execute a Work Authorization under Master Services Agreement #M000138 to **Pond and Company, Inc.**, in the total amount of **\$179,237.18** comprised of **\$174,737.18** in professional design fees and **\$4,500.00** in reimbursable expenses for additional design, bidding, and construction phase services associated with the World Drive North Phase 3 project. Funding for this request is included in the approved budget and will be derived from the RCID 2016-2024 Transportation Projects Ad Valorem Bonds. Mr. Kasper advised that this project will go out to bid in the next 2-3 weeks and he will bring the contract back to the board for construction in November or December. This project is estimated to be completed in 2-3 years. 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 A)**

8. OTHER BUSINESS

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

• **Budget Discussion (EXHIBIT C)**

Ms. Higginbotham advised that the Budget Workshop is a review of the FY23 Budget and there is no voting required. Ms. Higginbotham will review the high lights of the budget, the assessed values and the millage rate. The FY23 Budget will begin on October 1, 2023.

Ms. Higginbotham advised that FY22 actual revenues had a \$2.1M decrease due to Ad Valorem Assessed Values budgeted at \$12.5B and actual is \$12.4B due to last year's property appraisers settlement with WDW for the parks; FY2023 assessed values are \$13.4B, an increase of 8% we are returning to Pre Covid assessed value levels; overall millage rate increase to 13.9000 from 13.5741 mills; Operating millage increase from 8.6641 to 9.2600; Debt Service millage decrease from 4.9100 to 4.6400; FY2023 budgeted revenues will increase by \$14.M to \$183M, result of assessed value times millage rate, gives tax revenue result of \$179.1M. For Other Revenues, the Cities contributed their road and bridge funds for \$446K in FY22 and that was a one-time contribution. Ms. Higginbotham advised that annual Labor expense is increasing in FY23 by \$2.8M for a total of \$56.3M. Included in this increase is Merit and Contractual increases, additional headcount of 14 employees as the workload is returning to pre covid levels, and anticipated increase from Cigna our health insurance provider. Ms. Higginbotham gave an overview of planned work expenses, capital expenses, and debt service expenses. Roadway planned work budget for FY23 is \$16M and Ms. Higginbotham reviewed the largest projects. For Capital Expenses, Ms. Higginbotham explained the work being done at the Environmental Sciences area and the budget amount of \$4.2M for this in FY23.

Ms. Higginbotham also covered the budgeted Fire Department Equipment and Apparatus budgeted for FY22 and FY23. Ms. Higginbotham explained that debt service remains the same as previous year. As a recap, Ms. Higginbotham showed that in FY22 RCID is estimated to have an ending balance of \$29.7M. In FY23, we budgeted for a use of Fund Balance of \$4.5M, and ending Fund balance of \$25.2M. For FY23, using the Assessed values of \$13.4B times the millage rate of \$13.9000 and other income gives us total revenues of \$183M. Ms. Higginbotham advised that we would like to add \$1M committed-to property appraisal settlements as an addition to the placeholder in FY22 and then add to it in upcoming years. Ms. Higginbotham advised that our two budget meetings will be held on September 14th and September 28th. Ms. Higginbotham advised that certain Millage Rate increases require that the majority of our BOS Members attend these meetings.

Mr. Swanson advised that there has been an increase in utility rates mostly due to the rise of natural gas prices. Mr. Swanson advised that FY23 utility budget costs are increasing by \$29.3M or 17.7% to the FY22 budget costs. Also, combined revenue and interest are increasing by \$29.3M or 17.6% from the FY22 plan, which is matching the operating expense increase. The increase is the result of a 13% rate increase and a 4% greater consumption volume across all utilities. Mr. Swanson advised that FY23 proposed electric rates are 18.4% higher than the current rates of \$95.01; FY23 proposed natural gas rates are 12.5% higher than the current rate of \$7.93 and continue to be lower than other local utility gas providers; FY23 proposed water and sewer combined rates are slightly lower than the current rate of \$7.34 and continue to be lower than other local water and sewer utility providers.; and FY23 proposed solid waste rates are 8.2% higher than the current rate of \$41.13 and continue to be lower than other local solid waste utility providers. Mr. Swanson advised that our primary customers are fully aware and expecting the increases.

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

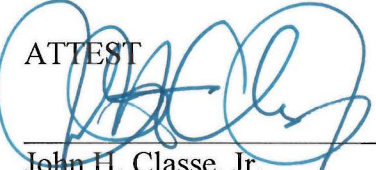
Mr. Classe then presented the Final Thought from Mike Figgis, A Film Director, Screenwriter, and Composer, *"They call it budget so you don't budge from it."*

There being no further business to come before the Board, the meeting was adjourned at 10:14 a.m.



Lawrence C. Hames
President, Board of Supervisors

ATTEST



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