

MINUTES OF MEETING

Board of Supervisors

Reedy Creek Improvement District

September 25, 2019

4:30 p.m.

President Hames called the regular meeting of the Reedy Creek Improvement District Board of Supervisors to order at 4:30 p.m. on Wednesday, September 25, 2019 at the Administrative Offices of the District, 1900 Hotel Plaza Boulevard, Lake Buena Vista, Florida.

Those present were President Larry Hames, Jane Adams, Max Brito, Don Greer 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; and Erin O'Donnell, Administration; Bruce Jones, Craig Sandt, Eddie Fernandez, and Dana Keller, Contract & Risk Management; Chris Quinn, Susan Higginbotham, Lexy Wollstadt, and Heidi Powell, Finance; Ron Zupa and Yenni Hernandez, Technology Services; Mike Crikis, Environmental Sciences; Kate Kolbo, Planning & Engineering; Jerry Wooldridge, Bldg. & Safety; Jason Herrick and Mark Swanson, RCES; Steven Miller and John McGowan, WDP&R; Marty Pawlikowski, WDI; Lee Watts, Johnson, Mirmiran & Thompson, Inc.; Ed Milgrim and Ilana Perras, The Law Office of Edward G. Milgrim.

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 related to back injuries. Mr. Fernandez advised that over one million workers suffer back injuries annually in the U.S. Mr. Fernandez advised that if an object feels heavy and more than you can safely carry, do not move it. Mr. Fernandez advised that October 6-12 is National Fire Prevention Week. Please check all fire extinguishers to be sure they are in working order.

APPROVAL OF MINUTES

Minutes from the August 28, 2019 and September 11, 2019 BOS Meetings were approved and accepted as presented.

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

REPORTS

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

Mr. Classe advised that on September 13th, there was a water tank failure with the drinking fountain on the 4th floor. The water supply line ran all night and a crew member discovered it on Saturday morning. There was standing water in the 4th floor conference room, Ann's office and the Records Administrator's office. Also, Dana Keller's office was flooded as well as the bathrooms on the 2nd and 3rd floors. Jerry Wooldridge's office was flooded as well as the 1st floor restrooms. The last two weeks have been busy with the crew doing a great job in getting the carpet treated and getting SERVPRO into the office immediately with fans and dehumidifiers drying the carpet and concrete. Within the next month or so, the carpet will be replaced where all of the water damage was done. Mr. Classe thanked the Property Management team for an outstanding job. Mr. Classe advised that there was some discomfort involved, but that the teams have been very accommodating and the office didn't have to close at all. Ms. Keller advised that insurance will cover the damages. Mr. Classe advised that we were lucky that the leak had been found so early. Mr. Classe advised that the water fountain was approximately 20 years old and that water fountains on floors 2-4 will be replaced.

Ms. Blakeslee reported that auditors are on-site and are the same team from last year. Ms. Blakeslee advised that the Audit Committee will meet on September 30th and again at the end of the audit.

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 89 Electric Service – Construction Services

CONSIDERATION of Request for Board approval to execute a Change Order to Contract #C005238 with **Maddox Electric Company, Inc.**, in the amount of **\$49,830.00** for the installation of additional duct and cabling associated with the Project 89 Electric Service project. Funding for this request is subject to reimbursement from the RCID Series 2018-1 Utility Revenue Bonds (Taxable). **(EXHIBIT A)**

Item 6B – Project C2 Natural Gas Service – Preliminary Budget Revision

CONSIDERATION of Request for Board approval to revise the preliminary budget for the Project C2 Natural Gas Service project by reducing approved funding in the construction line item and adding funds to the soft costs line item. The total preliminary budget amount will remain unchanged.

Item 6C – Project C2 Natural Gas Service – RCES Soft Costs

CONSIDERATION of Request for Board approval of an amount Not-To-Exceed **\$45,000.00** for RCES engineering and construction support, including survey, submittal review and project inspection costs for the Project C2 Natural Gas Service 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 is derived from the RCID Series 2015-1 Utility Revenue Bonds (Non-Taxable). In addition, this project will receive CIAC funds. **(EXHIBIT B)**

Item 6D – Project MK2 Natural Gas Service – Budget Revision

CONSIDERATION of Request for Board approval to increase the initial budget for the Project MK2 Natural Gas Service project in the amount of **\$21,000**. The revised total budget increases from **\$207,000.00** to **\$228,000.00**. Funding for this request is derived from the RCID Series 2015-1 Utility Revenue Bonds (Non-Taxable). In addition, this project will receive CIAC funds.

Item 6E – MK2 Natural Gas Service – RCES Soft Costs

CONSIDERATION of Request for Board approval of an amount Not-To-Exceed **\$43,000.00** for RCES engineering and construction support, including survey, submittal review and project inspection costs for the Project MK2 Natural Gas Service 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 is derived from the RCID Series 2015-1 Utility Revenue Bonds (Non-Taxable). In addition, this project will receive CIAC funds. **(EXHIBIT C)**

Item 6F – Contemporary Chiller Plant Replacement of Booster Pumps – RCES Soft Costs

CONSIDERATION of Request for Board approval of an amount Not-To-Exceed \$40,000.00 for RCES engineering and construction support, including survey, submittal review and project inspection costs for the Contemporary Chiller Plant Replacement of Booster Pumps 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 is derived from the RCID Series 2018-2 Utility Revenue Bonds (Taxable).

Item 6G – RCID 2016-2020 Transportation Projects Job Site Safety Observation – Amendment of Professional Services Agreement

CONSIDERATION of Request for Board approval to increase the amount previously approved by the Board on June 26, 2019, relating to the amendment of the Professional Services Agreement between RCID and **Colonial Risk Management, LLC**, in the amount of **\$19,500**. The revised total amount increases from **\$39,000.00** to **\$58,500.00**.

Item 6H – RCID 2016-2020 Transportation Projects Job Site Safety Observation – Amendment of Professional Services Agreement

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

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

REGULAR AGENDA

Item 7A – Contemporary Chiller Plant Replacement of Booster Pumps – Design Services

Mr. Jason Herrick requested Board approval to execute a Work Authorization under Master Services Agreement #M000138 to **Pond Constructors, Inc.**, in the total amount of **\$142,646.00** in professional fees for design services associated with Contemporary Chiller Plant Replacement of Booster Pumps 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. Mr. Herrick advised that this request covers design for scope of replacement of three pumps and two chillers. Mr. Herrick advised that the 2,000 ton chillers have been there a long time and will be eliminated. The booster pumps will remain. This request is for design and computer modeling work. 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 7B – Replacement of Chiller #2 at EPCOT Central Energy Plant (CEP) – Owner-Furnished Material (OFM)

Mr. Herrick requested Board approval to revise the budget for the Project H Electric Service project by reducing approved funding in the construction line item and adding funds to the Owner-Furnished Material (OFM) line item. The total preliminary budget amount will remain unchanged. Mr. Herrick advised that this request is actually two requests. This is for electric service to Project H, working with Walt Disney Imagineering to relocate switches and add additional cable. Mr. Herrick advised that this request is for replacement of a 2,000 ton chiller as it is at the end of its useful life. This request includes three 200 HP pumps and three 75 HP pumps. 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 – World Drive North Regional Stormwater Facility – Professional Services Agreement

Mr. Jones requested Board approval to enter into an Agreement for Professional Services with **Atkins North America, Inc.**, in the total Not-To-Exceed amount of **\$348,341.00** for construction engineering and inspection and engineering services in support of the World Drive North Regional

Stormwater Facility Project. The total amount is comprised of a fee in the amount of **\$347,341.00** and reimbursable expenses in the amount of **\$1,000.00**. 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 for a contract with Atkins North America Inc., who was the lowest of four bids received. Mr. Jones advised that HNTB, AE Engineering and Connor Engineering also bid on this project. Mr. Jones advised that this project is for construction of a 28-acre stormwater pond and large box culvert consisting of three sections. Services include concrete testing as well as compaction testing. Mr. Jones advised that project should start over the next two to three weeks. 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)**

8. PUBLIC HEARINGS

President Hames called the Public Hearing to order at 5:05 p.m. to consider Board approval of proposed millage and proposed budget rate for the Reedy Creek Improvement District for Fiscal Year 2020. Ms. Susan Higginbotham advised that there have been no changes to the budget since the Budget Workshop previously held on September 11th. Ms. Higginbotham reported that FY2020 Assessed Values are at \$12.6 Billion. Ms. Higginbotham reported that the proposed millage rate of 12.2908 consists of 7.3231 in General Operating and 4.9677 Debt Service, representing a 0.88% decrease from last year. Total Revenues for the General and Debt Service Funds are projected to be \$159 Million and Expenditures \$167 million.

Ms. Higginbotham advised that we are asking the BOS to approve adoption of the millage rate for FY2020 of 12.2908. (Operating 7.3231, Debt Service 4.9677 dollars per one thousand dollars of assessed valuation) and the adoption of **RCID Resolution No. 609**. President Hames asked if there were any public comments on this request and there were none. Upon motion made by Mr. Greer and duly seconded, the Board approved this request. **(EXHIBIT F)**

RESOLUTION NO. 609

WHEREAS, the Reedy Creek Improvement District intends to levy the FY2020 millage rate of 12.2908 dollars per one-thousand dollars of assessed valuation; and

WHEREAS, Section 200.065, Florida Statutes requires that a resolution levying a millage rate be approved by the taxing authority; and

WHEREAS, the gross taxable value for operating purposes not exempt from taxation has been certified by the County Property Appraisers to Reedy Creek Improvement District as \$12,612,004,043.00; and

WHEREAS, the Reedy Creek Improvement District has, in accordance with Section 200.065) Florida Statutes,

1. Held a public hearing on September 11, 2019 for the purpose of adopting a tentative millage rate and budget; and
2. Advertised its intent to finally adopt a millage rate and budget; and

3. Held a public hearing on September 25, 2019 for the purpose of receiving comments regarding the final millage rate.

NOW, THEREFORE BE IT RESOLVED, that the Reedy Creek Improvement District, through its Board of Supervisors, hereby levies an operating millage rate of 7.3231 dollars per one thousand dollars of assessed value for FY 2020, which is 13.73% more than the rolled-back rate of 6.4391 computed pursuant to Florida Statutes 200.065; and

BE IT FURTHER RESOLVED, that the Reedy Creek Improvement District, through its Board of Supervisors, hereby levies a debt service millage rate of 4.9677 dollars per one thousand dollars of assessed value for FY 2020 thereby levying a total millage rate of 12.2908 dollars per one-thousand dollars of assessed value for the FY 2020.

BE IT FURTHER RESOLVED by the Board of Supervisors of the Reedy Creek Improvement District assembled in regular session this 25th day of September 2019 that this Resolution be spread in full upon the minutes of this meeting.

President, Board of Supervisors

ATTEST:

Secretary, Board of Supervisors

Ms. Higginbotham requested Board consideration and adoption of the proposed FY2020 budget for the District and adoption of **RCID Resolution No. 610**. President Hames asked if there were any public comments on this request and there were none. Upon motion made by Mr. Brito and duly seconded, the Board approved this request. **(EXHIBIT G)**

RESOLUTION NO. 610

WHEREAS, the Reedy Creek Improvement District intends to adopt the FY2019 budget; and

WHEREAS, Section 200.065, Florida Statutes requires that a resolution adopting a budget be approved by the taxing authority; and

WHEREAS, the Reedy Creek Improvement District set forth the appropriations and revenue estimate for the Budget for Fiscal Year 2020 in the amount of \$186,988,538; and

WHEREAS, the Reedy Creek Improvement District has, in accordance with Section 200.065) Florida Statutes,

1. Held a public hearing on September 11, 2019 for the purpose of adopting a tentative millage rate and budget; and
2. Advertised its intent to finally adopt a millage rate and budget; and
3. Held a public hearing on September 25, 2019 for the purpose of receiving comments regarding the proposed millage rate and budget.

NOW, THEREFORE BE IT RESOLVED, that the Reedy Creek Improvement District, through its Board of Supervisors, hereby adopts the budget for the FY 2020.

BE IT FURTHER RESOLVED by the Board of Supervisors of the Reedy Creek Improvement District assembled in regular session this 25th day of September 2019 that this Resolution be spread in full upon the minutes of this meeting.

President, Board of Supervisors

ATTEST:

Secretary, Board of Supervisors

Ms. Higginbotham requested direction by the Board for the Comptroller to collect taxes for FY2020. President Hames asked if there were any public comments on this request and there were none. Upon motion made by Mr. Greer and duly seconded, the Board approved this request. President Hames then closed the Public Hearing at 5:09 p.m.

President Hames then called a Public Hearing to order at 5:09 p.m. for the Board to consider adoption of proposed utility rates for the Reedy Creek Improvement District Utilities Division.

Mr. Swanson advised that there have been no changes to the proposed rates since the September 11th BOS meeting. Mr. Swanson advised that FY20's utility costs are \$2.6M or -1.4% lower than the FY19 plan; Debt service is decreasing due to debt being paid off; mid-year rate reduction of \$3.3M; FY20 electric rates are reducing by 2.6% compared to FY19 budgeted rates; natural gas rates are increasing 4.5% compared to FY19 budgeted rates; water and sewer combined rates are reducing by 5.0% compared to FY19 rates; solid waste rates are increasing by 0.1% compared to FY19 rates. 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 approved this request. President Hames then closed the Public Hearing at 5:15 p.m. **(EXHIBIT H)**

8. OTHER BUSINESS

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

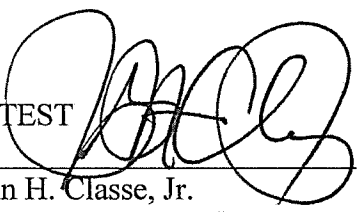
Mr. Swanson requested that the Board authorize the District Administrator to execute on behalf of the District a proposed Labor Services Agreement with RCES for FY2020 in the amount of **\$33,503,000.00**. Mr. Swanson advised that this amount represents a 4% increase over last year and includes a 3% Merit increase as well as a 1% increase for staff growth. President Hames asked if there were any public comments on this request and there were none. Upon motion by Mr. Schoolfield and duly seconded, the Board approved this request. **(EXHIBIT I)**

Mr. Classe advised that the next BOS Meeting will take place on October 23rd at 9:30 a.m.

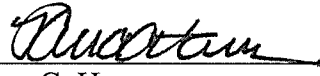
Mr. Classe then presented the Final Thought from Albert Einstein, Theoretical physicist, "Life is like riding a bicycle. To keep your balance you must keep moving."

There being no further business to come before the Board, the meeting was adjourned at 5:20 p.m.

ATTEST



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



Laurence C. Hames
President, Board of Supervisors