

MINUTES OF MEETING

Board of Supervisors

Reedy Creek Improvement District

January 25, 2017

9:37 a.m.

President Greer called the regular meeting of the Reedy Creek Improvement District Board of Supervisors to order at 9:37 a.m. on Wednesday, January 25, 2017 at the Administrative Offices of the District, 1900 Hotel Plaza Boulevard, Lake Buena Vista, Florida.

Those present were President Donald Greer, Larry Hames, Wayne Schoolfield and Maximiano 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 and Tina Williams, Assistant District Clerk; Todd Wiederkehr, Property Management; Mike Crikis, Environmental Sciences; Susan Higginbotham and Heidi Powell, Finance; Ron Zupa, Tim O'Toole, and Yenni Hernandez, Information Technology; Kate Kolbo, Planning and Engineering; Tracy Schrey, Human Resources; Bruce Jones, Craig Sandt, Dana Keller, Contract & Risk Management; Chris Ogozaly, Jason Herrick, John Giddens and Mark Swanson, Reedy Creek Energy Services; Chief Richard Lepere, Deputy Chief Eric Ferrari and Tim Stromsnes (RCFD); Lee Schmutde and Denna DeCarlo, Legal-WDP&R; Melissa Corey, WDP&R; Ashley McGehee, WDI; Bob Gang, Esq., Greenberg Traurig; Craig and Sylvia Dunlap, Dunlap & Associates; Mike Spain, Lane Construction; Damon Cottingham and Ben White, Southland Construction; Jamal Hassenneh and Elia Twigy, Target Engineering; Sandra Pedicini, Orlando Sentinel; and Scott Ricker and Nathaniel Johnson, JP Morgan Chase.

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

The District Clerk presented proof of publication of the meeting notice. **(EXHIBIT K)**

SAFETY MINUTE

Ms. Dana Keller presented a safety slide which showed the orientation of the Boardroom so that in case of emergency, everyone would know the location of the emergency exits and the AED. Ms. Keller advised that the safety tip of the month is "Do Not Text While Driving."

APPROVAL OF MINUTES

Minutes of the December 14, 2016 BOS Meeting were then approved as presented.

REPORTS

Departmental reports, both verbal and written, were presented by the District Administrator and the Deputy District Administrator. **(EXHIBIT L)**

Mr. Classe reported that written confirmation had been received from the Florida Department of Health that RCFD had passed its EMS Inspection for the sixth year in a row. Chief LePere advised that this is a great accomplishment and thanked Assistant Chief-EMS Stan Paynter and his team for doing such a great job year after year.

Mr. Classe reported that he had attended Leadership Florida in Tampa earlier this month. Mr. Classe advised that some of the topics included transportation, healthcare and higher education. Mr. Classe advised that Florida has 15 Seaports and what a challenge it is to compete against the Savannah, Georgia and Charleston, South Carolina Seaports for Federal funding. Mr. Classe reported that the U.S. spends more on healthcare than other countries but less on Social Services. When combined (healthcare and social services), the U.S. expenditures are on par with other countries. Mr. Classe reported that in reference to higher education, 64% of new jobs require some post-high school education. Right now, only 46% in Florida have that additional education/training. Mr. Classe advised that there are studies into how to change Florida High Schools and State Colleges to increase this percentage.

Ms. Blakeslee advised that no date has been set for rescheduled January 10th Public Hearing.

Ms. Blakeslee advised that the Annual Audit is coming to a conclusion. RCID has received pension information from the State and she will present RCID's Financial Statement at the February 22nd BOS Meeting.

Ms. Blakeslee reported that trinkets and treats related to RCID's 50th Anniversary Celebration to be held on May 12th had recently been handed-out to employees. Ms. Blakeslee advised the BOS members that there are blue bags at each of their seats which included some of these items. Ms. Blakeslee advised that some details are going out to attendees, but we are basically trying to keep the location a secret. Ms. Blakeslee asked the BOS members to please mark their calendars and plan to attend if they were available.

Ms. Blakeslee advised that January 31st would be the date for the Line of Credit execution and for Mr. Greer to please put this date on his calendar.

Ms. Blakeslee reported that an Audit Committee meeting has been scheduled for February 8th and all parties have been notified.

Mr. Lee Schumde advised that the Legislature is now back in session, so regular conference calls will be held with affected parties in case any bills come up that would affect RCID. Mr. Schumde advised that he has not seen anything that concerns him at this point.

CONSENT AGENDA

President Greer proceeded to the Consent Agenda and explained the process in which this works. Consent Agenda Items are shown below:

Item 6A - Technical Services Facility – FF&E Purchases

CONSIDERATION of Request for Board approval to award purchase orders in an aggregate amount Not-To-Exceed **\$40,000.00** for certain furnishings, fixtures and equipment supporting the operation of the Technical Services Facility Project. Funding for this request is included in the approved project budget and is derived from the RCID 2016 – 2021 Transportation Projects Ad Valorem Bonds.

Item 6B - Disney's Hollywood Studios 2nd Natural Gas Feed – Gas Meter Equipment

CONSIDERATION of Request for Board approval of owner-furnished materials (OFM) in the amount of **\$25,000.00** for natural gas meter set equipment. **(EXHIBIT E)**

Item 6C – Typhoon Lagoon Electric Substation – Additional Engineering Design Services

CONSIDERATION of Request for Board approval to amend the Professional Services Agreement with **HDR, Inc.** in the total amount of **\$29,600.00** to (1) redesign the oil containment system due to unanticipated site conditions; (2) redesign the 69k V feeder route due to conflicts with wetlands and the access driveway and (3) update breaker drawings due to the original switchgear designing being mirrored. Funding for this request was included in the preliminary budget approved by the BOS in July 2014. **(EXHIBIT F)**

Item 6D - Parking Garage A.3 – Additional Geotechnical Investigation Services

CONSIDERATION of Request for Board approval to amend the existing Professional Services Agreement with **PSI, Inc.**, in the total amount of **\$8,300.00** for additional geotechnical testing services in support of the A.3 Parking Garage and associated site preparation activities. Funding for this request is included in the approved project budget and is derived from the RCID Series 2016A Ad Valorem Bonds.

President Greer asked if anyone had a reason to bring up any of the 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 – Transaction Schedule between Duke Energy Florida, LLC and RCID

Mr. John Giddens requested Board approval of Transaction Schedule between **Duke Energy Florida, LLC** and **Reedy Creek Improvement District** pursuant to the Service Agreement dated September 3, 2010 and the Cost-Based Rates Tariff CBR, FERC Electric Tariff No. 9 (CR-1) dated January 25, 2017. Mr. Giddens advised that this Transaction Schedule falls under a

Tariff in place since 2010 that includes other terms and conditions. The primary purpose of the Transaction Schedule is to purchase equivalent amount of electricity from Duke as produced by RCID's cogeneration unit which will not operate on a temporary basis. Duke's four large units will enhance reliability for RCID. Mr. Giddens advised the benefits are that natural gas from existing unit can be reduced and sent to Duke. There are also benefits of deferred expenditures of approximately \$2 million for approximately two years, and extended life of the unit. 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 A)**

Item 7B – Base Contract between Florida Power & Light Company and RCID

Mr. Giddens requested Board approval to Base Contract for Sale and Purchase of Natural Gas dated January 25, 2017 between **Florida Power & Light Company** and **Reedy Creek Improvement District**. Mr. Giddens reported that this request is for an enabling agreement which allows RCID to purchase gas. This provides for another alternative provider for purchasing of gas. Mr. Giddens advised that there is no commitment involved and RCID has the right to cancel at any time. 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 B)**

Item 7C – Base Contract between Spotlight Energy, LLC and RCID

Mr. Giddens requested Board approval of Base Contract for Sale and Purchase of Natural Gas dated January 25, 2017 between **Spotlight Energy, LLC** and **Reedy Creek Improvement District**. Mr. Giddens advised that this is another enabling agreement as referenced in above request. 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 C)**

Item 7D – Amendment to Base Contract between Shell Energy North America (US), L.P. and RCID

Mr. Giddens requested Board approval of Amendment dated January 25, 2017 to Base Contract for Sale and purchase of Natural Gas dated September 24, 2014 between **Shell Energy North America (US), L.P.** and **Reedy Creek Improvement District**. Mr. Giddens advised that there is an agreement already in place. Shell Energy took over for BG and the Agreement was assigned to Shell Energy. Shell Energy requires a different set of provisions related to financial matters. President Greer asked if there were any public comments on this request and there were none. Upon motion by Mr. Schoolfield and duly seconded, the Board unanimously approved the request. **(EXHIBIT D)**

Item 7E – Resolution 588 – RCID Ad Valorem Tax Term Note, Series 2018

Ms. Ann Blakeslee requested Board Approval and Adoption of **Resolution No. 588** of the Reedy Creek Improvement District authorizing and providing for the issuance, sale and application of the proceeds of Not-To-Exceed **\$175,000,000.00** aggregate principal amount of a Reedy Creek Improvement District ad valorem tax term note, Series 2018 (bank line of credit program) (the

“note”), to finance a portion of the costs of the planning, financing, acquisition, construction, reconstruction, equipping and installation of District-wide transportation improvements within or outside the District; authorizing the private placement negotiated sale of the note; making certain covenants and agreements in connection therewith; appointing U.S. Bank National Association as authentication agent, registrar and paying agent for the note; approving the form of and authorizing the execution and delivery of an authenticating agent, registrar and paying agent agreement relating to the note; creating a note redemption account; making certain findings, representations and covenants with respect thereto; providing for incidental action; and providing for severability and an effective date. Ms. Blakeslee advised that this request is related to Resolution No. 587 which was brought to the BOS in December for approval of a Line of Credit for contracts associated with transportation plan. Ms. Blakeslee advised that when going to the banks post-December BOS meeting, the banks wanted collateral, something stronger than a promise from RCID. Ms. Blakeslee advised that any draws on this Line of Credit would be refunded with Bond proceeds as issued later this year. This Line of Credit was originally proposed to be \$200M but has been reduced to \$175M which will reduce fees to be paid for unused capacity. The note will be put into escrow. If the District can’t issue Bonds, this note can be converted into a 10-year note. US Bank will hold the escrow. The RFP went to 15 different banks and was granted to JPMorgan. Ms. Blakeslee reminded the Board that RCID cannot issue contracts without funding which is why we are entering into this Line of Credit. We can now issue Bonds when we need to. Mr. Bob Gang, Greenberg Traurig, advised that the note requires a 5% draw and spend by the District which is necessary to assure they are tax exempt notes. The IRS requires obligation to spend at least 5% within six months which is not all bad. 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 7F – Western Way Extension and Floridian Place Extension Projects – Construction Management and Construction Engineering & Inspection Services

Mr. Jones requested Board Approval to award a Not-To-Exceed Agreement for Professional Services to **Target Engineering Group, LLC** in the total amount of **\$2,043,822.00**, comprised of a Not-To-Exceed Fee in the amount of **\$1,929,822.00** and Reimbursable Expenses in the amount of **\$114,000.00**, for the construction management, procurement of construction services, construction engineering and inspection services and material testing services required for the Western Way and Floridian Place projects. Staff also requests 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 – 2021 Transportation Projects Ad Valorem Bonds. Mr. Jones advised that this request is for the above-mentioned services. Mr. Jones advised that four firms offered proposals; Target Engineering Group, LLC; Atkins North America; Parsons; and Parsons Brinckerhoff. Mr. Jones introduced Mr. Jamel Hassenneh from Target who advised that he was looking forward to this project and an investment with RCID for many years to come. Mr. Jones advised that Target has a great reputation and that Mr. Craig Sandt, who was celebrating his one-year anniversary with RCID, had worked on projects with Target while at another firm and was very pleased with their work. Mr. Brito asked if there

would be a consultant from Target on-site during this project and Mr. Jones advised that there would be. Mr. Jones advised the targeted completion date is August 2018. 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 H)**

7G - Osceola Parkway and Victory Way – Construction Agreement

Mr. Jones requested Board Approval to award, subject to execution of the Ad Valorem Tax Term Note, Series 2018, a Lump Sum Fixed Price Agreement for Construction Services to the lowest responsive bidder, **Southland Construction, Inc.**, in the total amount of **\$59,871,570.00** for the construction of the Osceola Parkway and Victory Way Road and Bridge project. The improvements to be constructed under the contract primarily consist of roadways, ramps, including MSE walls, bridges, traffic signalization, roadway lighting and signage. Staff also requests authorization for the District Administrator or Deputy District Administrator to execute change orders up to an aggregate amount of **5%** of the contract amount. Funding for this request is included in the approved project budget and is derived from the RCID 2016 – 2021 Transportation Projects Ad Valorem Bonds. Mr. Jones advised that this request is for the vast majority of the work related to the Osceola Parkway and Victory Way project. Mr. Jones advised that four firms offered proposals: Archer Western; Johnson Brothers; Wayne Construction and Southland Construction, Inc., who was the lowest responsive bidder. Mr. Jones advised that Southland has the capability to cover the scope of this project very well. Southland was engaged in the World Drive and Osceola Parkway Interchange as well as the I-4 Slip Ramp and did a great job. Southland has a great track record with RCID and gets projects done on-time. 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 I)**

7H – Lime Parking Garage – Storm Drainage Pipe Reimbursement

Mr. Jones requested Board Approval to reimburse **Walt Disney Imagineering (WDI)** for actual costs incurred in the total amount of **\$104,418.00** for the construction of certain portions of storm water piping supporting the Lime Parking Garage and its pedestrian node, which, due to logistical constraints and for purposes of efficiency, were constructed by Walt Disney Imagineering on behalf of RCID. Funding for this request is included in the approved project budget and is derived from the RCID Series 2013A Ad Valorem Bonds. Mr. Jones advised that this request is related to clean-up work done in July of 2016. Mr. Jones advised that we now have substantiated documentation. Mr. Jones advised that it was advantageous to RCID that WDI perform this work due to layout, logistics and certain times that work could be performed. Mr. Jones advised that this request was brought to the BOS in July of 2016 with a larger number and smaller documentation. But, now that there is substantial documentation, the number came in lower. Mr. Jones advised President Greer that WDI is a developer, construction management, project management, full service company. 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.

7I – Typhoon Lagoon Electric Substation – Construction Engineering & Inspection Services

Mr. Jason Herrick requested Board Approval to award a Professional Services Agreement to **Exponential Engineering Company**, in the total amount of **\$425,830.00** consisting of **\$381,520.00** in Not-To-Exceed Fees and **\$44,310.00** in reimbursable expenses for the construction management, construction engineering and inspection services and material testing services required for the Typhoon Lagoon Electric Substation project. Staff also requests 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 was included in the preliminary budget approved by the BOS in July 2014. Mr. Herrick advised that today's request is for the same type of work as was approved for Target Engineering Group, LLC. He advised that Exponential Engineering Company would be on-site full-time during this project. Mr. Herrick advised that four bids were sent out and only two responses were received. Mr. Herrick advised that Exponential Engineering Company was the lowest bidder. 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)**

7J – Third Amendment to the Interlocal Agreement between the Water Cooperative of Central Florida and Reedy Creek Improvement District

Mr. Herrick requested Board Approval of the “Third Amendment to the Interlocal Agreement Between the Water Cooperative of Central Florida and Reedy Creek Improvement District” relating to the preliminary design and permitting of the Alternative Water Supply known as the Cypress Lake Wellfield and Related Matters and to authorize the District Administrator to execute the Amendment. The Agreement was originally executed in April 2011 and amended in June 2014 and July 2015. The Interlocal Agreement defined financial and implementation obligations for water use permitting, a water transmission study, and preliminary design of the Cypress Lake Wellfield project. This Amendment to the Interlocal Agreement will:

- Provide \$174,000.00 of additional funding for:
 - Design and construction of one (1) concentrate disposal injection well and one (1) monitoring well.
 - Property acquisition to site the new wells, and
 - Additional scope in the Water Wheeling rate work.

Mr. Herrick advised that this request covers a “Third Amendment” to an agreement that has been in force for several years related to Cypress Lake Wellfield and Related Matters. This is a water use permit through the STOPR group. RCID pays for one million gallons which is 1/30th of all costs. 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.

7K - Mira Lago Environmental Mitigation Project – Reimbursement Agreement

Ms. Kate Kolbo requested Board Approval authorizing the District Administrator to execute a Reimbursement Agreement between **Walt Disney Imagineering (WDI)** and **RCID** for a portion of the permitting costs associated with the Mira Lago Environmental Mitigation Project. In exchange for a reimbursement payment in the amount of **\$490,063.60**, RCID has access to the environmental benefits of the Mira Lago project for the RCID District-Wide Transportation Projects and for future RCID Projects as mutually determined by the parties. Funding for this request is included in the 2016 Transportation Projects budget and is derived from the Series 2016A Ad Valorem Bonds. Ms. Kolbo advised that this request covers a portion of the permitting costs associated with the Mira Lago Environmental Mitigation Project. Ms. Kolbo advised that RCID has already received some access to the mitigation credits for the permits associated with the current transportation projects. 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 J)**


OTHER BUSINESS

Mr. Classe advised that the next BOS Meeting would be held on February 22nd.

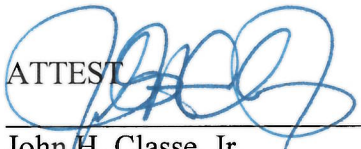
Mr. Classe then presented the Final Thought from Dr. Kenneth Ford, “Freedom has a twin – Responsibility”, which is especially appropriate at this particular time.

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

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