

# MINUTES OF MEETING

Board of Supervisors

Reedy Creek Improvement District

*February 24, 2021*

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, February 24, 2021 at the Administrative Offices of the District, 1900 Hotel Plaza Boulevard, Lake Buena Vista, Florida.

Those present were Larry Hames, Max Brito, Jane Adams, 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; Tina Graham, Assistant District Clerk, Administration; Chris Quinn, Finance; Eddie Fernandez, HR; and Ron Zupa, Technology Services. Those participating via teleconference were: Heidi Powell and Lexy Wollstadt, Finance; Bruce Jones, Procurement; Eryka Washington and Erin O'Donnell, Communications; Chris Ferraro, Mark Swanson, Ray Crooks and Anthony Kasper, RCES; Jerry Wooldridge, Building & Safety; Kate Kolbo, Planning & Engineering; Yenni Hernandez, Technology Services; Jason Middleton, HR; Kerry Satterwhite and Craig Sandt, Facilities; Mike Crikis, Environmental Sciences; Deputy Chief Eric Ferrari RCFD; and Ed Milgrim and Ilana Perras, Milgrim Law Group.

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

## **SAFETY MINUTE**

Mr. Eddie Fernandez advised that since everyone in attendance is familiar with the fire exits and emergency layout of the Administration Building, he wouldn't elaborate on those subjects. Mr. Fernandez advised that this month's safety topic is ladder safety and smoke detectors. When changing batteries in smoke detectors, Mr. Fernandez advised everyone to always maintain three points of contact with a ladder and to make sure you inspect the ladder for stress points, loose screws or breaks before use. Mr. Fernandez advised to always know what is beneath the ladder. Mr. Fernandez advised that there are over 30,000 injuries yearly in the U.S. due to ladder accidents and approximately 6,000 deaths.

## **APPROVAL OF MINUTES**

Minutes from the January 27, 2021 BOS Meeting were approved and accepted as presented.

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

## **REPORTS**

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

Mr. Classe advised the BOS Members that there was an RCID information book located at each Member's desk for them to take home with them. Mr. Classe advised that this book will be updated every couple of years.

Mr. Classe advised that the Orlando Economic Partnership has a Diversity, Equity and Inclusion Pledge and that the District has signed up for this ongoing initiative. Mr. Classe advised that one portion of this pledge is to engage new partners in the marketplace which includes vendors, staffing and partnerships with minority-owned businesses and the District is doing this.

Mr. Classe advised that we continue to manage the pandemic protocols which include working from home through the end of March. Mr. Classe advised that steps are being taken to keep the District personnel safe on property.

Mr. Classe advised that January 28<sup>th</sup> was National Fun Day at Work. Mr. Classe advised that our Employee Engagement Committee and Technology Services Department put together trivia challenges during the day. Approximately 66 employees participated with 20 prizes/gift cards awarded. One of the trivia questions was, "What was one of John Classe's summer jobs before he was a Civil Engineer?" Mr. Classe advised that he was a lifeguard at the Polynesian Resort during summer break from college. Another question was related to John's having a menagerie of cats and dogs at home. What was the name of one of his cats named after a Disney character? It is Daisy.

Ms. Blakeslee advised that she has nothing to report other than a review of the financial statements and update on bond issues at the end of the agenda today. There will also be a pre-signing on Utilities bonds after the Board adjourns.

## **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 – RCID 2016-2024 Transportation Projects Job Site Safety Observation – Additional Funding**

CONSIDERATION of Request for Board approval to allocate additional funding in the amount of **\$32,000.00** for continued construction project job site safety oversight services provided by

**Colonial Risk Management, LLC**, pursuant to RCID Contract C005403. Funding for this request is derived from the RCID 2016-2024 Transportation Projects Ad Valorem Bonds.

**Item 6B – Osceola Parkway at Victory Way Interchange Area Development – Professional Services Change Order Allowance**

CONSIDERATION of Request for Board approval to increase the previous Board authorized change order allowance to Reedy Creek Improvement District's agreement with **Atkins North America, Inc.**, in the amount of **\$6,400.00**, for landscaping and irrigation redesign services supporting the Osceola Parkway at Victory Way Interchange Area Development project. This request will be reimbursed under the executed Osceola Parkway and World Drive Interchange NE Quadrant Area Development Reimbursement Agreement between the Reedy Creek Improvement District and Walt Disney Parks and Resorts U.S., Inc. Funding for this request will be reimbursed to the District as noted above.

**Item 6C – First Amendment to Interlocal Agreement between RCID and Orange County for Delivery of Wholesale Water Services to the Flamingo Crossings Development**

CONSIDERATION of Request for Board approval of the "First Amendment to Interlocal Agreement between Reedy Creek Improvement District and **Orange County** for Delivery of Wholesale Water Services to the Flamingo Crossings Development" and to authorize the District Administrator to execute the Agreement. Under this Amendment, the Orange County service area to be temporarily served with water services will be expanded to include areas outside of the Flamingo Crossings area, and wastewater billing will be based on a wastewater flow meter to be installed at the Wastewater System Infrastructure Point of Connection as shown on Exhibit D-2 of the Agreement. **(EXHIBIT A)**

**Item 6D – Live Front to Dead Front Switch Change-Outs (P1108) – Revision to Preliminary Budget**

CONSIDERATION of Request for Board approval to revise the preliminary budget for the Live Front to Dead Front Switch Change-Outs project by reducing approved funding in the Owner-Furnished Material (OFM) line item and increasing funding in the Construction and RCES Soft Cost line items. The total preliminary budget amount will remain unchanged. Funding for this request is derived from the RCID Series 2015-1 Utility Revenue Bonds (Non-Taxable). **(EXHIBIT B)**

**Item 6E – Live Front to Dead Front Switch Change-Outs (P1108) – Construction Services Change Order**

CONSIDERATION of Request for Board approval to execute a Change Order to Agreement #C005345 with **The Fishel Company**, in the amount of **\$39,665.00** for additional construction services for the Live Front to Dead Front Switch Change-Outs 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 derived from the RCID Series 2015-1 Utility Revenue Bonds (Non-Taxable).

**Item 6F – Second Amendment to the Transaction Schedule between RCID and Duke Energy Florida (DEF)**

CONSIDERATION of Request for Board approval of the Second Amendment to the Transaction Schedule between RCID and **Duke Energy Florida (DEF)** dated July 24, 2019 for Solar Energy Purchases and Board authorization for the District Administrator to execute said Transaction Schedule. Under the existing Transaction Schedule, RCID purchases up to 5MW of Solar Energy for the period August 1, 2019 through March 31, 2021. The Second Amendment extends the original purchase Term by nine (9) months to December 31, 2021. **(EXHIBIT C)**

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 I (B1007) – Revision to Preliminary Budget**

Mr. Kasper requested Board approval to revise the preliminary budget from **\$5,065,000.00** to **\$5,580,000.00** for the ECEP Chiller Plant Rehabilitation Phase I project. Funding for this request is derived from the RCID Series 2018-2 Utility Revenue Bonds (Taxable). Mr. Kasper advised that this revision to the preliminary budget is necessary due to additional services being needed because of the difference in selected pumps being installed. Mr. Kasper advised that pump pads as well as electrical need to be modified. 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 D)**

**Item 7B – ECEP Chiller Plant Rehabilitation Phase I (B1007) – Construction Services Change Order**

Mr. Kasper requested Board approval to execute a Change Order to Agreement #C005586 with **S.I. Goldman Company, Inc.**, in an amount Not-To-Exceed **\$415,000.00** for additional construction services for the ECEP Chiller Plant Rehabilitation Phase I project. Staff also requests Board authorization for the District Administrator or Deputy District Administrator to execute change orders up to an aggregate amount of **\$437,890.00**. Funding for this request is derived from the RCID Series 2018-2 Utility Revenue Bonds (Taxable). Mr. Kasper advised that this request is related to pump difference in design once the project was begun. 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 unanimously approved the request.

**Item 7C – Contemporary Chiller Plant Booster Pump) Replacement (B1011) – Design Services Change Order**

Mr. Kasper requested Board approval to execute a Change Order to Work Authorization #W001 under Master Services Agreement #M000138 to **Pond Constructors, Inc.**, in the total amount of **\$57,060.00** for additional professional services associated with the Contemporary Chiller Plant Booster Pump Replacement project. Funding for this request is derived from the RCID Series

2018-2 Utility Revenue Bonds (Taxable). Mr. Kasper advised that this request is related to replacement of larger pumps capable of meeting demands of the Contemporary and Bay Lake resorts. Mr. Kasper advised that additional services are needed to support programming changes to new pumps. 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 unanimously approved the request.

**Item 7D – Live Front to Dead Front Switch Change-Outs (P1108) – RCES Soft Costs**

Mr. Kasper requested Board approval of an amount Not-To-Exceed **\$60,000.00** for RCES engineering and construction support, including survey, submittal review and project inspection costs for the Live Front to Dead Front Switch Change-Outs 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). Mr. Kasper advised that this request is in addition to two requests shown on the Consent Agenda. This work includes RCES soft costs related to 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 7E – Solar Purchase Power Agreement between Bell Ridge Solar, LLC (NEXTERA Energy) and RCID**

Mr. Crooks requested Board approval of the Solar Purchase Power Agreement (PPA) between **Bell Ridge Solar, LLC (NEXTERA Energy)** and RCID and Board authorization for the District Administrator to execute said PPA and all documents and attachments therein. The purpose of the PPA is to provide 75MW of Solar Energy to the District's customers for a twenty-year period beginning December 1, 2022. Mr. Crooks advised that this request is the fourth agreement for long-term solar. Mr. Crooks advised that the Board approved agreements in 2016, 2018 and 2020. Mr. Crooks advised that this will provide RCID with 40% of energy supply from solar. Mr. Crooks advised that we are not looking for any additional solar purchases for a couple of years as solar is already significant in RCID's portfolio. Mr. Crooks advised that he would give an update at next month's BOS meeting on RCID's hedging process. Mr. Crooks advised that by 2024, RCID will have more solar than anyone in the eastern United States. 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. **(EXHIBIT E)**

**Item 7F – World Drive North Phase III – Design Services Change Order**

Ms. Kolbo requested Board approval to execute a change order to the Professional Services Agreement between Reedy Creek Improvement District and **TLP Engineering Consultants, Inc.**, in the fee amount of **\$205,801.00**. No additional reimbursable expenses are requested. TLP's scope shall be expanded to include additional subsurface utility exploration, field survey, design review to resolve horizontal and vertical conflicts between utility design and existing underground utilities and structural design in support of a new box culvert. 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 change order amount. Funding for this request is included in the approved project budget and is derived from the RCID 2016-2024 Transportation

Projects Ad Valorem Bonds. Ms. Kolbo advised that this request is related to scope of work for the gathering of information related to underground utilities. This scope will glean more information and will keep to a minimum any conflicts when the project goes to the construction phase. 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. **(EXHIBIT F)**

#### **Item 7G – Review of RCID Financial Statements**

Mr. Quinn requested for the Board to accept FY2020 RCID Financial Statements. Mr. Quinn presented slides advising what services the Auditors, Ernst & Young, are engaged to perform. A copy of the Financial Statements was provided to the BOS with their packages. The Audit Committee met recently and the Financial Statements were completed. The Auditors issued various compliance reports including a management letter and all areas were good. Mr. Quinn reported that the District had an increase in total net position of \$98.2 million; a decrease in net long-term debt of \$25.8 million with principal payments of \$46.7 million; an increase in net pension liability of \$13.2 million with the discount rate decreasing to 6.8%; no significant change to OPEB liability; and Osceola Parkway Agreement payoff of \$67 million. Mr. Quinn advised the Board of Financial Statement highlights for FY2020 as shown in the copy of Financial Statements previously provided to the BOS. Mr. Quinn reported on Financial Statement Highlights for FY2020; COVID-19 Impact on Financial Statements, e.g., hiring freeze; overtime reduction; cuts to travel and unnecessary expenses; postponement of planned work and operating capital; total expenditure savings of \$13M.

Mr. Quinn reported on 2021 Issues which include initiating auditor selection process and new rules on auditor selection committee. Mr. Quinn advised that Governmental Accounting Standards Board (GASB) postponed new statement effective dates which include GASB 84 Fiduciary activities which may impact OPEB plan, notes and schedules. 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 G)**

### **8. OTHER BUSINESS**

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

Mr. Classe advised that there would be a pre-closing of Utilities bonds immediately following today's BOS meeting. Mr. Classe advised that he has a Conflict of Interest form related to these bonds at his desk that he needs for all of the BOS members to sign before leaving the meeting today.

Mr. Classe advised that Mr. Quinn will share a brief financial overview of the document left on each BOS member's desk.


Mr. Quinn advised that this overview covers bonds issued between 2013-2020, and how the funds were spent. Mr. Quinn advised that on the first page of the document, you will see the Ad Valorem

Bonds and the Osceola Parkway settlement amount in addition to the bonds. Mr. Quinn also advised that so far, all of the transportation bonds are committed to one project or another and that the current interest rate is under 3% on all tax exempt bonds. Mr. Quinn advised that on the second page, you will see the Utility Revenue Bonds. All amounts are committed except for \$23M left over in 2018-1. Mr. Quinn advised that the new 2021 rates are at 1.75% for 15 years; 2021-2A and 2021-2B are at 1.03% over 5 years and 1.58% over 7-8 years, respectively. Mr. Quinn advised that for the refinancing of the 2011 Bonds, the interest rate is .81%, which is a really great rate from Truist/BB&T. All of the new bonds have a weighted average at 2.2% which is extremely good.

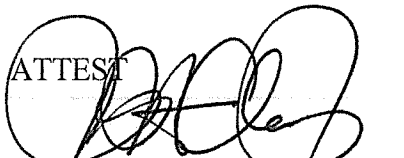
Mr. Classe advised that the next BOS meeting will take place on March 24<sup>th</sup> at 9:30 a.m. and we will continue with social distancing. Mr. Classe asked the BOS members to please be sure to keep their calendars clear, especially in May, as well as for all future meetings.

Mr. Classe advised that due to perseverance we've all experienced over this last year, he feels that today's Final Thought is very appropriate. Today's quote is from Nelson Mandela, South African anti-apartheid leader, "*It always seems impossible until it's done.*"

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



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Laurence C. Hames  
President, Board of Supervisors

ATTEST  


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