

## MINUTES OF MEETING

Board of Supervisors

Reedy Creek Improvement District

*October 3, 2022*

4:30 p.m.

President Hames called the regular meeting of the Reedy Creek Improvement District Board of Supervisors to order at 4:39 p.m. on Monday, October 3, 2022 at the Administrative Offices of the District, 1900 Hotel Plaza Boulevard, Lake Buena Vista, Florida.

Those present were President Larry Hames, Max Brito, Leila Jammal and via teleconference, Don Greer 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, and Susan Higginbotham, Finance; Ron Zupa, Technology Services; Katherine Luetzow, Planning & Engineering; Eryka Washington, Communications; Mike Rickabaugh, Building & Safety; Eddie Fernandez, Human Resources; Ed Milgrim, Milgrim Law Group; Mark Swanson, RCES Finance; and Richard Bilbao, Orlando Business Journal. Participating via teleconference was Joel Edwards, RCFD; and Chris Ferraro, RCES.

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

### **SAFETY MINUTE**

Mr. Fernandez presented the safety instructions for the Administration Building. Mr. Fernandez advised how important it is after a storm to be aware of your surroundings. Beware of things you are not familiar with like using a chainsaw, stay out of floodwaters, abandon buildings and beware of potholes. Hurricanes increase wildlife habitat and they may be out hunting or looking for shelter. Mr. Fernandez also reported that the District did well with Hurricane Ian and there were no employee injuries reported.

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

### **REPORTS**

A departmental report was presented by the District Administrator.

Mr. Classe reported that Hurricane Ian came thru central Florida last Thursday significantly affecting the area. Mr., Classe was happy to report that the District experienced minimal impact from the storm. District buildings had no significant impacts. District infrastructure (roadways, flood control, landscaping) had minor impacts – a few localized temporary roadway flooding and a roadway signage truss fell. Within hours, the District roadways were open to all traffic.

Mr. Classe reported that for the month August, rainfall amounts in the District were almost 11 inches above normal – 48” thru August vs 51” for the entire year. Hurricane Ian dropped between 9.5”-13.4” of rainfall in a 24-hour period. NOAA’s new Atlas 100-year 24-hour rainfall amount is 10.4”. Mr. Classe advised that we likely experienced a 100-year rainfall event at the District. Other areas of Florida experienced a much greater storm event, maybe a 500-year rainfall event. Several of the District waterways were at high stages but within 12-24 hours, the levels returned to near normal water levels. The Reedy Creek conservation area south of US 192 stores a lot of water before discharging downstream. The S-40 water control structure is discharging almost 17,000 gallons per second or approximately 1.5 Olympic swimming pools every minute.

Mr. Classe wanted to thank Tanya Naylor, our Emergency Manager, for her leadership before, during and after the event. Secondly, he want to thank the District leadership and the ride-out crew for supporting the District and taxpayers so we all could return to business as early as possible. In addition to Tanya, those onsite included RCES Utilities team, Mike Rickabaugh and his Technical Chiefs, Chief LePere, Deputy Chief Ferraro, Captain Chapman, Katherine Luetzow, Kerry Satterwhite’s team, Jesse Burns and several others. With so much rainfall, Katherine and her Team worked tirelessly in monitoring and adjusting the flood control system immediately after the storm passed. Others came in as soon as it was safe to continue the recovery and clean-up efforts. At times like this we live up to the words: One District, One Goal, Excellence.

Mr. Classe reported that on September 8<sup>th</sup>, the District’s Diversity, Equity and Inclusion Committee partnered with The Health and Wellness Committee to host a Lunch & Learn for Suicide Prevention Awareness Month. Our guest speakers were Dwight Bain, our Fire Department Chaplin along with two District Employees, who shared their personal stories related to suicide. The presentation focused on how to be aware of the signs and the resources on how to help someone thinking about suicide. We had a very successful turnout of District employees from multiple departments including The Fire Department, Environmental Sciences, Finance, Building & Safety, and Planning & Engineering. A total of 50 attendees, in person and virtual.

Mr. Classe reported that the Employee Engagement Committee hosted a school supply drive for “A Gift For Teaching” along with other organizations. 65 businesses and groups collected more than 122,852 school supplies and raised more than \$171,669 to help students in Orange and Osceola Counties begin the school year with the tools they need to succeed. The District collected a total of 13 boxes of items to donate.

Mr. Classe reported that on September 23<sup>rd</sup>, the District hosted a blood drive. The Big Red Bus was parked outside from 8:30 to 1:30. We had a successful turnout of District employees.

Mr. Classe reported that Flu Shots and Biometric Screening will be rescheduled due to Hurricane Ian. He invited the BOS to attend and he will let them know once we have a new date.

### **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 – Release of Existing Easement**

CONSIDERATION of Request for Board to authorize the District Administrator to execute on behalf of the District, the release of a non-exclusive perpetual easement, created March 20, 1995 and recorded in O.R. Book 4869 at Page 2381 of the Public Records of Orange County. The easement is located along the southern 37.5 feet of the parcel off State Road 535, east of Interstate 4. The easement is no longer used by or needed by the District. The owner of the parcel has requested the release of the easement to allow for the re-development of the parcel. **(EXHIBIT A)**

#### **Item 6B – Gas Supply Call Option Confirmation Agreement – GS (Gas South, Inc.)**

CONSIDERATION of Request for Board approval to execute the Gas Supply Call Option Confirmation Agreement between **Gas South, Inc.**, and the Reedy Creek Improvement District (RCID) extending the current Agreement to December 31, 2022. This extension will allow RCID to purchase natural gas supplies as needed from Gas South for the period October 1, 2022 through December 31, 2022. RCID's existing agreement with Gas South expired on September 30, 2022. **(EXHIBIT B)**

#### **Item 6C – Building Permit Fee Schedule**

CONSIDERATION of Request for Board approval of a new building permit fee schedule effective October 1, 2022. The new fee schedule incorporates changes to the permit fees for temporary structures and special events. **(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 Mr. Brito and duly seconded, the Board unanimously approved the Consent Agenda.

### **REGULAR AGENDA**

#### **Item 7A – RCID Resolution No. 636 – Authorizing Letter of Credit**

Mr. Quinn requested Board approval of **Resolution No. 636** of the Reedy Creek Improvement District approving the form and authorizing the execution and delivery of a reimbursement agreement with **Truist Bank** in connection with the issuance by the bank of a **\$3,000,000.00** letter of credit in favor of Duke Energy Florida, LLC. President Hames asked if there were any public comments on this request and there were none. Upon motion by Ms. Jammal and duly seconded, the Board unanimously approved the request. **(EXHIBIT D)**

RESOLUTION NO. 636

**A RESOLUTION OF THE REEDY CREEK IMPROVEMENT DISTRICT APPROVING THE FORM AND AUTHORIZING THE EXECUTION AND DELIVERY OF A REIMBURSEMENT AGREEMENT WITH TRUIST BANK IN CONNECTION WITH THE ISSUANCE BY THE BANK OF A \$3,000,000 LETTER OF CREDIT IN FAVOR OF DUKE ENERGY FLORIDA, LLC, AS SECURITY FOR THE OBLIGATIONS OF THE DISTRICT UNDER A POWER PURCHASE AGREEMENT; AUTHORIZING CERTAIN INCIDENTAL ACTIONS; AND PROVIDING FOR SEVERABILITY AND AN EFFECTIVE DATE.**

**WHEREAS**, on July 27, 2022 the Board of Supervisors (the "Board") of Reedy Creek Improvement District (the "District") authorized the execution and delivery of a Third Amended and Restated Transaction Schedule between Duke Energy Florida, LLC, d/b/a Duke Energy ("Duke Energy") and the District (the "Power Purchase Agreement") for a term ending on December 31, 2024; and

**WHEREAS**, Article 2(d) of the Power Purchase Agreement requires that the District provide assurance of its creditworthiness either by depositing \$3,000,000 in a non-interest bearing account with Duke Energy, or by providing an irrevocable letter of credit ("Letter of Credit") in such amount from a domestic bank with a minimum credit rating of A- from S&P and A3 from Moody's, for a term ending on January 31, 2025; and

**WHEREAS**, Truist Bank, a North Carolina banking corporation (the "Bank") with credit ratings of A-/Positive/A-2 by S&P, and A2 by Moody's, respectively, has agreed to provide the Letter of Credit upon the terms and conditions contained in a Reimbursement Agreement, a copy of which is attached hereto as Exhibit A; and

**WHEREAS**, the Board wishes to proceed to approve the form of and execute the Reimbursement Agreement and deliver it to the Bank, in consideration of the issuance and delivery of the Letter of Credit by the Bank to Duke Energy.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF REEDY CREEK IMPROVEMENT DISTRICT:**

**Section 1. Authorization of Execution and Delivery of Reimbursement Agreement.** The District hereby approves the form and content of the Reimbursement Agreement. The President or Vice President of the Board, jointly with the Secretary or District Comptroller of the District, are hereby authorized and directed to execute and deliver, on behalf of the District, the Reimbursement Agreement substantially in the form attached hereto as **Exhibit A** with such changes, insertions or deletions and such completion of blanks therein as such officers executing the same, in their sole discretion, shall approve, such execution to be conclusive evidence of such approval.

**Section 2. Incidental Action.** The appropriate members of the Board of Supervisors and officials and staff of the District are hereby authorized to take such actions as may be necessary to carry out the purpose of this Resolution.

**Section 3. Open Meetings.** It is hereby found and determined that all formal actions of the Board concerning and relating to adoption of this Resolution were taken in open meetings of the Board and all deliberations of the Board that resulted in such official acts were in meetings open to the public in compliance with all legal requirements, including, but not limited to, the requirements of Section 286.011, Florida Statutes.

**Section 4. Effective Date.** This Resolution shall take effect immediately upon its adoption in the manner provided by law.

Passed and adopted this 3rd day of October 2022.

## 8. PUBLIC HEARINGS

President Hames then called a Public Hearing to order at 5:05 p.m. for the review and approval of the final millage rate and final budget for the Reedy Creek Improvement District (RCID) and the final budget for the Utilities Division for Fiscal Year 2023.

Ms. Higginbotham advised that nothing has changed since the approved tentative budget that was presented and approved on September 14<sup>th</sup>. Ms. Higginbotham gave a brief summary of the proposed FY23 budget. Ms. Higginbotham advised that savings in FY22 gives RCID an ending balance of \$30.5M. Ms. Higginbotham advised that 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. Total expenses of \$188.3M and we have a \$5.3M use of fund balance and an ending fund balance of \$25.1M. Ms. Higginbotham advised that we would like to add \$1M to committed funds for property assessment settlements giving us a total committed amount of \$5M. We do not know the outcome of the lawsuits from the Four Seasons Disney and Swan & Dolphin that are still pending against the Orange County Tax Assessor due to assessed valuations. **(EXHIBIT E)**

Ms. Higginbotham requested Board consideration and adoption of a millage levy for FY2023 at the rate of 13.9000 (Operating 9.2600, Debt Service 4.6400) dollars per one thousand dollars of assessed valuation and adoption of RCID Resolution No. 634. President Hames asked if there were any public comments on this request and there were none. Upon motion by Ms. Jammal and duly seconded, the Board unanimously approved the request. **(EXHIBIT F)**

### RESOLUTION NO. 634

WHEREAS, the Reedy Creek Improvement District intends to levy the FY2023 millage rate of 13.9000 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 \$13,422,792,526; and

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

1. Held a public hearing on September 14, 2022 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 October 3, 2022 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 9.2600 dollars per one thousand dollars of assessed value for

FY 2023, which is 13.85% more than the rolled-back rate of 8.1334 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 4.6400 dollars per one thousand dollars of assessed value for FY 2023 thereby levying a total millage rate of 13.9000 dollars per one-thousand dollars of assessed value for the FY 2023.

BE IT FURTHER RESOLVED by the Board of Supervisors of the Reedy Creek Improvement District assembled in regular session this 3<sup>rd</sup> day of October 2022 that this Resolution be spread in full upon the minutes of this meeting.

Ms. Higginbotham requested Board consideration and adoption of the proposed FY2023 budget for the District and adoption of RCID Resolution No. 635. 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)**

#### RESOLUTION NO. 635

WHEREAS, the Reedy Creek Improvement District intends to adopt the FY2023 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 2023 in the amount of \$213,528,631; and

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

1. Held a public hearing on September 14, 2022 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 October 3, 2022 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 2023.

BE IT FURTHER RESOLVED by the Board of Supervisors of the Reedy Creek Improvement District assembled in regular session this 3<sup>rd</sup> day of October 2022 that this Resolution be spread in full upon the minutes of this meeting.

Mr. Mark Swanson addressed the Utility budget for FY2023. Mr. Swanson advised that there has not been any changes since the September 14<sup>th</sup> presentation. 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% combined average rate increase and a 4% greater consumption volume across all utilities. Mr. Swanson advised that our primary customers are aware and

expecting the increases. President Hames asked if there were any public comments on the request for approval of the final budget for RCID Utilities for FY2023 and there were none. Upon motion by Mr. Brito and duly seconded, the Board approved this request. **(EXHIBIT H)**

President Hames then closed the public hearing for the Reedy Creek Improvement District proposed budget/millage and for the Reedy Creek Improvement District Utility rates and budget for FY 2023 at 5:10 p.m.

### **OTHER BUSINESS**

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

#### A. RCES Proposed Labor Services Agreement

Mr. Swanson requested consideration of request for Board authorization for the District Administrator to execute on behalf of the District a proposed Labor Services Agreement with RCES in substantially the same form as Exhibit I for FY 2023 in the amount of **\$32,724,250.00**. President Hames asked if there were any public comments on this request and there were none. Upon motion by Ms. Jammal and duly seconded, the Board unanimously approved the request. **(EXHIBIT I)**

Mr. Classe announced that at the last meeting each BOS member was given a copy of the tentative Public Meeting Rules of Procedure and Instructions that the District was working on. The final document has been posted to the rcid.org website. Mr. Classe advised that there will be comment cards that will allow the public to submit their thoughts and asked if the BOS would like to make any revisions to please let us know.

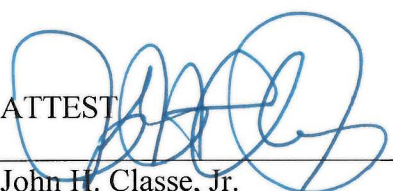
Mr. Classe advised that the next BOS meeting will take place on October 26<sup>th</sup> at 9:30 a.m.

Mr. Classe then gave his Final Thought from Susan Cain, Author, "Quiet: The Power of Introverts in a World That Can't Stop Talking"

***"There's zero correlation between being the best talker and having the best ideas."***

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

ATTEST

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

  
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Laurence C. Hames  
President, Board of Supervisors