

MINUTES OF MEETING  
BELLA COLLINA  
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Bella Collina Community Development District was held Thursday, January 12, 2023 at 10:00 a.m. at the Bella Collina Clubhouse, 16350 Vetta Drive, Montverde, Florida.

Present and constituting a quorum were:

Randall Greene	Chairman
David Burman	Vice Chairman
Duane Owen	Assistant Secretary
Andrew Gorrill	Assistant Secretary
Rick Scharich <i>by phone</i>	Assistant Secretary

Also present were:

George Flint	District Manager
Jan Carpenter	District Counsel
Steve Boyd <i>by phone</i>	District Engineer
Andy Hatton	Field Manager

**FIRST ORDER OF BUSINESS**

**Roll Call**

Mr. Flint called the meeting to order. Four members of the Board were present, and one Board Member participated by phone, constituting a quorum.

**SECOND ORDER OF BUSINESS**

**Public Comment Period**

Mr. Flint: Next is public comment period and we just have Board Members and staff here.

**THIRD ORDER OF BUSINESS**

**Organizational Matters**

**A. Administration of Oaths of Office to Newly Elected Board Members**

Mr. Flint: We had a landowner election on November 10, 2022 and Mr. Greene, Mr. Gorrill, and Mr. Schraich were elected. Mr. Greene and Mr. Gorrill are here, and I need to do the oath the office again for you guys. Prior to the next meeting we will handle Mr. Schraich. As citizens of the State of Florida and of the United States of America, and as officers of the Bella

Collina Community Development District, do you hereby solemnly swear or affirm that you will support the Constitution of the United States and of the State of Florida?

Mr. Greene: I do.

Mr. Gorrill: I do.

Mr. Flint: And if you could print your name at the top and then sign where it says Board Supervisor, I will notarize that for you.

**B. Consideration of Resolution 2023-01 Canvassing and Certifying the Results of the Landowners' Election**

Mr. Flint: Next is Resolution 2023-01, canvassing and certifying the results of the Landowners' election. The Board of Supervisors sits as the canvassing Board for purposes of certifying the election held on November 10. You have the resolution in your agenda reflecting Mr. Greene receiving 100 votes, Mr. Gorrill receiving 100 votes, and Mr. Schraich receiving 99 votes. Mr. Greene and Mr. Gorrill will serve 4-year terms and Mr. Schraich will serve a 2-year term. Any questions on the resolution? Hearing none,

On MOTION by Mr. Greene, seconded by Mr. Gorrill, with all in favor, Resolution 2023-01 Canvassing and Certifying the Results of the Landowners' Election, was approved.

**C. Election of Officers**

Mr. Flint: The statutes require that after each election you are required to elect officers and so we have provided Resolution 2023-02 in your agenda electing a Chair, Vice Chair, Secretary, Treasurer, Assistant Secretary, and Assistant Treasurer.

**D. Consideration of Resolution 2023-02 Electing Officers**

Mr. Flint: Currently Mr. Greene is Chairman, Mr. Burman is Vice Chairman, Mr. Owen and Mr. Gorrill are Assistant Secretaries. I am the Secretary and Jill Burns is Treasurer. I would like to ask that Teresa Viscarra to be made an Assistant Treasurer. We can handle each office individually or if the Board wants to make a motion to elect a slate of officers, we could handle it in one motion.

Mr. Owen: I'll motion to keep that slate of officers.

Mr. Flint: Do you want to keep the existing slate of officers and make Mr. Schraich an Assistant Secretary?

Mr. Owen: Correct.

On MOTION by Mr. Owen, seconded by Mr. Gorrill, with all in favor, the Resolution 2023-02 Election Officers Keeping the Existing Slate of Officers and Adding Mr. Rick Schraich as an Assistant Secretary and Ms. Katie Costa as Assistant Treasurer, was approved.

**FOURTH ORDER OF BUSINESS**

**Approval of Minutes of the September 8, 2022 Board of Supervisors Meeting and Acceptance of Minutes of the November 10, 2022 Landowners' Meeting**

Mr. Flint: Next is the approval of the minutes from the September 8<sup>th</sup> Board meeting and acceptance of the Landowner meeting minutes of November 10<sup>th</sup>. Did the Board have any comments or corrections on the Board minutes or Landowner minutes?

Mr. Owen: I will recommend approval.

On MOTION by Mr. Owen, seconded by Mr. Greene, with all in favor, the Minutes of the September 8, 2022 Board of Supervisors Meeting and Accepting the Minutes of the November 10, 2022 Landowners' Meeting, were approved.

**FIFTH ORDER OF BUSINESS**

**Discussion of FY23 Rate Schedule and Authorization to Set Rate Hearing**

Mr. Flint: Next is discussion of the Fiscal Year 2023 Rate Schedule and setting a rate hearing. This should have been sent out.

Ms. Carpenter: It is under section 5.

Mr. Greene: Did they get the study done?

Mr. Flint: These adjustments are primarily related to meter tampering and illegal connections.

Mr. Greene: Oh, I am on the wrong one. Excuse me, I'm sorry.

Mr. Flint: We provided a spreadsheet that shows the existing rates under the FY 2023 water column and then there is a proposed revision column. These recommended changes primarily deal with the water, either potable or irrigation. We have had a significant issue with illegal connections or meter tampering with the new construction. Previously, the only penalty that we could charge was \$100. We've on many occasions found situations where builders have connected directly to a whip without a meter. They have removed the meter and connected to the whip.

Mr. Greene: Who are the builders?

Mr. Flint: You name it.

Mr. Greene: So everybody.

Mr. Flint: We have had the issue with almost everybody. Dream Finders, J. Drews, Toll Brothers, and Davila. We got one home that we've had three instances in two weeks. We can only fine them \$100 and it's not getting the attention of the builders or their contractors. I give Dream Finders credit because they are very apologetic. They say that they are going to meet with their contractors, but then the next day, I get another email with a picture of their pool contractor where they have got the meter removed and they are connected directly to the whip, and they are using the meter to support the waterlines. It is an \$800 meter. What you have got here in your agenda, because we're a government entity, we have to actually hold a rate hearing to increase our fees. We are recommending the first offense is \$500 plus estimated usage. It is very hard to estimate usage, so a lot of times we can only implement the fine and not an estimated usage. Then, we have a second offense at \$1,000 and a third offense at \$2,000. I've looked at some other utilities On Top of the World up in Ocala, which we manage the Community Development District. They have a first offense at \$500 and a second offense at \$2,000. It has eliminated the problem for them. So, this at least gives a second step in between the \$500 and the \$2,000. The other thing that we have had is we have had meters that have just disappeared. There was a period where we had six meters that were stolen.

Mr. Greene: Is this like the subs taking them to other locations outside of Bella Collina possibly because there is a shortage?

Mr. Flint: I don't know if they are taking them outside or what is happening. Some of them, we see that they have been stolen and later we will find them at the bottom of a construction debris pile. Dream Finders told us that their meter had been stolen and Andy found it in the corner of the garage under some construction debris. Those situations are unacceptable. I have held off on charging the builder for the cost of the replacement meter in fairness because if there was someone stealing them out here and not their contractors, I didn't want to hit the builders with that cost. Per our fee schedule, we do have a missing or damaged equipment fee section that deals with that issue. Going forward, if we have stolen meters, were going to be billing the builders for that and it will be the cost of the meter and installation because otherwise everyone else in the system is paying for that and it is not fair to the existing customers.

Mr. Greene: It seems to me that some of these guys don't seem to attach big value to that stuff. What happens if they refuse to pay?

Mr. Flint: If they refuse to pay then they are disconnected, and they don't have water. Now, that doesn't mean that they will turn right around and disconnect the meter. At some point, these fines are going to accrue, and they are going to have to be paid. When they go to sell the house or close on the house and transfer ownership, the account must be brought current before it is transferred into the homeowner's name.

Mr. Greene: By state statute, can the CDD do what the POA does and file a lien, so we make sure that the CDD gets paid prior to a transfer of the financing on the house?

Ms. Carpenter: We can file one. We don't have legal authority to do it, but it is an ownership fee, and it might be a way when we get to the \$2,000 or \$1,000 penalty. Is it something that you all check when you do estoppels?

Mr. Flint: Yes, if we are requested for an estoppel, it will be reflected in that or before the account is transferred into the owner's name, it must be paid. So, that is more effective than a lien because a lien, you have to sometimes enforce in court.

Ms. Carpenter: Yes, the biggest thing it does is it notifies a title agent that there is something out there.

Mr. Greene: They can't place any financing on it until that lien is clear, so you do it prior to the transfer and then it's almost a guarantee you're going to get paid because the bank won't fund.

Ms. Carpenter: Yes, it's almost like just put a notice of lien out there, not so much to enforce a lien, but to make sure that it gets clear on title and closing.

Mr. Flint: My recommendation would be if we get to the third offense or we get to a situation where we have accrued significant penalties, then we would file it.

Mr. Greene: It is probably going to get worse because we have 148 homes under construction and there is 70 in for permitting now and we are getting more submissions every week. It is going to be a growing issue and something to watch out for.

Mr. Owen: Is this going to be levied per builder or per residential address?

Mr. Greene: It is per address because there are builder agreements. We enforce our builder agreement, but the real teeth come with the lien on the property.

Mr. Flint: I think you are getting into the second and third offense and how we account that.

Mr. Owen: Yes.

Mr. Flint: We can only really do a per lot.

Mr. Greene: Anybody who is building with the bank involved, they are going to see that lien right away.

Ms. Carpenter: Exactly, a title agent isn't going to close unless the lien is paid, so it is probably worth at least putting the notice of lien with the GMS contact if you get up into the \$1,000's.

Mr. Greene: Jan, is that something that your firm can do?

Ms. Carpenter: We can do a form and just give it to GMS to file that way we don't have to incur expenses.

Mr. Green: Can you electronically file?

Ms. Carpenter: GMS could just fill it out and give it to us and we can record it. It is insignificant for one page.

Mr. Flint: The other proposed fee that we are recommending that doesn't exist is the grinder pump start up fee. We've had an issue with backlog on grinder pumps and we are just about over that hump. We had 44 tanks delivered to the wastewater plant that are on site. The panels from Flite are being delivered tomorrow on a semi. We have rented a storage unit to keep the control panels and the other components. We are not going to have an issue with backlog of grinders for some time. We've also got additional grinder stations that we have ordered from a different supplier that we are receiving as well. What this issue is on many occasions, we have had the builder demand that the grinder station be installed. We asked them is the water turned on, is there power to the site. Their responses were yes, and we asked them to send us a picture. One time they sent us a picture with the electric panel closed. RCM gets out there to install and the supplier comes out and does a startup before the installation is complete. On many occasions, they've gone out there and there hasn't been either water to the location or the power wasn't turned on. This puts a fee in place because we are going to start getting billed from RCM and from the supplier and we need to be able to pass that through. They need to make sure when they are requesting that installation, they are ready for it.

Mr. Greene: Do we put it to them in writing that water and power has to be in place?

Mr. Flint: Yes, it's in the builder's manual that we provided. I don't know what else to do. It has been provided to them and Dennis and Andy both have it and they have provided it to the builders. We are going to send something out after this rate hearing. If you guys approve these, we need to send something out to the builders letting them know that it is not \$100 anymore.

Mr. Burman: I want to go back to the lien to make sure we are all aware that we are liening the homeowner, not the builder.

Mr. Greene: What if you are liening the builder prior to homeowner purchasing?

Mr. Burman: Because a lien is only against real property and the builder is just a guy doing business.

Mr. Greene: I am just saying you are liening the lot.

Mr. Burman: I am really referring to people who are having someone build a house.

Mr. Greene: I agree, the spec homes is a bigger percentage.

Mr. Flint: If the Board wants to move forward, we will have to have a rate hearing. We will not be able to have a rate hearing until the March meeting because it requires a 30-day notice. Unless we schedule a special meeting in February.

Mr. Burman: Do you guys want to do a special meeting in February? We have so many permits that are being issued in so many homes that are under construction.

Mr. Flint: Yes, the sooner the better.

Ms. Carpenter: Do you want a resolution just so we can draft up one for setting the hearing with the rates?

Mr. Flint: Yes, it would be Resolution 2023-03.

Ms. Carpenter: Do you want to move the meeting up a week?

Mr. Flint: Yes, it is scheduled for the 9<sup>th</sup>, and it would need to be on the 16<sup>th</sup> to be able to meet the 30 days. Is the Board okay with February 16<sup>th</sup> for the hearing?

Mr. Owen: Works for me.

Mr. Flint: Okay.

On MOTION by Mr. Owen, seconded by Mr. Greene, with all in favor, Resolution 2023-03 Approving the proposed amendments to the FY23 Rate Schedule and Setting a Rate Hearing for February 16, 2023 at 10:00 a.m. at the Bella Collina Clubhouse, was approved.

Mr. Flint: Hopefully that will help. The other thing that we are going to do, I have asked RCM when they set the meters to install a hose bibb as part of that. They need to be setting the meter in the meter box at grade. They have been going out there and they have just been setting the meter box on top of the ground and the meter leaning on the meter box and it makes it too easy for the builders and subs to disconnect the meter. They may not have the fitting that they need to attach to the meter, so they are taking the meter off. I have asked them in the past, but I was driving around, and I am seeing a lot of meters sitting on meter boxes.

Mr. Burman: They are pretty good though, I would say. Since you sent that email before, they have been pretty good about burying those. Some of these have been out here for a long time.

Mr. Flint: I am going to look at an option of having someone go around and bury those and put hose bibbs on the lots that are currently under construction, and not just the new ones going forward. Going forward, Andy had a good suggestion about the hose bibb, and we actually do that in some other communities. That should help with contractors going out there. It makes it easy for them because they can just connect right to the hose bibb rather than having to have a fitting that will connect to the meter.

Mr. Hatton: There is a couple of builders that has done that, there is maybe a handful out there.

Mr. Flint: Yes, I saw some when I was driving around this morning. I saw one where they did it right. They had the backflow preventer and then the hose bibb after the backflow preventer. This is the only one I have seen where someone did what they were supposed to do.

## **SIXTH ORDER OF BUSINESS**

### **Ratification of Agreements**

#### **A. Berger, Toombs, Elam, Gaines & Frank to Provide Auditing Services for the Fiscal Year 2022**

Mr. Flint: We have a statutory deadline to complete the audit. You all had previously bid out auditing and selected Berger, Toombs, Elam, Gaines & Frank as your independent auditor. When you bid it out, the fee for the audit was provided. This engagement letter is consistent with that. To not delay the completion of the audit, I had executed this back in November and the Board didn't meet. Then we had the hurricane in November, and then we didn't meet in December. I am asking the Board to ratify my action in executing this agreement.



On MOTION by Mr. Greene, seconded by Mr. Burman, with all in favor, the Agreement with Berger, Toombs, Elam, Gaines & Frank to Provide Auditing Services for the Fiscal Year 2022, was ratified.

**B. Jan and Jeff Services, Inc. for WWTF Influent Meter Installation**

Mr. Flint: Next item is with Jan and Jeff Services, Inc. and it is a company that we hired to replace the wastewater treatment influent meter. We got a price from RCM and then we got a price from these folks. The price from this group was less than RCM and we've chose to move forward with them.

Mr. Greene: \$3,700?

Mr. Flint: Yes, again I am asking the Board to ratify that. The meter was faulty, and we had to replace it.

On MOTION by Mr. Burman, seconded by Mr. Owen, with all in favor, the Proposal from Jan and Jeff Services, Inc. for WWTF Influent Meter Installation, was ratified.

**C. American Pipe & Tank, Inc. for Transportation, Treatment and Disposal of Domestic Wastewater Residuals**

Mr. Flint: Next is the agreement with American Pipe & Tank, Inc. for transportation, treatment and disposal of domestic wastewater residuals. We have used this company in the past. Their contract was expiring and again because we didn't meet in November or December, I executed it, and I am asking the Board to ratify.

On MOTION by Mr. Owen, seconded by Mr. Greene, with all in favor, the Agreement with American Pipe & Tank, Inc. for Transportation, Treatment and Disposal of Domestic Wastewater Residuals, was ratified.

**SEVENTH ORDER OF BUSINESS**

**Staff Reports**

**A. Attorney**

Mr. Flint: Jan, anything?

Ms. Carpenter: No, we don't have anything. Thanks.

**B. Engineer**

Mr. Flint: Steve, anything from the engineer?

Mr. Boyd: I don't have anything to report.

**C. District Manager's Report**

**i. Approval of Check Registers**

Mr. Flint: You have approval of the check registers. The first one is from September 27<sup>th</sup> through October 31<sup>st</sup> for \$709,339.72. That is for the general fund, the water and sewer enterprise fund, and then water and sewer reserve fund. The detail is behind the summary. Are there any questions on that check register? If not, is there a motion to approve it?

Mr. Burman: I will make a motion to approve.

On MOTION by Mr. Burman, seconded by Mr. Greene, with all in favor, the Check Register Totaling \$709,339.72, was approved.

Mr. Flint: Then you have the check register from November 1<sup>st</sup> through December 31<sup>st</sup> for \$1,380,614.53. Again, for the general fund, water and sewer, and water and sewer reserve fund. The detail is behind the summary. A lot of this revenue, particularly in the general fund, is assessment revenue that comes in from the county from the tax bill and then it is being transferred to the trustee for debt service. Any questions on that check register? If not, is there a motion to approve it?

Mr. Greene: I will make a motion to approve.

On MOTION by Mr. Greene, seconded by Mr. Burman, with all in favor, the Check Register Totaling \$1,380,614.53, was approved.

**ii. Balance Sheet and Income Statement**

Mr. Flint: Next is the unaudited financial reports through November 30<sup>th</sup>. This is for the first two months of Fiscal Year 2023 for October and November. There is no action required by the Board on these financial statements, but if you have any questions, we can discuss those.

On MOTION by Mr. Owen, seconded by Mr. Greene, with all in favor, the Balance Sheet and Income Statement, was approved.

**iii. SBA Florida PRIME Monthly Summary Report**

Mr. Flint: For informational purposes, we've provided the report from the State Board of Administration. This is a state-run investment pool operated by the State Board of Administration

where the District keeps its non-operating funds. If there are any questions, we can discuss those. If not, this is just for informational purposes.

Mr. Greene: I have quick question, where are those funds physically held? Is there a bank?

Mr. Burman: There is a long list of banks spread all over the place.

Mr. Flint: Yes, the top holdings are listed here. They do retain a consultant. The State Board has their own staff, but they also have a consultant that assists with the investment of the funds. You can see that it is about 4% or a little less than 4% right now. The fact that their funds can be accessed within 24 hours, it is conservative investments. We keep an eye on this. The State Board did have an issue in 2007 where some of their investments were having problems. We were able to get all of the funds out of all the Districts we manage before they put a hold on withdraws. That has all been resolved and all the money has been replenished, but they did have a problem. We were able to get all the funds out before they put a hold on the funds.

**EIGHTH ORDER OF BUSINESS**

**Other Business**

Mr. Flint: That is all that we had on the agenda. Was there anything else the Board wanted to discuss?

Mr. Greene: I was wondering if we could get an actual proposal from RCM to lower those flush points that are around the property.

Mr. Flint: Okay.

Mr. Greene: We painted them green. Every time someone hits them, we can't always pinpoint who did it and it's \$4,000, \$5,000, or \$6,000 every time RCM has to do it just to fix that one because they have to bring the tanker out here and vacuum up all the leakage.

Mr. Flint: Okay, we will do that. Anything else?

**NINTH ORDER OF BUSINESS**

**Supervisor's Request**

There being none, the next item followed.

**TENTH ORDER OF BUSINESS**

**Adjournment**

Mr. Flint: Is there a motion to adjourn?

On MOTION by Mr. Owen, seconded by Mr. Greene, with all in favor, the meeting was adjourned.

  
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Secretary/Assistant Secretary

  
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Chairman/Vice Chairman  
/ RANDALL F. GREENE  
CAPAIN