

MINUTES OF MEETING
BELLA COLLINA
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Bella Collina Community Development District was held Thursday, January 11, 2024 at 10:00 a.m. at the Bella Collina Clubhouse, 16350 Vetta Drive, Montverde, Florida.

Present and constituting a quorum were:

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

Also present were:

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

FIRST ORDER OF BUSINESS

Roll Call

Mr. Flint called the meeting to order. Three members of the Board were present in person and two via phone constituting a quorum.

SECOND ORDER OF BUSINESS

Public Comment Period

Mr. Flint: We just have Board members and staff here at this time.

THIRD ORDER OF BUSINESS

Approval of Minutes of the December 14, 2023 Meeting

Mr. Flint: Next is the approval of minutes from the December 14, 2023 meeting. Are there any comments or corrections to the minutes?

Ms. Carpenter: One comment under the Fourth Order of Business the last line had Jay asking can we get more time. I believe that was Mr. Greene who asked for time on that.

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On MOTION by Mr. Owen, seconded by Mr. Gorrill, with all in favor, the Minutes of the December 14, 2023 Meeting, were approved as amended.

FOURTH ORDER OF BUSINESS**Consideration of Proposal from Wiggins Bros. Well Drilling, Inc. to Repair Pump**

Mr. Flint: This is a proposal from Wiggins Bros. Well Drilling to pull the pump at well number four and evaluate any necessary repairs. They have provided an estimate. We will not know the actual cost until they actually pull it and disassemble. It is estimated at \$71,205. We do have it budgeted in the District's budget to be done this year. It has not failed at this point but it is based on the age and use. It is at the point where we need to make sure we pull it and maintain it from a maintenance perspective. This company has done the work on the other wells and pumps. If there are any questions, we can discuss those, otherwise I would ask for a motion to approve the proposal.

On MOTION by Mr. Gorrill, seconded by Mr. Owen, with all in favor, the Proposal from Wiggins Bros. Well Drilling, Inc. to Repair Pump, was approved.

FIFTH ORDER OF BUSINESS**Consideration of Resolution 2024-01 Adopting Amendment to Interlocal Service Boundary Agreement – Added**

Mr. Flint: This is a carryover from the last meeting. This resolution adopts an amendment to the ISBA agreement.

Ms. Carpenter: We talked about this at the last meeting. This is an agreement regarding providing utilities in the service area and we were requested to amend it to allow the Ferndale Special Area to be designated. Last month one of the Board members wanted some time to look at it but I believe all of the questions have been answered now.

Mr. Flint: The request was by Montverde.

On MOTION by Mr. Greene, seconded by Mr. Scharich, with all in favor, Resolution 2024-01 Adopting Amendment to Interlocal Service Boundary Agreement, was approved.

SIXTH ORDER OF BUSINESS**Discussion of Proposed Bond Issue to Finance Irrigation Improvements**

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Mr. Flint: This is a discussion item to let the Board know what we are working on. There is no action required. Under the Consumptive Use Permit with the water management district, there are certain improvements that have to be made to the irrigation system that will allow us to draw surface water from Lake Siena as the water source for irrigation. Right now, it is treated potable water from the water plant. It is being pulled from the aquifer. There are a number of improvements that need to be made including piping, pumps, backup wells, aquifer wells. Jim Boyd is working on the Engineer's Report associated with that. The cost is anywhere between \$7,000,000 and \$9,000,000. The Board approved a Funding Agreement and Acquisition Agreement with the developer. The developer is moving forward with starting to carry out these improvements. Some of them are going on right now. The hope is that the District will ultimately issue bonds and be able to reimburse the developer for those costs. We have had a conference call with the underwriter and engineer. The engineer is working on an Engineer's Report. The underwriter is evaluating options for financing. Based on the interest rates as they stand now, the ability to refinance the 2004 bonds is borderline because of the differential in the interest rates now versus when they were issued in 2004. We are looking at the option of refinancing the 2004 bonds and issuing new money. We are looking at the option of new money wrapped around the existing bond issue and any other options that might be available. That would come back to the Board once we get the Engineer's Report with the estimated cost, we can work on an Assessment Methodology Report and come back with more detail.

Mr. Gorrill: How close are we on our consumptive use versus the permitted amount?

Mr. Flint: We have not exceeded the totals but we continue to struggle with the individual homes exceeding the individual allocated amounts for homes. The POA is taking an active role enforcing that. All of the new home construction has irrigation controllers that are centrally controlled which helps with the control of the consumption as well. That was required in the Consumptive Use Permit and was never implemented and has since been implemented. A number of steps have been taken getting the irrigation off the aquifer and on to surface water is going to help with that issue also. These irrigation improvements are critical in our compliance with the Consumptive Use Permit.

Mr. Gorrill: Do we have a percentage of how much irrigation is being used?

Mr. Flint: I don't have a number off the top of my head. Jim Boyd monitors that. He sends us a treatise monthly.

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Mr. Gorrill: Is there a chance that the 2004 bonds can be wrapped into this if done separately and what the term would be?

Mr. Flint: If it does not make sense from a financial perspective to do that, then we issue new money. The original term was 30 years on the 2004 debt and that cannot be extended. By law, it can't go more than 30 years.

Mr. Gorrill: The current CDD assessment, would it expire in 2034?

Mr. Flint: Around there, give or take a year. There was some capitalized interest at the beginning so it may be 2035. The new bonds could be 30 years and could be structured where it semi-wraps around the existing bonds so in 2034 there is a reduced assessment up to then and then it jumps up after the other is paid off is one option. The underwriter will bring back options and the Board can discuss that. Ultimately the Board would have to take action on anything we did. It is going to end up with an increase annual assessment going forward for all of the 801 lots that are subject to that debt in the community. These improvements are required under the Consumptive Use Permit and need to be done as part of the irrigation process. There may be some offsetting savings on a monthly basis on the utility bills because the surface water should be less expensive than the treated water so we would want to do a rate study, look at our irrigation rates and hopefully those irrigation rates will come down and offset some of the increase in the debt.

Mr. Gorrill: What is the rate on the current bonds?

Mr. Flint: It is 5.75. The refinancing probably won't make sense because there is no savings there. We will come back with that information. I just wanted to give the Board a status report on that.

SEVENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. Flint: Jan, anything?

Ms. Carpenter: Nothing out of the ordinary. I do have a call today with the developer to hopefully get the funding and the acquisition agreement wrapped up. They need to get the acquisition agreement in place as quick as possible.

Mr. Flint: The Funding Agreement obviously is important because we entered into the contract and need to have a funding source.

B. Engineer

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Mr. Flint: Steve, anything?

Mr. Boyd: I wrote a report on the conveyance of the three storm water ponds in the CDD. I will get those out in the next week so they can be part of next month's agenda package.

C. District Manager's Report

i. Approval of Check Registers

Mr. Flint: You have the approval of the check register which is for the General Fund, water and sewer fund, water and sewer reserve fund, and Board compensation totaling \$1,979,772. A lot of that is the Debt Assessment Revenue that comes in from the county into the General Fund and then we have to write a check to the Trustee. There is \$1,050,000 on the first page that is just a transfer and another \$200,000 to the reserve account.

On MOTION by Mr. Owen, seconded by Mr. Gorrill, with all in favor, the Check Register, was approved.

ii. Balance Sheet and Income Statement

Mr. Flint: You also have the unaudited financials through the end of November. There is no action required by the Board. If you have any questions, we can discuss those. This is the first two months of FY2024. At this point, the assessment revenue that has been received is not reflected here. Typically, you will start seeing it in late November, early December. There is a Special Assessment Receipt Schedule on page 12 that does show what was received from the end of December.

iii. SBA Florida PRIME Monthly Summary Report

Mr. Flint: This is the monthly report from the SBA which is the investment pool that is run by the SBA which is the governor and cabinet that we invest our funds in.

D. Field Managers Report

Mr. Hatton: Still getting quotes on the roof at the Hill Crest Plant. We have a couple for going over the roof that was there. It is a like a silicone coating. After more talking with George, we wanted to get more quotes for actual replacement of it maybe going with a membrane for longevity. The last vendor was here last week and put a pitch gauge on there and it has not pitched at all so water just sits there. With a TPO type roof or membrane, the underlayment that goes there will actually add a pitch to the roof and get the water out to the gutters. The final revision for the

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force main lowering we got from RCM and I sent that over to the engineer to check out. I should be able to present both of these at the next Board meeting.

Mr. Flint: They were not apples to apples; one was brass and one was stainless. We had RCM updated for stainless cost has gone up in the 90's. How many were there?

Mr. Hatton: 52.

Mr. Flint: Almost \$2,000 a cleanout to lower them.

Mr. Hatton: It would give us the ability for a truck to back up and hook to it and suck it out rather than having something there that a truck can't hook to or clean it out.

Mr. Gorrill: Does every single one need to have that connection capability?

Mr. Hatton: In talking with Jim, he requested that.

Mr. Gorrill: Has it ever been sucked out?

Mr. Flint: I don't know. I don't know how often we have to do that. That is a valid question though.

Mr. Hatton: When they back up over there, we have those messes or if we do have an emergency, it would give them a chance to shut sections off and suck out sections rather than suction the whole pipeline out.

Mr. Gorrill: Could we do every couple months or something like that?

Mr. Hatton: I can talk with Jim and see about that.

Mr. Flint: Or we could phase it. I don't know. There could be an increased overall cost by phasing but if there is certain ones out of the 50 that are more urgent than others to lower, we could actually do it in phases which may make sense.

Mr. Gorrill: Yes, because I think we got most of the important ones that were in the middle of the sidewalk.

Mr. Hatton: They range in size too from 2 inch all the way up to six.

Mr. Flint: Let's look at phasing and then will run it by you too to see if it makes sense from your perspective. We are continuing to install grinder stations and meters. We had a little blip in supply around Thanksgiving but I think that issue has been resolved. We have more than enough tanks now. We ran out of tanks and there was a backorder on those as they are a special-order item. The tank we use the lip on it is wider than a standard tank but we have started using standard tanks as well. I think we are in pretty good shape on that.

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EIGHTH ORDER OF BUSINESS

Other Business

Mr. Flint: Any other business? Hearing no comments, we will move on to the next item.

NINTH ORDER OF BUSINESS

Supervisor's Requests

Mr. Flint: Any other items or Supervisor's requests? Hearing no comments, we will move on to the next item.

TENTH ORDER OF BUSINESS

Adjournment

Mr. Flint: Is there a motion to adjourn?

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

DocuSigned by:

George Flint

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Secretary/Assistant Secretary

DocuSigned by:

Randall Greene

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Chairman/Vice Chairman