

MINUTES OF MEETING  
BELLA COLLINA  
COMMUNITY DEVELOPMENT DISTRICT

The special meeting of the Board of Supervisors of the Bella Collina Community Development District was held Thursday, July 25, 2024 at 10:00 a.m. at the Bella Collina Clubhouse, 16350 Vetta Drive, Montverde, Florida.

Present and constituting a quorum were:

Randal Greene	Chairman
David Burman	Vice Chairman
Duane Owen	Assistant Secretary
Rick Scharich	Assistant Secretary

Also present were:

George Flint	District Manager
Jay Lazarovich	District Counsel
Robert Szozda <i>by phone</i>	Field Manager
Sete Zare <i>by phone</i>	Underwriter
Kendall Bulliet <i>by phone</i>	Bond Counsel

**FIRST ORDER OF BUSINESS**

**Roll Call**

Mr. Flint called the meeting to order. Four Board members were present in person constituting a quorum.

**SECOND ORDER OF BUSINESS**

**Public Comment Period**

Mr. Flint: Next is public comment period, we do have a public hearing today. You all are probably here because you received a mailed notice informing you of the public hearing. You'll have an opportunity under the public hearing due to speak in regards to that issue. But if you have other issues you want to bring to the Board's attention, you could bring it up now in your public comment.

**THIRD ORDER OF BUSINESS**

**Public Hearing**

Mr. Flint: Is there a motion to open the public hearing?

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On MOTION by Mr. Greene, seconded by Mr. Scharich, with all in favor, the Public Hearing was opened.

Mr. Flint: We'll start out with a brief presentation overview and then we'll move into a brief overview of the Engineer's Report and the Master Assessment Methodology. We'll go through the presentation and then we'll open the floor to public comment and questions. Because this is a government entity we try to maintain decorum during the meeting. We will open the floor to public comment and we'll take public comment, and we try to limit the public comment to three minutes each. If you need more time, the Chair has flexibility in allowing for that. We will start with the PowerPoint. We have a brief overview of the Bella Collina Community Development District. For anyone who is not familiar with this particular Community Development District or Community Development Districts in general, I will just give a brief overview. We'll talk about the regulations and requirements of the consumptive use permit that are driving the proposed improvements. We'll talk about the irrigation system overview based on the Engineer's Report that has been prepared for the project, the scheduling and status, and the project cost and financing. Then there's also some good news to offset the public hearing portion of this, there's going to be a proposed reduction in the Series 2004 debt that will offset a portion of the proposed increase that is associated with this bond issue. What is a CDD? Community Development Districts are limited purpose special Districts in Florida. Chapter 190 dictates how they are set up and established. This particular CDD was created, I think it was in 2004, and it covers the entire project on both sides. What we originally called the Pine Island side, and then this is the Hillcrest side. They have limited powers, and there are some standard powers that are given, and then there are some special powers that they can be given. They don't have police power. We don't have the ability to do zoning or issue building permits. The main purpose of Community Development Districts is to own, finance, and operate a public infrastructure. That can vary from Community Development District to Community Development District. There's over 1,000 of them in Florida. My company manages over 250 of them of the thousand in Florida so we're very familiar with Community Development Districts. As a government entity, one of the benefits to the homeowners and residents within Community Development Districts is you have the protections that are provided for government entities. The Sunshine law, public records law, those sorts of things cover Community Development Districts just like they do cities, counties, and school boards. Here's a list of the types of things that a CDD can own, finance and operate; roads, utilities, common area landscaping, amenities can fund offsite

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improvements if turn lane signalization, that sort of thing is required for development, fund public facilities, conservation, security, waste collection, and government mandated projects. In the case of the Bella Collina Community Development District, really the CDD's limit is to own and manage the stormwater system for the entire project, and then the water and sewer and irrigation system. In this case, we don't own the roads, we don't own the amenities. Those are all private. This is a list of what we own and operate. We've got two water plants. We have a water plant on the Pine Island side and a water plant on the Hillcrest side. And then we have a sewer plant over on the Pine Island side. We also are responsible, as I indicated, for the master stormwater system within the community. That is the piping, the dry ponds, etcetera. How are Community Development Districts financed? Traditionally, they do have the ability to levy ad valorem, but it's very rare that you see that. There are special requirements that would have to be met to be able to do that. Primarily they're funded through non-ad valorem assessments, and those are collected on the tax bill just as property taxes are. You usually see at the bottom of your tax bill the non-ad valorem assessments. The basis of the assessments is based on the benefit to the property, so it's not the value of the property. You could have a \$1,000,000 home right next to a \$250,000 home and to the extent there both benefiting equally from those improvements, they would pay the same amount of assessments. How are they governed? Chapter 190 provides that they have a five-member elected Board, and they're called the Board of Supervisors. They're initially elected by landowner election within the District, and that's on a one vote per acre basis or part of an acre. If a developer owns 500 acres, they have 500 votes. If those 500 acres are planted into 1,000 lots, they would have 1,000 votes. If you're a homeowner that owns one lot and it's less than an acre, you'd have one vote. If you had something larger than an acre, you have two votes. Initially, the developer usually has the votes, and as they're developing the project, they have the votes to control who's on the Board. There is a process for that Board to transition from landowner election to what's called general election. The two triggers for that are the District has to be in existence at least six years, and there needs to be at least 250 registered voters within the CDD. You have to meet both of those requirements. Because of the way this project develops, we met the six years quite some time ago, but the 250 registered voters, that was just triggered. Now that we've met both requirements, two of the five seats in November will transition to general election. What will happen going forward is those seats, because when they transition to general election, filling those seats is handled by the supervisor of elections office, like any other elected official in Lake County

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or in Florida. So, if a resident is interested in serving on the Board, they would go through and qualify with the Supervisor of Elections. Then that first Tuesday in November, it would show up on the ballot for the folks that live within Bella Collina, you'd see Seat 5. If there's a seat that comes up for election and only one person qualifies, they would be elected unopposed, just like any other elected official. There are two seats that will be transitioning. It's the second Tuesday after November when they officially become vacant. What will happen is the remaining Board members will appoint the individuals to those two seats. The individuals have to be qualified electors, which means they have to live in Bella Collina full time and be registered to vote with that address. If you have two homes and this is your second home or your vacation home, and you're not registered to vote with this address, you can't be on the Board. But if this is your primary residence and you're registered to vote, you would be eligible to serve on the Board. This year the qualifying period has already passed and the Board announced the vacancy. We ran an ad, no one qualified for those two seats. The qualifying period was in June. What happens now is the Board will declare those two seats vacant as of the second Tuesday after the election, and to the extent qualified electors step forward and want to serve we will appoint someone to the Board. When the transition starts, there's five seats, two seats transition to general election the first time, and then in two years, two more seats, and then in two years, the last seat. Now that the transition has started in 2024, two of the five seats will transition, in 2026 two more seats, and then 2028, the last seat will transition.

Resident (Unidentified): It was advertised where?

Mr. Flint: In the Orlando Sentinel, it's in the legal section as required by statute.

Resident (Unidentified): They don't send that out to residents or post it on the website or anything?

Mr. Flint: It's posted on the CDD's website. Now we're going to go through the description of the proposed improvements. This is Rob Szozda.

Mr. Szozda: Hello everyone. I think a few people have come in here after the meeting started, just remember to sign in if you could, please. Let's start with how we got here. The use of water here is governed by the St. John's River Water Management District. There are two consumptive use permits. I'm going to call them CUP from here on out. There are two CUPs, one for Pine Island development, otherwise known as Bella Collina East, and then also for the Hillcrest development. So we have two of these permits. They're largely reflective of the same thing in each permit. So what it does is authorizes use of water from three places. One is the upper Floridian

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aquifer. That's where all the water today is coming from for the residents using both irrigation and your tap water. Then also from the surface water from the hyponex peat mine, which is now considered Lake Siena. And then also we generate what is called reclaimed water, that is the wastewater that you send over the sewer plant that is treated, and then it is reused, put back into reuse, currently right now for the golf course. Here's where we are today. Each CUP mandates surface water from Lake Siena becomes the primary source for irrigation of common grounds and residential properties. I don't know if you guys follow the aquifer, but it's very sensitive. The conservation of the aquifer is a high priority of the St. John's River Water Management District. The Pine Island wastewater treatment plant, that's where all your wastewater goes. That is treated, and then eventually pumped over to the golf course for reuse there. 100% of that water goes there. That's not enough for the golf course. So currently, the golf course is also supplemented from water from Lake Siena. The permit allows, at least temporarily, for you to use groundwater for irrigation, but eventually when it came to the point where build out was where it needed to be, then you had to switch over the surface water. So, basically that's what the permit says, it says in the early stages of development, you can use groundwater, but eventually you have to move over to lake water. However, groundwater can still be used as backup water. So, if you have a mechanical issue or if there is a lake level issue, if it ever gets too low, we can go back to using groundwater.

Resident (Unidentified): So when you say groundwater, that's the drinking water?

Mr. Szozda: Eventually the groundwater will be separate. We'll get to the configuration of the irrigation system here shortly, but the current groundwater that comes up goes through the water treatment plants, then goes to the residence.

Resident (Unidentified): So the groundwater is drinking water that we get right now is what you're saying?

Mr. Szozda: Correct.

Resident (Unidentified): And then the surface water would be like Lake Siena, and rainfall type stuff, right?

Mr. Szozda: Yes. I'll get into the configuration. There are new wells coming online. So you put in a new community, you put up two water plants. The thing you didn't want to do was put up a third water plant to feed the irrigation system. So there was an allotment to let us use it until it made sense. Well, it makes sense now. I think it was a year ago or two years ago, we actually went over one of the limitations of the Pine Island permit for water usage, so that is another reason we

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have to move on to the new irrigation system. As mentioned, right now the residential irrigation system, both your tap water and your irrigation system, are getting water from the plant. So it's fully chlorinated. I don't suggest you drink the irrigation water but feel free on the tap water side. The new system is basically going to have two pumping stations on Lake Siena. It's going to have five backup wells, three in Bella Collina East and two in Bella Collina West.

Resident (Unidentified): What's east and west?

Mr. Flint: East is east of 532, the estate side.

Resident (Unidentified): How many homes is it planned for, 900?

Mr. Flint: 867. Then there's 90,000 commercial. You've got the condos, which are in addition to that. But we'll get into that. It's not oversized to accommodate any future development. It's sized to accommodate Bella Collina as it's currently planned.

Mr. Szozda: Where we're currently at, the piping design is complete. Majority of the piping is installed. So you're not going to see new trenches coming in to get water to the residents. It's basically stubbed up at the well stations, and it's stubbed up over where the pumping station is going to be. So we're in good position to get this thing pulled up on the line right now. Well 15 drilling is in progress, near the wastewater treatment plant. I think it's going to be done here in a month or two. Design of the well fitting and the pump station improvements are near completion. If you look at the Engineer's Report, which is on the website as well, great details on what the system is going to look like. There's plenty of information on there if you want to know more about the system itself. Right now, Watertronics, which is a premier company for both controls and then also water distribution, is fabricating the new Lake Siena pump stations. Going forward to get the project construction complete, we plan on issuing three subcontracts. Well drilling is already awarded, well outfitting, and then the Lake Sienna pump station, that's strictly installation with Watertronics during the fabrication of the equipment. To the extent you can see this, here's east, here's west, here's the Pine Island wastewater treatment plant. There are two wells there, 15 and 17. There's a low volume pump, 15, that constantly runs to make sure that there's always pressure in the system. As soon as pressure drops, the next pump picks up. So you're always going to see a constant pressure for the use of the system. There are two pumping stations. One here near the entrance, and then one up here at the northern point, up there in that north corner of Lake Sienna. Then there's two on the east side. I think it is seven. That is up here. It's up near the clubhouse.

Resident (Unidentified): Are these the new ones you put?

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Mr. Szozda: Yes, they are the five new pumps. And then the sixth pump is on the end of Volterra.

Mr. Flint: New wells.

Mr. Szozda: Yes, brand new wells. Let's move on to the simple diagram and show you how it's going to work here. These are the two pumping stations. This will be the primary source. If the lake is in good condition, it's going to pressurize the system and you're going to have at least 50 psi at your irrigation system so everything should work fine there. There is a booster pump here. So the west side, we drive up that hill, so there's a little bit of extra force to make sure that they stay pressurized over there. That's the primary source, and then you see the five wells that will be activated if we need to switch over because of lake conditions or mechanical failures at one of the pump stations. This whole system is fully automatic, it will automatically switch over to the ground well pumps, and you will always have a reliable irrigation well. Here's the schedule. Well 15 is in progress. All wells are going to be complete in January 2025. Well outfitting is scheduled for November 2025. Like Sienna pump stations, construction scheduled to be complete in December of 2025. If everything goes well, we should be turning the system over in January 2026.

Mr. Greene: Are those start dates or completion dates?

Mr. Flint: Those are completions. Let's talk about the cost and financing. You all received a mailed notice about the public hearing today. Mr. Szozda explained to you that these improvements are a requirement of consumption of use permits. The necessity to pull surface water for irrigation is not really an option. It's a requirement to the extent we're going to be able to comply with our consumptive use permit with the Water Management District. So the CDD is proposing to issue a 30-year bond. The CDD as a government has the ability to issue tax exempt municipal bonds. So this would be a 30-year municipal bond similar to what was issued in 2004 when the District was originally created. In 2004, the CDD issued bonds that funded the stormwater system and the piping and everything associated with the utility. There was also a utility bond that has been paid off that funded the two water plants and the sewer plant. It's a 30-year bond issue with a maximum par amount of \$12,230,000. The result of that, you can see for the 100 condo units would be \$393.74 a year. This would be collected on the tax bill. For commercial, there's 90,800 square feet of commercial, that's primarily the clubhouse. You have the clubhouse and the golf course. So the buildings associated with that is \$524.99. There are 866 single family units at \$1,049.98. These are caps. If the Board votes today to levy these assessments, this would serve as

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the ceiling. And when we go through the process of actually pricing and financing it, it is possible we could come in lower than this. It just depends on the market and interest rates. It will be on the tax bill starting in November of 2025. It won't be on this November. It's too late at this point in the cycle to be able to get an assessment on this November's tax bill. As part of the bond assumptions, we'll be capitalizing the interest through November of 2025 to be able to place it on the 2025 tax bill. In regards to the 2004 bonds, I think the interest rate, I want to say it's 5.5%, which was a good interest rate in 2004. Based on the current market conditions, there's not really an ability to refinance those bonds at a lower interest rate because the current market is about five and a half or higher on these bonds. We looked at the option of refinancing new '04 bonds with the hopes that we could take some of the savings from that refinancing and apply it to this bond issue. But the reality of it is that the interest rate market doesn't really allow for any savings to be able to do that. There are a couple things that we can do. One is there was excess revenue in the trust accounts that can be used to make a special call to pay down principal. We also are recognizing the additional commercial square footage and the additional single-family units that are planned. The result of that is you can see there, for a single-family home, it's about \$240 reduction in the annual assessment. That \$240 reduction would offset a portion of the increase from the proposed 2024 bonds.

Resident (Unidentified): Will that start in this November 2024 or not until 2025?

Mr. Flint: Not until 2025.

Resident (Unidentified): And will they show up as two separate?

Mr. Flint: No, because there's not enough lines on the tax bill. Typically, the tax collector will not show two different lines, so it'll be combined.

Resident (Unidentified): When I called, they told me that current one expires in 2035.

Mr. Flint: That's about right. It was a 30-year bond issued in 2004. There was probably one year in capitalized interest.

Resident (Unidentified): So then we'll have an increase by \$1,000 for the next ten years then we'll see that drop.

Mr. Flint: Correct, when that's paid off. Originally, I think there were 801 or 802 units, but there has been some additions. The hill, as you go up the estate side is going to be developed. That's an additional 43 lots. There were some infill lots that the developer replatted and constructed. The result of all that is an increase of about 60 or so lots from what was originally



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planned in 2004. Then in 2004, that bond issue was floated it was before the clubhouse and everything was actually constructed, it was estimated there would be 60,000 square feet of commercial. With the addition of the ballroom and some of the other improvements and the final design of everything, they actually ended up with over 90,000 square feet.

Resident (Unidentified): This amount that we have on this letter here that we're supposed to pay, are we supposed to pay it additionally or is it paid through taxes?

Mr. Flint: If the Board approves today, it'll be on your tax bill starting at 2025. We'll get into that after this. There is an Engineer's Report. It's very detailed, it describes the nature of the improvements that Rob summarized. Then we have a Master Assessment Methodology that shows how the cost of those improvements are allocated to the lands within the District. Those are also available on the bellacollina.cdd.com website. If you put your email address on the sign in sheet, we can also email you this PowerPoint if you're interested.

Resident (Unidentified): Those proposed new plats going up the hill is going to be like 60 more or 40 something more lots. Is that posted anywhere? What that new plan looks like?

Mr. Flint: I don't know.

Mr. Greene: It's at the county and that was approved in 2015.

Resident (Unidentified): Is it on our website anywhere?

Mr. Greene: It's in the sales office.

Mr. Flint: So I think it's been approved. The development plan has been approved. The plat has not been recorded yet, but we're anticipating those additional lots in these numbers. When you go up the hill street in front of you, there's that undeveloped area.

Resident (Unidentified): That whole thing is going to be developed?

Mr. Flint: Yeah. There'll be 40, 43.

Resident (Unidentified): Dawn at one time said she thought it was going to be extra amenities added there.

Mr. Greene: That was the original plan that Bobby had and we changed that in 2012.

Resident (Unidentified): Which size lots are there going to be on the top table?

Mr. Greene: I think they're 75.

Resident (Unidentified): So they're kind of like the smaller estate.

Mr. Greene: They're bigger than these lots over here, because the lots over on this side 40 and 50-foot lots.

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Resident (Unidentified): The estate side, the opposite side of the Lake Sienna is 75 foot.

Mr. Greene: That's correct.

Resident (Unidentified): So they're about three quarters of an acre. So are they going to go from just shy of the sewage plant?

Mr. Flint: Why don't we go ahead and we'll open the floor. We'll take public comment at this point. So if anyone has any public comment, if you want to state your name and address. To the extent we can answer the question during the course of presenting the Engineer's Report and the methodology, we'll answer it then. If it's a question that we can address now, we'll address that now. The question was, can you install your own well? The consumptive use permit actually does not allow that. The codes, covenants, and restrictions, this is not an HOA meeting, but the codes, covenants and restrictions for the POA do not allow individual wells. That's because the consumptive use permit does not allow individual well.

Resident (Unidentified): That's an interesting thing, because in my old neighborhood, at the roundabout, we had our own well. We had a consumptive use. And because we were seeding it as a community, we actually were allowed. So we all put in our own wells, which we all did.

Mr. Flint: Yes, here it explicitly says you can't. The reason is, is because the water management doesn't want 800 different holes punched in the aquifer that they can't regulate. On those private wells, if it's under three inches, there's no permit from water management. They have no idea what's being withdrawn. When this project was developed, water conservation was a big issue. For example, there's a requirement that you have to put soil amendments in the soil when you construct a home. You've got to have a centralized irrigation system which is being implemented. There are caps on usage by lot on an annual basis in the consumptive use permit. So there's a whole conservation plan that was laid out and the consumptive use permit and one of the things in there is that you can't have individual wells.

Mr. Scott Maddox (17109 Crete Way): Two questions. Once this is done, there's some pretty restrictive watering requirements. Will this increase the amount of usage on the sprinkler systems?

Mr. Flint: It'll take the pressure off from a regulatory perspective. I don't know that it's going to increase the per unit allocations for each lot, but it's going to prevent us from being in a situation where we're going to be under enforcement action.

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Mr. Maddox: And I also read the Engineer's Report. What is the current extent of Thompson Well & Pump's contract? I know according to the Engineer's Report, they've already been issued a contract. I'm trying to figure out what the extent of their contract is because it looked like right now there's still some open items to be subcontracted out.

Mr. Szozda: Yes. They were contracted to drill all five holes. The outfitting that was described, the pump, the motor, the controls, the tower, all that.

Mr. Flint: And Jim Boyd is bidding each of those others. He bid out the well drilling. He's bidding out the other components as well.

Mr. Maddox: Thompson Well & Pump will be bidding the other components?

Mr. Flint: I don't know if they'll be bidding it, but they were selected based on a bid process.

Resident (Unidentified): On the taxes there is maintenance assessment of \$225, is that also yearly?

Mr. Flint: There are two components to the assessment that you see on your tax bill. There's an operation and maintenance piece, and there's a debt service piece. That number you're referencing is the O&M piece, and that is to operate and maintain the stormwater system annually.

Resident (Unidentified): So that's for the life of the property?

Mr. Flint: That won't go away. That number or something similar to that number won't go away as long as the CDD exists and it's maintaining the stormwater system. The debt numbers, at some point when they're paid off, will go away, and they can also be prepaid to the extent anybody wants to pay off the outstanding principal balance, you can pay it off early if you choose to do so. It may not make sense because it rides with the property, but there's some people that are just opposed to paying interest and they choose to pay it off.

Resident (Unidentified): Is there a number?

Mr. Flint: Yeah, and I can show it when we get into the methodology.

Resident (Unidentified): That debt goes with the house, so you don't actually have a lien on the house. But if you go to sell the house, the new owners need to know there's this bond.

Mr. Flint: Yeah. It's actually a lien, but it's not a lien that has to be satisfied upon sale. It's an assessment lien, but it runs with the property. When the title work is done, when you're selling the home, all that stuff comes up.

Resident (Unidentified): That information was not told, I know to me, when I bought my property that there was this initial bond on the property.

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Mr. Flint: Yeah. The title work, in all that stuff, there's a Notice of Establishment that will come up. There's a Notice of Public Financing.

Resident (Unidentified): But through the builder, they didn't pass that information on.

Mr. Flint: There's a lot of protections from a disclosure standpoint, so it's pretty tough not to know. But there are a lot of documents when you're closing on a home. The statutes provide for a lot of protections. There's a lot of notices that have to be recorded, disclosures that would show up during the title work anytime you're buying a home in a CDD, whether it's this one or any other one.

Mr. Randall Stewart (15214 Pendio Dr): I'm just curious because originally, they laid out for irrigation. Did they just not allow for enough capacity in the system? Is that why we have to expand it?

Mr. Flint: We have three lines. We've got a wastewater, potable water, which is drinking, and then we've got an irrigation. The consumptive use permit always contemplated that there would eventually be a need to draw from surface water, but that infrastructure was not initially...

Mr. Stewart: Oh, they didn't do the infrastructure for the surface water.

Mr. Flint: For the surface water, it's in place for the reclaim. But the reclaim is not adequate, there's just not enough reclaimed water being generated to be able to accommodate the irrigation needs. So the Water Management District first wants to see reclaim being used, second is surface water, and then third is groundwater. These groundwater wells are just supposed to be backup wells in the event the surface water pumps fail. They're not a primary source of irrigation water.

Mr. Stewart: So do we anticipate that Lake Siena will, in general, provide enough capacity for everything?

Mr. Flint: Yeah, there was some significant testing done on Lake Siena, some pump testing done, and it's a very stable water source. That was done probably 15 years ago, but I know that Jim Boyd and his design looked at all that. We do have to monitor the lake levels. If they get below a certain level, then we'll switch to the wells. So if we get into a severe drought situation where Lake Siena is impacted, then we would switch to the groundwater wells. We don't expect that's going to be an issue based on the volume of water that lake generates.

Mr. Burman: Is that spring fed?

Mr. Flint: Yeah. They pumped the heck out of it, and it didn't move.

Mr. Burman: Who is Jim Boyd with?

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Mr. Flint: Jim Boyd is our environmental engineer. He works for the Community Development District, and his company is Boyd Environmental. He's very good. He's a small operation, but he's very good. He's well known. Are there any other comments before we move on?

**A. Consideration of Engineer's Report**

Mr. Flint: The detailed report is in the agenda. Rob and his presentation summarized the salient issues in that report. Are there any questions from the Board in addition to what Rob discussed on the Engineer's Report? Hearing no questions or comments, is there a motion to approve the Engineer's Report?

On MOTION by Mr. Greene, seconded by Mr. Scharich, with all in favor, the Engineer's Report, was approved.
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**B. Consideration of Master Assessment Methodology**

Mr. Flint: The Master Assessment Methodology, which was referenced in the mailed notice and is on our website, it's dated June 13, 2024. We'll go through the tables. Table 1 from the Master Assessment Methodology shows that there are 100 condos, there are 90,800 square feet of commercial, and 866 homes. Those result in 1,898 equivalent residential units. Table 2 shows the infrastructure cost estimates from the Engineer's Report. You can see the cost of the pump stations, the transmission piping, the wells, the Duke energy costs, which are the transformers and mines associated with the wells and pump stations, and then a contingency and soft costs totaling about \$10,000,000. We take the construction costs and we prepare the bond sizing which includes a debt service reserve and that debt service reserve is equivalent to one year's max annual debt. A debt service reserve is required by the bondholders. When they purchase these bonds, they want a reserve in place in the event there's a default that can be drawn on to pay the principal and interest. There's capitalized interest and this would capitalize interest for twelve months, which would take us through November of 2025. The result of that is a projected par amount of \$12,200,000. Then the allocation of benefit, the table shows the cost of the improvements per unit and in total by product type. If you take the \$10 million and you allocate that out to the product types, you can see that a single-family home is receiving about \$10,500 in improvement cost per unit.

Resident (Unidentified): Now, is that what would be the cost if I said I want to pay it off, is ten grand?

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Mr. Flint: This is the cost here. This is the par amount per unit. So if you wanted to pay it off to avoid that annual assessment, it's \$12,888.66. That's in year one and then that number goes down a little bit every year as the principal is paid.

Resident (Unidentified): Can individual owners purchase the bonds?

Mr. Flint: The bonds are typically marketed to institutional buyers and they're sold in large denominations. Initially they're not usually sold to individuals. It's like Blackrock, Oppenheimer, Goldman, etc. They negotiate the underwriters. These are negotiated bond deals. And with larger institutional buyers, there is the possibility in the secondary market to be able to buy them later on. Sete, are you on the phone?

Ms. Zare: Yes, I'm here.

Mr. Flint: Sete is with MBS and they're the District's underwriter. Sete, the question was asked whether the owners, individual owners, would be able to purchase these bonds.

Ms. Zare: George, you already hit on this but initially they are offered to institutional buyers. Ultimately, it can be offered to resale buyers on secondary market. But it is a key institutional buyer.

Mr. Flint: In order to achieve the interest rates that are market, they have to do that to really sell it to institutional buyers. These are unrated bonds. So they're not typically offered to individuals. They are tax free here.

Resident (Unidentified): So essentially, it's a \$30,000 debt per home if you're a single-family resident. But if you pay it off up front, it's only like a third of it.

Mr. Flint: The rest is interest. Right.

Resident (Unidentified): So if you wanted to pay it off, who do you contact to pay it so it gets off the tax bill?

Mr. Flint: You would contact my office and say you want to pay it off, we would give you the payoff amount. If you chose to pay it off, it would need to be prior to July of next year to be able to take it off the tax bill because there's a deadline to be able to certify it to the county for inclusion on the tax bill. I think July 15 is our cutoff, but if we got the payoff before that, we could pull it off the tax bill.

Resident (Unidentified): So you could do the same thing on the existing bond that has ten years left as well?

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Mr. Flint: You could, yes. You might want to wait till we pay it down and then get a payoff amount. You could pay that off too. It's an individual choice if you've got two homes right next to each other, both the same value, are you going to get more for your home because you paid it off? It's really an individual decision. Or if you're going to live there 20 years, it might make sense for you. Typically, we don't see a lot of prepayments, but there is that ability to do it and it's an individual decision. So these are the numbers that we had in the PowerPoint. This shows you what the annual assessment would be. The net number, to collect \$100 we have to impose, I think it's 6% in Lake county, we have to impose \$106 to collect \$100. We have to assume everyone's going to pay their tax bill in November, and you get a 4% discount if you do that. And then there's costs from the county to use the tax bill that they charge all government entities. So that's the difference between the net and gross. That gross number assumes you're paying it in March. If you paid it in November, you would get 4% off of that gross number. This is the preliminary assessment roll; it lists all the owners and all the lots within Bella Collina and what the individual amounts would be.

Resident (Unidentified): So right now, even empty lots are paying the same assessments?

Mr. Flint: Correct. All 866 lots will be paying it. The undeveloped piece on the hill will receive an assessment equivalent to the 43 lots that eventually will be platted. The master developer and all the builders, everyone who owns lots in here would be paying this.

On MOTION by Mr. Greene, seconded by Mr. Scharich, with all in favor, the Master Assessment Methodology, was approved.

### **C. Public Comment & Testimony**

Mr. Flint: The Board previously saw these reports when they set the public hearing for today. The reports have been on the website. Is there any additional public comment and testimony before the Board considers the resolution? Hearing none, we'll move on then. We'll close the public comment portion of the hearing.

### **D. Consideration of Resolution 2024-06 Levying Assessments**

Mr. Flint: You have resolution 2024-06 in your agenda, and I understand Jay, there's a minor change to it.

Mr. Lazarovich: Resolving 2024-06 is lending special assistance on the project on the benefit of lands. It's in accordance with the Master Assessment Methodology that was just approved by the Board. It also sets forth the estimated improvement cost based on the Engineer's

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Report. The resolution further goes into payment and prepayment of the special assessments, which George covered. Previously the Board approved Resolutions 2024-04 and 2024-05, which declared special assessments on the benefited lands and set the public hearing for today. This resolution ratifies those actions. There's a proper notice in the newspaper general circulation. Further, this resolution is being adopted pursuant to Chapters 170, 190, and 197 of the Florida statutes. I just want to note that section 3D will need to be revised. The delegation resolution was put off to a further meeting, so we will just need to revise some of the language here where there's a resolution number assigned as well as it was mentioned that it was at the same time as this resolution. I'm looking for approval subject to those revisions, and I'll bring it back at the next meeting to be ratified.

On MOTION by Mr. Greene, seconded by Mr. Scharich, with all in favor, Resolution 2024-06 Levying Assessments, was approved as amended.

Mr. Flint: Is there a motion to close the public hearing?

On MOTION by Mr. Greene, seconded by Mr. Scharich, with all in favor, Closing the Public Hearing, was approved.

**FOURTH ORDER OF BUSINESS**

**Other Business**

Mr. Flint: The next step in the financing process would be consideration of the delegation resolution. On a future agenda you'll see that delegation resolution, which will set the parameters under which the Chair or Vice Chair would be authorized to execute the documents necessary to move forward with the bond issue.

**FIFTH ORDER OF BUSINESS**

**Supervisor's Requests**

There being no comments, the next item followed.

**SIXTH ORDER OF BUSINESS**

**Adjournment**

Mr. Flint: Is there a motion to adjourn?



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

Signed by:

*Randall Greene*

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Secretary/Assistant Secretary

DocuSigned by:

*George Flint*

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Chairman/Vice Chairman