

MINUTES OF MEETING  
BELLA COLLINA  
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Bella Collina Community Development District was held Thursday, August 8, 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
Andrew Gorrill	Assistant Secretary
Rick Scharich <i>by phone</i>	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
Ashton Bligh <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. Mr. Scharich joined the meeting by phone.

**SECOND ORDER OF BUSINESS**

**Public Comment Period**

Mr. Flint: Next is public comment period and we just have the Board members and staff here so we will move on to the next item.

**THIRD ORDER OF BUSINESS**

**Approval of Minutes of the June 13, 2024 Meeting**

Mr. Flint: Were there any comments or corrections to the June 13, 2024 meeting minutes?

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

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On MOTION by Mr. Burman, seconded by Mr. Owen, with all in favor, the Minutes of the June 13, 2024 Meeting, were approved, as presented.

**FOURTH ORDER OF BUSINESS**

**Ratification of Pay Request #6 from Carr & Collier**

Mr. Flint: The next item is pay request #6 from Carr & Collier. This is an application for payment. As you recall, the Board entered into this contract directly. This is associated with the irrigation system construction. This has been reviewed by Jim Boyd the consulting engineer for the District. It doesn't look like his signature is on this but it's included in your agenda. He has reviewed and approved it for payment. We will make sure we get his signature before it is processed. Were there any questions on the pay application? Is there a motion to approve it?

On MOTION by Mr. Greene, seconded by Mr. Owen, with all in favor, Pay Request #6 from Carr & Collier, was ratified.

**FIFTH ORDER OF BUSINESS**

**Consideration of Resolution 2024-08  
Resetting the Public Hearing to Adopt the  
Fiscal Year 2025 Budget**

Mr. Flint: Next is the resolution resetting the public hearing to adopt the Fiscal Year 2025 budget. We originally had the public hearing set for July 11<sup>th</sup> and ended up having an issue with quorum for that meeting so we have rescheduled it to today. We did readvertise and comply with all of the noticing requirements. This resolution just ratifies our actions in re-noticing the public hearing for the budget for today. Any questions on the resolution and if not, is there a motion to approve it?

On MOTION by Mr. Greene, seconded by Mr. Burman, with all in favor, Resolution 2024-08 Resetting the Public Hearing to Adopt the Fiscal Year 2025 Budget, was approved.

**SIXTH ORDER OF BUSINESS**

**Public Hearing**

Mr. Flint: This is the public hearing to consider the adoption of the Fiscal Year 2025 budget. Is there a motion to open the hearing?

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

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**A. Consideration of Resolution 2024-09 Adopting the Fiscal Year 2025 Budget and Relating to the Annual Appropriations**

Mr. Flint: The public hearing is open. For the record, there are no members of the public here to provide comment or testimony so we will close the public hearing portion and bring it back to the Board. You have Resolution 2024-09 which adopts the FY2025 budget. The budget starts on October 1<sup>st</sup>. You have seen a previous version of this when you approved the proposed budget and set the hearing. Rob, I do not believe there are any substantial changes that we want to mention on this that we have made.

Mr. Szozda: I think we had to bring in the lift station over at Siena Tower so that added in some additional cost. Also, the grinder station is noticeable and of course we are going to talk about the PM program today to try to curve that down.

Mr. Flint: There is a lift station at the condos that we have incorporated into our PM program with the other lift stations. Those costs are in here. We have \$40,000 in here for a preventative maintenance program on the grinder stations so we are being proactive on the maintenance of those. Rob is going to talk about that.

Mr. Greene: Are these the grinder stations at each house?

Mr. Flint: Yes. We will be proactively going out there on a schedule and Rob will go into what is involved in that. At least we have some money set aside so we are not reacting every time an alarm goes off. We are being more proactive on that. Other than that, the Board approved entering into an agreement with a rate consultant so we are working with a rate consultant. We are not ready to bring that back today but we are hoping in the next 30-60 days that we will have a presentation from the rate consultant for the Board on any proposed adjustments. Those don't need to necessarily go into effect with the fiscal year on October 1<sup>st</sup>. We could make an implementation date of January 1<sup>st</sup> if we wanted too since those don't go on the tax bill. This budget contemplates the revenue necessary to cover the expenses and then we will bring the rate study results at a future meeting. Were there any questions on the general fund or the enterprise fund budgets? Is there a motion to approve Resolution 2024-09?

On MOTION by Mr. Greene, seconded by Mr. Owen, with all in favor, Resolution 2024-09 Adopting the Fiscal Year 2025 Budget and Relating to Annual Appropriations, was approved.

**B. Consideration of Resolution 2024-10 Imposing Special Assessments and Certifying an Assessment Roll**

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Mr. Flint: The second part of the public hearing is imposing special assessments and this deals with the operation and maintenance assessments that are in the general fund and you have the standby assessment in the enterprise fund for the undeveloped lots and it reaffirms the debt assessments. Attached to this are exhibits which include the budget that you just approved and the assessment roll. Jay, anything else you wanted to add on the assessment resolution?

Mr. Lazarovich: No, there is nothing else.

Mr. Flint: Any questions on it? Is there a motion to approve it.

On MOTION by Mr. Gorrill, seconded by Mr. Greene, with all in favor, Resolution 2024-10 Imposing Special Assessments and Certifying an Assessment Roll, was approved.

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

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

**SEVENTH ORDER OF BUSINESS**

**Financing Matters**

**C. Consideration of Engineer’s Report**

Mr. Flint: The first item is the Engineer’s Report. This is related to the bond issuance for the irrigation system. You recall earlier in the month; we had the assessment hearing related to this. The Board approved the levy of assessments necessary to issue bonds to fund the \$10M in estimated improvements. Subsequent to that meeting, we did have conversations with the consulting engineer and we recommended that he increase the amount of contingency that is in his report because not 100% of the improvements are bid out. He does have a contingency in here because there are still some unknowns because not everything has been bid yet. Discussion was that he would increase the contingency in his report. It won’t change what we did in the assessment hearing as far as the maximum amount of par debt or assessments that can be imposed on the lots. It just provides for some additional contingency in the Engineer’s Report. Jim Boyd is not on the phone but that is the primary difference between what you had seen previously and this report is just increasing the contingency amount. Any questions on the revised Engineer’s Report?

On MOTION by Mr. Burman, seconded by Mr. Greene, with all in favor, the Revised Engineer’s Report, was approved.

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**D. Consideration of Supplemental Master Assessment Methodology**

Mr. Flint: We prepared a Supplemental Assessment Methodology. The Board previously reviewed the Master Assessment Methodology that was used when we went through the assessment process and that Master Methodology basically serves as the ceiling for the District when we go through that financing process and sets the cap on the par debt and the assessment amounts that can be imposed on property within the District. For purposes of the underwriter, marketing and selling the bonds, they include what is called a pre-pricing or Preliminary Supplemental Assessment Methodology. Once the bonds are actually priced, we prepare a Supplemental Methodology that reflects the actual terms of the financing, the interest rates, etc. In the marketing of the bonds, the underwriter includes a draft of that Supplemental Assessment Methodology. We have included in your agenda for purposes of the underwriter the Supplemental Assessment Methodology and the Preliminary Limited Offering Memorandum a draft of that report. If you refer to page 108 of the PDF which is page 9 of the report, the development program is the same as what you saw on the Master Methodology. There are 100 condos, about 91,000 sq. ft. of commercial and 866 single family lots and that is estimated at build out. Table 2 is the capital improvement plan and previously that was \$10M, you can see now it is \$10,455,000, the difference being the increase to the contingency that we just talked about. Table 3 is the preliminary bond sizing. Whereas in the Master we assumed very conservative parameters and interest rates for purposes of going through the assessment process, this report is intended to more closely reflect what the underwriter believes the terms of the actual financing will be based on the current market. You can see that it generates the \$10,455,000 in construction funds, has an average coupon of 5.45%, same amortization of 30 years, cap interest 13 months which takes us through November of next year to be able to get on the tax bill in 2025. The debt service would be 50% max annual whereas in the master it was 100% and then you have the underwriter's discount. This still stays within the parameters even though we have increased the construction funds because the interest rate is lower and some of the other assumptions have changed, this still allows us to stay under the caps that were set when we went through the master main process.

Mr. Greene: How long does this 5.45% stay static? Could it change if the fed cuts rates in September?

Mr. Flint: It will be a fixed rate for the 30 years.

Mr. Greene: I get that but could it change now?

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Mr. Flint: Yes, and Sete with MBS is on the phone. This 5.45% is just an estimate. This is what will be included in the Offering Memorandum. The actual interest rate will be set when they price it. If there are dynamics in the market that are going to impact that rate up or down, this is just an estimate. There may be several coupons within the bond issue but the blended average coupon would be 5.45% based on this estimate. Anything you want to add Sete?

Ms. Zare: I think you covered it, George. Pricing will be set on the day that we actually do the pricing so that coupon will certainly not be set until we actually have a firm pricing date.

Mr. Flint: What is the estimated timing of the pricing and closing on this?

Ms. Zare: We are in the process of cleaning up the PLOM. Once we get that set, I think we will be able to issue and print the offering within the next week or two. After that, that will guide the rest of the timeline. I think we will probably be able to pre-close in conjunction with the following Board meeting where we hold the public hearing. I think that is what our target is but certainly there is going to be some flexibility in the schedule depending on when we actually print the book.

Mr. Greene: We could potentially have some savings.

Ms. Zare: We will certainly keep the team updated on our schedule once we have a little bit more firm date.

Mr. Flint: It is possible if the interest rate came in lower than this that the per units would be lower but 5.45 is a fairly low interest rate in this market right now. I don't want to speak for the underwriter but I am not sure we can expect it is going to be much better than that. Table 4 is the allocation of benefit. This is based on the improvement costs for the various product types overall and by unit. Table 5 is the allocation of benefit based on the par debt. This shows you that on a single-family home based on the assumptions that are in this Preliminary Supplemental, a primary single-family home would have \$12,693 of par debt on it. If someone wanted to pay off their debt on this, that would be the number based on these assumptions. Table 6 is the estimated net and gross annual assessment that will be on the tax bill. You can see even with the increased contingency amount, the per unit amounts that would be on the tax bill be based on the interest rates and everything that is in this are lower than what we disclosed in the assessment hearing earlier this month. We have the Preliminary Assessment Roll attached as Table 7. Any questions on the Preliminary Supplemental Assessment Methodology? Is there a motion to approve it?

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

**E. Consideration of Resolution 2024-07 Bond Delegation Resolution & Exhibits**

- i. Form of Second Supplemental Indenture**
- ii. Form of Bond Purchase Agreement**
- iii. Form of Continuing Disclosure Agreement**
- iv. Form of Rule 15c2-12 Certificate**
- v. Form of Amended and Restated Acquisition Agreement**
- vi. Form of True-Up Agreement**

Mr. Flint: The next step in the financing process is for the Board to consider what is called the Bond Delegation Resolution. Ashton Bligh with Greenberg is on the phone. Ashton, do you want to present the resolution please?

Ms. Bligh: Absolutely. In 2004 the Board adopted an authorizing resolution which ultimately authorized the District to issue bonds, series of bonds, special assessment bonds, utility bonds were subsequently issued. The next and final bond related resolution to be adopted prior to District issuance of its bonds is this Delegation Resolution 2024-07. This Delegation Resolution justifies parameters for a specific series of bonds, in this case it is the Series 2024 bonds. It also delegates authority to certain persons to proceed with the marketing, sale and issuance of the Series 2024 bonds and if the terms are reached with respective purchases are within those parameters. In addition, this resolution contains documents as exhibits to sale the one series of bonds for the primary purpose of providing funds to pay all or a portion of the costs of the improvements to the utility system which have more detail in the consultant report presented prior to this. The form of documents attached to this resolution are listed on page 4 and are also listed in the agenda for this meeting. They include a Second Supplemental Trust Indenture, a Bond Purchase Agreement, a Preliminary Limited Offering Memorandum, a Continuing Disclosure Agreement, a Rule 15c2-12 certificate and Amended and Restated Acquisition Agreement and a True up Agreement. A couple of items I would like to point out. Florida law requires certain findings so you don't have to do a public offering. Those findings are listed under section 4. Section 5 includes the parameters for the Series 2024 bonds which include any optional redemption will be determined at pricing of the Series 2024 bonds. The interest rate on the Series 2024 bonds shall not exceed a maximum statutory rate. The aggregate principal amount of the Series 2024 shall not exceed \$12,230,000. The Series 2024 bonds shall have a final maturity not later than the maximum term allowed by

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Florida law which is currently 30 years of principal amortization. The price at which the Series 2024 bonds shall be sold to the underwriter shall not be less than 98% of the aggregate face amount of the Series 2024 bonds. Section 6 approves the form of the Preliminary Limited Offering Memorandum and authorizes the final PLOM and in addition authorizes the Chair to deem the PLOM final under Federal Securities Law via the 15c2-12 certificate, also enclosed. Section 7-9 approves the form of Continued Disclosure Agreement, True-Up agreement and Acquisition agreement which are also enclosed as exhibits. Section 10-16 include other general terms. That is the Delegation Resolution, if you have any questions, I am happy to respond otherwise would request a motion to approve Delegation Resolution 2024-07.

Mr. Flint: Any questions on the Delegation Resolution? Okay, we have a motion by Mr. Greene.

On MOTION by Mr. Greene, seconded by Mr. Burman, with all in favor, Resolution 2024-07 Bond Delegation Resolution & Exhibits, was approved.

**EIGHTH ORDER OF BUSINESS**

**Adoption of District Goals and Objectives**

Mr. Flint: The legislature adopted some new legislation in the last session. There was an omnibus Special Districts Bill that was backed by the Speaker of the House. It had a number of items dealing with Special Districts. We were able to get a lot of the most offensive things removed but one of the things that survived in that bill was a requirement that Special Districts including Community Development Districts adopt annual performance measures and standards. The CDD is required by October 1<sup>st</sup> of this year to approve goals and objectives and performance measures and then by December 1, 2025 we are required to report on those. That would be an annual process. Our plan is to do this in conjunction with the budget adoption process and because there is a short turn around here on the implementation of this, we have come up with some very basic goals and objectives that we would recommend the Board consider this year. You can always modify these and in the future if you choose too, you can change these. You don't have to approve these. I think this is a start for the Board and the goals and objectives that are in here are things that we are already required to do. We already do those and we have set the bar here where we are not setting ourselves up for failure or not achieving the goals and objectives. The first category is community communication and engagement and under that there are three recommended goals. The first one is dealing with public meeting compliance, the second one is with notices of meeting compliance



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and the third one is access to public records. Under the first goal the objective is to hold at least three Board meetings which there isn't a year where we haven't held many more three so that shouldn't be an issue. The second one deals with just complying the statutory noticing requirements which obviously we are required to do already and the third is dealing with public records. The second category deals with infrastructure and facilities maintenance. The first goal deals with field management or District management site inspections, the second deals with infrastructure and facilities inspections and those again are things that we are already doing and there should be no problem meeting those. The final section is financial transparency and accountability. The first goal deals with the annual budget preparation and adoption, the second with the unaudited financial reports that we prepare, and the third one dealing with the annual audit that we are required to have under statute. I think the Board considering these and approving these will allow us to comply with the October 1 deadline. It sets performance standards that are easily achievable and we can always amend these in the future if the Board wants too. If the Board is okay with what we are recommending in this memo, you can consider a motion to approve or we can do something different.

On MOTION by Mr. Greene, seconded by Mr. Owen, with all in favor, the Adoption of District Goals and Objectives, was approved.
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**NINTH ORDER OF BUSINESS****Consideration of Resolution 2024-11  
Declaring Vacancies in Certain Seats**

Mr. Flint: As you know the District has five Board members and initially those Board members are elected by landowner election and at the point where the District is in existence at least six years and has 250 registered voters, the way the Board members are elected changes to a general election process and that is phased in over several steps. We have met the six years some time ago. We just met the 250 registered voter threshold which means that seat 2 and seat 5, seat 2 is held by Rocky and seat 5 by Rick. Those are transitioning a general election process. We had this information on the agenda earlier in the year. No general electors qualified to run for those seats. Once they transition to general election, the Supervisor of Elections handles the election process for those seats. No one went and qualified in early June to run for these seats so what happens in that case is the Board has to declare those seats vacant as of the second Tuesday after the election in November and that is when the seat would become vacant. At that point, you could appoint a general elector if no one has come forward and stated an interest in serving. If no one

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comes forward, the incumbent can serve in that seat as a hold over for a period of time until you do appoint somebody. What this resolution does is it merely declares those seats vacant as of the second Tuesday after the election which is the first step in this process. I know we have a couple of residents that are serving on the Board in different seats. The Board may want to consider whether you want to make any changes in that regard. You could always put an existing Board member who is a qualified elector in one of these seats when you meet that requirement. We are going to want to do that before November. Anything else Jay to add on that?

Mr. Lazarovich: No, nothing further.

On MOTION by Mr. Gorrill, seconded by Mr. Greene, with all in favor, Resolution 2024-11 Declaring Vacancies in Certain Seats, was approved.

**TENTH ORDER OF BUSINESS**

**Staff Reports**

**A. Attorney**

Mr. Flint: Staff reports; Jay anything else?

Mr. Lazarovich: No major updates from us. We are just reviewing bond documents and preparing our issue documents.

**B. Engineer**

**i. Consideration of 2024 Rate Proposal**

Mr. Flint: Steve, you have a rate adjustment here.

Mr. Boyd: Thank you, George. We did propose a rate increase which is really the only rate increase that we have proposed in the last 10 years since our firm took over District Engineering responsibilities. We request your approval of that and hopefully you find it consistent with current conditions. This is the same rate increase that we have established with other Districts this year and consistent with current market conditions. I appreciate your consideration of that.

Mr. Flint: Any questions on the rate proposal? If not, is there a motion to approve it?

On MOTION by Mr. Greene, seconded by Mr. Burman, with all in favor, the 2024 Rate Proposal, was approved.

**ii. Presentation of Annual Engineer’s Report**

Mr. Flint: The Trust Indenture requires that the Engineer make an annual inspection of the Districts infrastructure and Steve you have a letter in here in regards to that.

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Mr. Boyd: We completed the annual certification. All of the District's facilities that the District owns and maintains is being maintained in good condition. We will continue to certify that every year. Next year, we will probably do a deeper dive into the stormwater system but this year the inspection we conducted showed everything in good condition. We are working with District Counsel on the transfer of ponds that the POA retains ownership of and we have a process that we are going through with that. We are also working to wrap up the establishment of some additional easements that relate to the lift station over at the lodge that you mentioned earlier. Those two items are ongoing.

Mr. Flint: Any questions for the Engineer?

Mr. Gorrill: Did you happen to get those bids for that storm drain?

Mr. Boyd: We have not finalized it yet for bid. Rob has been asking me about that. I am reevaluating that solution but will refocus on that and bring something to the Board next month.

Mr. Gorrill: The drainage problems that you are referring to, are you referring to the one at the main gate and the North drainage pond? How that got into the POA's hands, I have no idea.

Mr. Flint: The one at the entrance circle, I think we are having to do a survey to carve out. Is there a dog park there?

Mr. Boyd: The sketch and description have been completed. There is the POA. There is the one that we are doing is VCS and then we have two that are POA that are in the same tract so that is one transfer. Then the smaller one at the Bolsena entrance.

Mr. Gorrill: There is also the pond on Bolsena that is actually a drainage pond that is in the POA's name as well. The houses back up to it. Somehow that ended up in the POA's name as well.

Mr. Boyd: Let me double check and make sure I get that one covered.

Mr. Gorrill: Yes, please.

Mr. Owen: I have a question. To regress just a little bit on the irrigation project. I noticed the structures are designed to be 160 mph wind loads. Could you enlighten us how you are going to achieve this?

Mr. Flint: That would be a Jim Boyd question, not a Steve Boyd. They are not related Jim and Steve although they have the same last name.

Mr. Owen: Is emergency power going to be backed up for these places? These two go together.

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Mr. Boyd: On the irrigation system, not that I have seen. I didn't see any description of emergency power for irrigation.

Mr. Flint: We have emergency power on our lift stations and obviously at the plants. The irrigation the expense, there are five backup wells and two other stations. I don't think we have generators at each one of those locations. Irrigation obviously is not health safety.

Mr. Flint: Can you follow up on the wind load question and get back with Rocky?

Mr. Boyd: Yes.

Mr. Flint: Anything else for the Engineer?

**C. District Manager's Report**

**i. Approval of Check Register**

Mr. Flint: District Manager's report, we have the check register for the month of June for the general fund, the water and sewer fund, the reserve fund, and Board pay that is \$311,422.48. Any questions on that check register? Is there a motion to approve it?

On MOTION by Mr. Burman, seconded by Mr. Gorrill, with all in favor, the Check Register totaling \$311,422.48, was approved.

**ii. Balance Sheet and Income Statement**

Mr. Flint: You have the unaudited financials through June 30<sup>th</sup>. There is no action required by the Board. Does the Board have any question on those?

**iii. Approval of Fiscal Year 2025 Meeting Schedule**

Mr. Flint: Each year you are required to approve an annual meeting schedule. Historically, you have met on the second Thursday of each month in this location at 10 AM. If you want to keep that, we have prepared a recommended meeting schedule for your consideration. Is the Board okay with keeping it at the same time. Is there a motion to approve it?

On MOTION by Mr. Gorrill, seconded by Mr. Greene, with all in favor, the Fiscal Year 2025 Meeting Schedule, was approved.

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

This item was not discussed.

**D. Field Managers Report**

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Mr. Flint: The Field Manager's Report, Rob?

Mr. Szozda: Okay, we will start with some completed tasks. There was a number of minor leaks at Hillcrest Water Plant. Most of those are completed. I have only seen two of the pumps running but the but the two high-capacity pumps are fixed. If you drive into Hillcrest, most of the time you drive through a puddle of water from the leaking backflow preventer and we have had that backflow preventer replaced as well. Of course, we mentioned at the last Board meeting that the first well was being drilled for the irrigation system. It is over at Pine Island so that is still in progress. We completed the inventory of the backflow preventers. The policy manual requires that all one-inch lines going out except backflow preventer, there are a handful that do not so we will be working with George on the that and get those notices out in the near future. The lowering of the force main cleanouts has been slow. A week ago, it was still yet to be restarted but I wasn't able to check with them this week on that but that is in progress. I am going to call the drafter of the PM program and go into that in a little bit more detail. We repaired the stormwater structure on Volterra cul-de-sac. George pulled it up and noticed from about 100 yards that something was wrong so I went and got it fixed. That is not unusual for George. We had to bore on Pesce Loop to reestablish a sewer line. We dug between driveways and could not find a thing so we had to bore so that was an expense being incurred. That is not complete and one of the grinder stations is being tested there now. We awarded the contract for the fire hydrant replacement. I have not located the fire hydrant. I am working with Amy to secure each line but it is running behind lot 132 or 133.

Mr. Gorrill: 131 and 132.

Mr. Szozda: I sent a picture that it is leaking so we are going to have to get that fixed and will probably get somebody in motion on that today. We got a complaint apparently a repeat complaint from last year, one of the grinding stations was putting off an odor. I looked at it. It was one of the older models. It is like almost a trash can lid sitting on top of it to kind of breathe openly to the atmosphere. We put a rubber seal on the top of it. Those complaints have gone away. I did notice the did service one just like it the other day so there is a handful of them out there. I think the only complaint we received was the odor on this type. I will move onto the grinder stations as a whole. There is seven sorry there is eight as one was installed yesterday from the last Board meeting. There is seven pending basically ready to go. Back to the PM program, there were nine grinder station alarms since last period. All were corrected but it always a costly correction. I am going to go ahead and jump into the PM program now before it continues this week. Every

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one of these grinder stations eventually are going to have a problem and is going to fail. What we are trying to head off is that being after hours unexpected weekends so we need to get it corrected. The PM program is the last page of the entire agenda. If we go through and get them cleaned up, we estimate about 50% of them are probably going to need to be cleaned upon the inspection. It is mostly greases, oils, fats that are floating in there and eventually creates a problem both for the floats that turn on the pumps. Generally, it is cleaning out those noncompliant materials and then putting back in service. The expense is after hours pump trunk and the after-hours expense of the labor to get it done. It is very costly. As George mentioned, there is basically 150 grinder stations that were installed previous to 2023. That is going to be the first ones to go through PM which are probably the most likely ones to have a problem. We will go through and do that. The PM itself, if we show up to the station and do all the checks and everything is good, it's a \$550 fee. I think that is reasonable. After that, we estimated about 50% of them are going to need some sort of action, cleaning up or pumping out. The good news is we are going to do that here at the lower expense and that is not going to be a problem at some date in the future. The intent is to do the PM program. You get to set the frequency. They suggest a year, I think it is more likely 18 months or two years. We will see the results and turnaround through the PM program and see what happens. I think one of the key elements of the program would be to issue a report to the resident for the ones that have to be pumped out and do things. I plan on trying to have a conversation with them just to try to head off things in the future. I don't know that we finalize this as an element of the program but probably should be. If we get in there and service somebody's and find all kinds of things wrong, we go back a year later and have the same problems, I think we need to back charge the resident for noncompliance to the policy manual that basically says, hey don't do this and do not put this down the drains and if we can attempt to back charge them.

Mr. Greene: Who hands out that policy manual with instruction on how to care for it?

Mr. Szozda: The frequently asked questions, it was there so whether we need to codify that into one of the policies but we have a policy manual for water and wastewater that exists so maybe George we go in and modify that.

Mr. Flint: When we sign up the accounts, we provide that information as well and when they are transferred we can point back to that and say you were provided this. You signed and acknowledged that you received this. We are not involved in the closing but when they switch the account there is an application.

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Mr. Greene: We may want to do a reminder email or something to the residents.

Mr. Flint: We did provide a two-page information sheet to Dennis that was supposed to be sent out by the POA.

Mr. Gorrill: I think every six months or something just to send an email blast to everybody just to keep it fresh.

Mr. Greene: Yeah, because nobody is thinking about that.

Mr. Flint: We try to do a front and back of things like dos and don'ts. What goes down the sink and what shouldn't go down the sink. Who to contact when you have an issue. We hit on all of that and then there is an acknowledgement of the policy manual. I don't know if we actually provide the entire policy manual to every new customer but they are acknowledging that they are aware of it and it is online. Maybe we have the summary page and then put a web link on the application itself.

Mr. Greene: There are so many new residents and not all of them speak English.

Mr. Flint: We have the issue with people that don't know what a grinder station is. They think they have a septic tank. They don't know if they own the grinder station or not. We have been working on that education process to try to resolve that. I know at the last builders meeting Rob was there and Dennis spoke about that issue.

Mr. Greene: I guarantee the realtors do not pass that stuff along.

Mr. Flint: No, the builders themselves don't.

Mr. Gorrill: You're right, education is going to be the key.

Mr. Flint: We are trying to avoid hammering the customer on the first time you see grease so that is why as part of our plan, we plan to go through all of these and get them cleaned, have the conversation and send a letter but then when we go back through if they have an alarm going off and we open the thing up and there is a bunch of grease in there again. There is a fee in the rate schedule right now but it is not adequate to cover the actual cost of cleaning the thing out so as part of the rate study, they are looking at our miscellaneous charges and one of the things that we are going to adjust is the cleanout cost so that the people are paying what the cost is to clean them. We don't hit them right off the bat without at least attempting to educate them.

Mr. Greene: What is the failure rate on these things. Is there a percentage?

Mr. Szozda: I don't have it. If you take the nine alarms that we got here just in the last few months, it is more than 10% probably. The cost of the program is taken directly out of the budgeted

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cost for the repair. I would like to believe we are going to see the repair cost going down going forward as a result of the program.

Mr. Flint: The after-hour calls are ridiculous and the cost of those.

Mr. Greene: That is RCM, right?

Mr. Flint: Yes, the problem is you don't want to tell somebody the alarm is going off, we will be there tomorrow especially after the situation we had with one of the homes where we had a backup. We are aware of that. If we have an alarm go off, we take it pretty seriously and don't want to wait to respond. There is a cost of doing that. We are reviewing all of that right now. You know what RCM is responsible for, what we are paying. We may be coming back with maybe some alternatives.

Mr. Greene: Did they ever figure out what the cause of the failure was in that situation where it backed up into the house.

Mr. Flint: There is a claim going on right now and there is an adjuster for the CDD's insurance that is looking at that. They have asked for all of the service records. I don't want to say too much on the record.

Mr. Greene: I was just curious if it was determined or what was determined.

Mr. Szozda: As far as the consumptive use permit kind of compliance meeting, we are going to try to facilitate with them and some others with where we are going with this in the future.

Mr. Flint: Part of this bond issuance and the financing and construction of the irrigation system is the discussion about transferring that consumptive use permit but the issue is the compliance. The current status of compliance with that consumptive use permit and under what conditions does the CDD agree to accept it being transferred to them.

Mr. Greene: I have a question on that transfer. Will the POA still continue to enforce the consumptive use after transfer?

Mr. Flint: We have to have that so that is why I want to make sure we have a meeting because I don't want there to be some assumption from the developer and the POA that once this gets transferred to the CDD, we don't have to worry about it anymore. There was a reason why the conservation plan was in the POA's declarations and covenants and in the CDD's. The whole concept was that there would be shared responsibility for enforcement. It goes back to the fact that the POA is in a better position to manage the centralized irrigation system. They are in a better position because they have the ability to fine which the CDD can't. All we can do is turn their



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water off. They have the ability to monitor things like soil amendments. The CDD has no way to require that a builder puts soil amendments in the soil when they are building a home. That is a requirement of the consumptive use permit in the conservation plan. It has to continue to be a cooperative effort and there needs to be a formal agreement between the CDD and the POA. As part of that transfer, the consumptive use permit I think in conjunction with that, we have to have the agreement. If we take the consumptive use permit without the agreement then the POA says we are not doing anything then we are putting ourselves in a situation where we can't enforce the terms.

Mr. Greene: We need to do that quick because as we get closer to turnover, I can see that happening.

Mr. Flint: Good discussions, anything else? Anything else from the Board? Hearing none.

**ELEVENTH ORDER OF BUSINESS                      Other Business**

There being no comments, next item followed.

**TWELFTH ORDER OF BUSINESS                      Supervisor's Requests**

There being no comments, the next item followed.

**THIRTEENTH ORDER OF BUSINESS                      Adjournment**

Mr. Flint: Is there a motion to adjourn?

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

DocuSigned by:  
*George Flint*  
B81B5DF431644AD...  
Secretary/Assistant Secretary

Signed by:  
*Randall Greene*  
7DABF2AB8E85457...  
Chairman/Vice Chairman