

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, September 12, 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
Jan Carpenter	District Counsel
Robert Szozda	Field Manager
Sete Zare <i>by phone</i>	Underwriter
Kendall Bulleit <i>by phone</i>	MBS Capital Markets

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 July 25, 2024
and August 8, 2024 Meetings**

Mr. Flint: Were there any comments or corrections to the July 25, 2024 and August 8, 2024 meeting minutes? If not, is there a motion to approve the minutes as presented.

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On MOTION by Mr. Greene, seconded by Mr. Owen, with all in favor, the Minutes of the July 25, 2024 and August 8, 2024 Meetings, were approved, as presented.

FOURTH ORDER OF BUSINESS**Financing Matters****A. Consideration of Final Residential Irrigation System Engineer's Report**

Mr. Flint: We recently went through the process of issuing bonds so these financing matters are related to finalizing all of the reports, considering the resolution, and finalizing the assessments. The first item under this is the Engineer's Report and it was modified a couple of times but this is the final version of the report. It was prepared by Jim Boyd. You had approved a previous version of this based on the actual bond sizing. The construction costs have been revised to match up with the amount that is in the construction account for the bond issue.

Ms. Carpenter: Just so the Board knows, the bonds were put out in the market and were priced so we will close next week. Now that we have the final pricing, we have to get the Engineer's Report and the Assessment Methodology to matchup to final pricing of the bonds.

Mr. Flint: We will go into that when we get to the final supplemental but the final construction fund amount is \$10,173,170. The Engineer's Report was amended to tie to that number. All of the other aspects of the report remain the same.

Mr. Greene: What was the amount?

Mr. Flint: \$10,173,170.

Ms. Carpenter: The construction cost comes out to \$10,000,000 since there is costs that go into the bonds \$8,416,858 and then adding contingency, survey and design.

Mr. Flint: I think it may not be the latest version of the report because we modified it. It should be \$10,173,170.

Ms. Carpenter: You can approve it and delegate the Chairman the ability to approve it. It is in the Delegation Resolution anyway to approve any number modification that is necessary to match the bond pricing.

Mr. Flint: Any questions on the Engineer's Report? Is there a motion to approve it in substantial form?

On MOTION by Mr. Greene, seconded by Mr. Burman, with all in favor, the Final Residual Irrigation System Engineer's Report, was approved in substantial form.

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B. Consideration of Amended & Restated Master Assessment Methodology

Mr. Flint: Subsequent to initiating the assessment process, it was determined that the Siena Condos were not benefitting from the improvements and as a result the report was modified to remove those units. The total par amount did not exceed the amount that was noticed. Again, I would ask for the Board to approve this in substantial form. We need to check the versions of these reports.

On MOTION by Mr. Greene, seconded by Mr. Gorrill, with all in favor, the Amended & Restated Master Assessment Methodology, was approved in substantial form.

C. Consideration of Amended & Restated Supplemental Assessment Methodology

Mr. Flint: Once the bonds were priced, you had seen a preliminary version of the supplemental report prior to pricing that was used for purposes of marketing the bonds and once the underwriter went out and marketed and priced the bonds and the Bond Purchase Agreement was signed, we modified the Supplemental Assessment Methodology to tie to the terms. This Supplemental Assessment Methodology table 3 reflects the final pricing. The average coupon rate is 5.2%, 30-year amortization, and interest is capitalized through November 1, 2025. There is a 50% max annual debt service reserve requirement resulted in a construction fund of \$10,173,170 and total par amount of \$11,685,000. The other tables in the report demonstrate the benefit through improvement costs and par debt per unit and then we have on table 6 where we ended up with the actual per unit assessments. You can see a single-family home is \$903.40 gross, commercial is \$451.70. There is approximately 90,000 square feet of commercial. I think I might have misspoken and said the condos didn't benefit. The condos do benefit. It is the 42 lots that are yet to be platted on the hill that do not actually benefit. Those 42 lots were removed because the elevation difference would require another pump station to actually get the aeration water to those 42 homes so there was a decision made to just include a potable line and wastewater line and no separate irrigation line because the cost of that additional pump station would have exceeded the benefit that they were going to receive. As a result of that, those 42 homes were removed from the single-family count in these final reports. Any questions on the final Amended and Restated Supplement Methodology?

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On MOTION by Mr. Greene, seconded by Mr. Burman, with all in favor, the Amended and Restated Supplemental Assessment Methodology, was approved.

D. Consideration of Resolution 2024-12 Finalizing the Series 2024 Bonds

Ms. Carpenter: What this does is it imposes the assessments and brings it down to the amounts that reflect the actual pricing of the bonds. We impose assessments that are higher to make sure we are covered before bonds price. This brings it down and matches the assessment methodology, the amended and restated and the supplemental and we recommend that change in the whereas clause it talks about the amended and restated methodology. The master will clarify it's the master and the supplemental and it also takes out those 42 lots. What this does is it brings down those assessments to match the Supplemental Assessment Report so finalizes those assessments to go on the tax roll.

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

On MOTION by Mr. Greene, seconded by Mr. Gorrill, with all in favor, Resolution 2024-12 Finalizing the Series 2024 Bonds, was approved.

E. Consideration of Fee Schedule from Regions Bank to Serve as Trustee, Paying Agent, and Register

Mr. Flint: The last item is the agreement with Regions to serve as the Trustee. They are the current Trustee on your other bonds and they will be serving as Trustee on that so they are designated and the Indenture is the Trustee. This is just the fee agreement with them. Any questions on the agreement with Regions? If not, is there a motion to approve it?

On MOTION by Mr. Gorrill, seconded by Mr. Greene, with all in favor, the Fee Schedule from Regions Bank to Serve as Trustee, Paying Agent, and Register, was approved.

FIFTH ORDER OF BUSINESS

Consideration of Consumptive Use Permit Enforcement Agreement and Joinder of Current Developer

Mr. Flint: As part of this financing process, we discussed the consent of use permit being assigned from the developer to the CDD as the operator of the utility. As part of that, there needs to be an agreement in place with the POA and joinder with the developer regarding enforcement of primarily the water conservation provisions that are in the consumptive use permit. We need

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that cooperation to be able to enforce those conservation measures that are in that. Counsel has prepared a draft agreement.

Ms. Carpenter: This is a draft agreement that does pretty much what George said. It is a draft form because we did discuss it with the POA and the developer to make sure the terms all work. It basically talks about the two permits that the CDD will end up operating and authorizes the POA to enforce those since the CDD doesn't have any enforcement mechanisms and the POA has the debt. That is the short version. We are looking for adoption in substantially final form and then obviously if there is anything material, we will bring it back to the Board. If its minor things then authorize the Chairman to execute.

Mr. Flint: Any questions on the agreement?

Mr. Owen: When will the CDD be able to lock off the irrigation meters if somebody went over?

Mr. Flint: We have some enforcement capabilities but we rely on the POA. You have got fining capability that we don't have. You have got the ability to operate the centralized irrigation controller that we don't have because it is private property. You have got the ability to monitor soil amendments through your architectural review process and there are some things that you can do that we can't do. It is really although that consumptive use permit is being transferred to the CDD, what we don't want is the developer and the POA to say well we are done and we don't have any more responsibility. We have to have that cooperation of all of the parties to really be able to enforce the terms of the consumptive use permit. That is the purpose of this agreement. It would be better through a fining enforcement than to cut someone's water off and their landscaping die is the thing. If we go and lock off the irrigation meter and their landscape dies, they are going to be in violation of the POA codes, covenants and restrictions because their landscape is dead. They are also going to be in violation of the caps on irrigation use. Obviously, the POA is a part of it and they have to agree with it.

Mr. Greene: I think the POA, didn't Dave correct if I am wrong redo the amendments to the CCNR's to increase the fines to like \$500 a day or something like that.

Mr. Gorrill: Yes, there are some statutory limits on it but we did increase the maximum amount.

Mr. Flint: Any other questions. We would ask that you approve it in substantial form.

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On MOTION by Mr. Greene, seconded by Mr. Burman, with all in favor, the Consumptive Use Permit Enforcement Agreement and Joinder of Current Developer, was approved in substantial form.

Mr. Flint: The other thing, I think the Board approved a concept of transferring a consumptive use permit to the CDD but one of the conditions that I think the Board would agree as part of accepting that is that it would be in compliance. That is an issue that I don't think it can be transferred tomorrow. We are doing this whole irrigation system and drawing surface water for irrigation in an effort to be in compliance with our ground water allocations. I think the system may have to be up and operational before we could actually be in a situation where the permit is in compliance and we can accept it.

SIXTH ORDER OF BUSINESS

Ratification Items

A. Agreement with EMI Consulting, Inc. for Electrical Design Services

Mr. Flint: We have an agreement with EMI Consulting. This is for electrical design services related to the irrigation project and we needed to get this agreement in place so we didn't hold up the construction of the irrigation system. We are asking the Board to ratify this agreement.

On MOTION by Mr. Greene, seconded by Mr. Gorrill, with all in favor, the Agreement with EMI Consulting, Inc. for Electrical Design Services, was ratified.

B. Agreement with Berger, Toombs, Elam, Gaines & Frank to Provide Auditing Services for the Fiscal Year 2023

Mr. Flint: We have the agreement for the audit for last year with Berger, Toombs that needs to be ratified. It is in your agenda as well.

On MOTION by Mr. Gorrill, seconded by Mr. Greene, with all in favor, the Agreement with Berger, Toombs, Elam, Gaines & Frank to Provide Auditing Services for the Fiscal Year 2023, was ratified.

SEVENTH ORDER OF BUSINESS

Review and Acceptance of Draft Fiscal Year 2023 Audit Report

Mr. Flint: This is the review and acceptance of the Audit Report. We need to bid out auditing services. We manage over 250 CDD's and in the last year I think we had 27 that did not complete their audit by the June 30th deadline and I believe 25 of the 27 are Berger, Toombs within one or two plus or minus on those numbers. They have performed very poorly. It has happened in

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prior years. We finally did get this audit complete and have it on your agenda but it was a struggle and it was not completed by the June 30th deadline.

Mr. Greene: What was the issue just out of curiosity?

Mr. Flint: They just aren't staffed up to be able to complete the work that they have contracted to do.

Ms. Carpenter: We have seen it in all of our Districts as well. You're not the only ones.

Mr. Flint: I think all but two that were late were this firm. Grau, we typically don't have an issue with them but you need more than one auditing firm statewide for these. The problem is the pool has gotten smaller and smaller. We used to have five or six and now we are down to two or three and this is one of them. Anyway, that is a side note. You do have the audit on your agenda for your review and acceptance. If there are any questions, we can discuss those. If you refer to the management letter, it is a clean audit. There are no current or prior year findings. We have complied with the provisions of the auditor general. If there are any questions, we can discuss those, if not is there a motion to accept the report?

On MOTION by Mr. Gorrill, seconded by Mr. Greene, with all in favor, the Acceptance of Draft Fiscal Year 2023 Audit Report, was approved.

EIGHTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. Flint: Staff reports; attorney?

Ms. Carpenter: I am primarily working on the bond closing for this month. Nothing else out of the ordinary. We will be signing documents after for preclosing and then it closes on the 17th.

B. Engineer

Mr. Flint: Steve?

Mr. Boyd: I don't have anything to bring up today.

Mr. Flint: How are we doing on the ponds, ownership?

Ms. Carpenter: We are waiting for some lots. Steve, where are we? I can follow up with Steve after.

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Mr. Boyd: We have sent over some ponds. I think maybe we are waiting for Paul to sign and send over. We have the resurveys complete. We just need to potentially get this authorization to complete the transfer at this point.

Ms. Carpenter: Okay, hopefully we get that on the next agenda.

Mr. Flint: Then Bolsena, where are we with that issue? I know we have installed manholes with grates on them. We talked about some modification to the outfall.

Mr. Boyd: Right now, we aren't pushing any modifications to the outfall pending seeing how this works other than just cleaning up the sediment around that outfall where it has built up over time.

Mr. Flint: That is more of a bubble up, right?

Mr. Boyd: It is an existing bubble up structure that just needs maintenance.

C. District Manager's Report

i. Approval of Check Register

Mr. Flint: You have the check register for the month of August for the general fund, water & sewer fund, water & sewer reserves, and Board pay. Any questions on that check register? If not, is there a motion to approve it?

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

ii. Balance Sheet and Income Statement

Mr. Flint: You have the financials through the end of July. These are unaudited. If the Board has any questions, we can discuss those. There is no action required.

iii. SBA Florida PRIME Monthly Summary Report

Mr. Flint: For information, we have the monthly summary report for the SBA investment fund.

D. Field Managers Report

Mr. Flint: Field Manager's report, Rob?

Mr. Szozda: Okay, I will try to stick to the high points here. The well drilling for irrigation system continues. We are getting ready to do a little bit more enforcement on the backflow preventers and then also the certification that is required annually for those. The rate study is near

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completion. There are only a few variables yet to go in there to be adjusted before that comes out. That limitation will be sometime down the road. Force main cleanup almost coming near completion. They were down to three earlier this week. They are hoping to be done this week so that is really good news on a lot of fronts. Don't have to look at them and too it helps if you run into an issue, you have places to go in there and vacuum out material. Fire hydrant was replaced, the one that was knocked off on Vetta Drive. Unfortunately, I think everybody may have heard that when it got knocked over, somebody picked it up and took it home with them unfortunately. I mentioned the perforated manhole covers are going in this afternoon. We have a bit of an issue on Pesce Loop with pressure on the sewer system. We noticed this when we did installs of grinder stations. We started getting high amps in some of the pumps so today there are pressure monitors to go on Pesce Loop and also Bolsena to see if we can figure out where it is isolated. Probably the worst-case scenario would need a flushing of some sort but we will probably have that figured out by the end of next week. We awarded the contract to do some remote monitoring on the Siena Towers lift station generator. The crew sees the other three generators almost every day as they can walk by them. The one at Siena is further away so we are going to put a remote monitor on there in case there are any sort of issues with that. Also, we awarded the contract for replacing the transfer switch for the Pine Island Water Plant generator. It got stuck on the generator in July. Unfortunately transfer switches being electrical are costly and long lead. It has been awarded and waiting for that to be delivered to get that generator back in service. I typically report on the grinder stations and water meters. There were nine grinder stations installed in August and four are pending. It seems like we are in a little bit of a downward slope on the installation of those. There were nine water meters installed for a handful of leaks like there usually is that we have to deal with to get those isolated. Things in the future include the consumptive use permit, meeting with Dennis next week and get on the same page here to get the CDD in the same direction and give us feedback and gave three dates for that. The bubble up structure, we will get that cleaned out here hopefully within the week. We are in the final stages of getting new signage for all of the grinder stations themselves and also the control panel that will tell you who to call so everyone will look the same. There will be a number on it. It says call this number and we will be able to reach a consistent response. It will be the forever number I assume for all issues, sewer and water.

Mr. Flint: It will be an 800 number. Right now, RCM has placed their stickers on all of the grinder stations. We will replace those stickers with Bella Collina CDD instruction if the alarm is

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going off, what you call and that number will be a consistent number for everything. After hours, that number will be forwarded for the time being to RCM because they do the after-hour calls. That will put us in a position where we have consistency and we can transfer that number anywhere we need too.

Mr. Szozda: Wetline inventory is EPA required. We have to determine for every line both provided by the utility and also from the utility up to the house, we have to do an inventory of everything. It is about 50% complete. It is painful. We have no lead. There is no way out of it, we have to do it every year and updated every year. We will meet the October 16th deadline.

Mr. Flint: They haven't made lead water lines since before this community even started construction but there is no exemption. We have to provide an inventory.

Mr. Szozda: Last thing, the lift station near the tennis courts does not have emergency backup power on it right now. I ran this by Jim Boyd and we think putting a generator there is probably the best situation. We will get an estimate to see what they cost and will probably bring that back next month and say here is the solution for the regulatory requirement for that lift station.

Mr. Flint: What we don't want is the power to go out, for homes to have generators, grinder stations pumping and then the lift station is not pumping. I think that is the only one we have without a generator on it.

Mr. Szozda: Correct. I forgot to mention, we fueled all of the generators so they are all full and ready for the hurricane to show up and power to go out for a few days.

Mr. Flint: The good thing about our system is the two water plants are interconnected so if one goes down, the other one picks up. When we had the power outage and we had the generator down at Pine Island because the generator at Hill Crest was operational there was no loss of water pressure during that. I think it was out for like three hours. Rob has been busy; from his list you can tell. Any questions for the field manager?

NINTH ORDER OF BUSINESS

Other Business

Mr. Flint: Is there any other business or Supervisors requests?

There being no comments, next item followed.

TENTH ORDER OF BUSINESS

Supervisor's Requests

There being no comments, the next item followed.

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ELEVENTH ORDER OF BUSINESS

Adjournment

Mr. Flint: Is there a motion to adjourn?

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

DocuSigned by:
George Flint
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Secretary/Assistant Secretary

Signed by:
[Signature]
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Chairman/Vice Chairman