

MINUTES OF MEETING
BONNET CREEK RESORT
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Bonnet Creek Resort Community Development District was held Thursday, June 6, 2019 at 2:00 p.m. at the Waldorf Astoria Hotel Orlando, 14200 Bonnet Creek Resort Lane, Orlando, Florida.

Present and constituting a quorum were:

Bob Gaul	Vice Chairman
Dan Paris	Secretary by telephone
Ruth Perry	Treasurer
Randall Greene	Assistant Treasurer

Also present were:

George Flint	District Manager
Jan Carpenter	District Counsel
John Florio	District Engineer
Clayton Smith	GMS

The following is a summary of the minutes and actions taken at the June 6, 2019 meeting and a copy of the proceedings can be obtained by contacting the District Manager.

FIRST ORDER OF BUSINESS

Roll Call

Mr. Flint called the meeting to order and called the roll.

SECOND ORDER OF BUSINESS

Public Comment Period

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Approval of the Minutes of the May 2, 2019 Meeting

Mr. Florio made a few amendments to the minutes that will be reflected in the final document.

On MOTION by Mr. Gaul seconded by Ms. Perry with all in favor the minutes of the May 2, 2019 meeting were approved, as amended.

FOURTH ORDER OF BUSINESS

**Consideration of Resolution 2019-04
Approving the Proposed Budget for Fiscal
Year 2020 and Setting a Public Hearing**

Mr. Flint stated there may be some discussion under the Engineer's Report that may or may not impact the proposed budget and we can move up the Engineer's Report.

- **Engineer (Item 6B)**

Mr. Florio stated as far as the signage is concerned, we have proffered all our documentation to Disney, we are working on finalizing a schedule for the meeting they requested July 8th, an hour and a half to sit down and finish the agreement. We have the building permits working through the County now and we are expecting the rest of the comments next week.

You will recall when the Marriott came to the Board and requested permission to reconfigure some of our existing easements in and around the property. In doing so we were able to grant them additional areas where they were able to get permitted to put small, shallow stormwater facilities, we are vacating a portion of our drainage easement that used to have deeper ponds and we are getting two new access easements to our lift station to provide better truck access to and from the station on the service roads that are for the hotel. We have reviewed the plans, survey sketches, legal descriptions and the documents that are now ready to be finalized, will be a vacation of some of our easements and granting of others. The Board has to decide how you want that to happen since these are all platted except the new ones. I would hope we could do a transfer document of some kind.

Ms. Carpenter stated we should be able to amend and restate.

Mr. Florio stated we will get everything to Jan.

On MOTION by Ms. Perry seconded by Mr. Gaul with all in favor the Chairman and Vice Chairman were authorized to execute the final legal documents necessary to complete the conveyances.

Mr. Florio stated the only ongoing discussion with the JW is they are ready to have their irrigation lines connected to begin their grow-in period and we are trying to find a way to get them in and metered with our ultimate system or an interim system.

You have heard the Chairman tell everyone they are planning a ballroom expansion here at the Waldorf. They are going to potentially request a connection to Chelonia Parkway, west of their existing fire access and in the middle of what is currently the bus staging lane. We have had some general discussions with the contractor and told him of some of our concerns. The issues are predominately maintenance of traffic. They will have deliveries and employees and the proposed employee parking lot along the green and fairway is shown on the graphic. They are taking a couple of holes out of service during this construction and they plan to get the equipment and trucks into the golf course so they can stage and work from that side opposed to the resort side of the property. They are looking at options for exiting, they will make a right turn and attempt a U-turn at the stop sign or go in the cul-de-sac and turn around. This is the proposal they want to pursue with the District's general concurrence. I have a related discussion about the pump station and the reason that is somewhat related is we have to build it and it is going to be more expensive than originally estimated and as a result it may cause us to postpone building the bus and staging lane east of the intersection of the Waldorf entrance. By building the staging lane presumably we could get the buses off Chelonia and have this only as access for the construction. The Waldorf's construction is 18 to 24 months, I just wanted you to be aware that we are going to get into a finance discussion that will determine the logistics of what we do and when. This is the general request and I will take any feedback you might have.

Mr. Paris asked how far west is the proposed construction entrance from the fire lane?

Mr. Florio stated it is right at the 90° bend in the pond where the turn is coming off of Chelonia.

Mr. Paris asked are they going to go over the pond with a bailey bridge?

Mr. Florio responded yes, some form of prefab bridge. This is all a concept they are still trying to figure out how to build the project.

Ms. Perry stated I would think they would need to have the bus staging lane built before they can do this.

Mr. Florio stated let's put this decision aside for a moment and go to the pump station. That is really the decision point that may drive a lot of this other stuff. I handed out a

memorandum with a series of graphics. We retained Boyd Environmental Consultants to work with us on evaluating all of our irrigation demands, uses, etc. We have been band-aiding a Hoover Irrigation System for almost 15 years and at the last meeting we discussed looking at alternatives. This memo presents four different alternatives that range in price from \$970,000 to \$1,150,000, not including money we have spent to date. We are talking about switching from what is currently a standard horizontal centrifugal pump to a vertical turbine flooded suction pump, which is much more reliable than centrifugal pumps. We are talking about switching to a brand Watertronics, that has experience doing these systems in several places, one of which is Lake Nona and we talked to the operators of that system and they have been pretty impressed with what they have seen so far. We have three components to build, one, the new pump station, two, all of the new metering facilities at each of the user points and three, an upgraded distribution system to the connection to Chelonia Parkway. We looked at three locations for the turbine pump and one location for the centrifugal pump. We need new easements from the landowner and the landowner may have a say in where this goes. The numbers for the turbine system are generally around the same amount of money. If we are going to spend \$1 million on a new upgraded irrigation pump station that is intended to last another 15 to 20 years by law unless Counsel tells me otherwise we are unable to execute a contract unless and until we have all permits in hand, right of way required and money in the bank. If we commit to build this project we may not in this fiscal year have the money to build both this and the staging lane. I held off advertising the staging lane. George and I have dissected this several ways and have a couple ideas that we are going to suggest that we bid the taxi lane and get it so we have a firm number and we do that soon and we have the option of rejecting the bids if we want to but we could find out exactly what the real number is. In the meantime I could go to the landowner and resolve an easement location for the new irrigation pump station and we can begin the designs to refine these numbers while we are getting bids on the other piece. The further away this station sits from the existing water body, the easier it would be to construct. The furthest scenario they presented is a site on the maintenance yard for the golf course, which is a great location because there is power, pavement and access. I'm not sure of the position of the landowner on that location although we have had some discussions with his staff and we think we can get them there. We have all the permits to build the staging and taxi lane and they will expire in August. We wanted to have that finished by the end of the year when Randall's project opens. Let's bid

the project get the real numbers and if we want to pull the trigger on it we can, and get it completed before the end of the year. The Waldorf project is going to start October/November, which means it is feasible we can get the staging lane completed and make it easier for this MOT plan but until we get the real numbers we can't responsibly commit to that much money.

Ms. Carpenter asked what do we have in the budget of what we think it will cost? How close are we with the staging lanes?

Mr. Flint stated we can fund the irrigation project or we could fund the staging lane and a repaving but we can't fund the irrigation, staging lane and repaving. If we bid it out and the original Engineer's estimate was around \$500,000, if it comes in closer to \$300,000 we are closer to being able to make it work where we can do both irrigation and staging lane, if it comes in at \$500,000 we are going to be short.

Mr. Florio stated the Board has the ability to do direct purchase of the Watertronics equipment and save the sales tax, which is significant because that package is \$400,000 to \$500,000, which reduces the construction contract amount for which I need to make sure I have the money in the bank. Until we get the real numbers we don't know but if we want to do all of this how do we make it happen.

Mr. Flint stated the other issue is the clock is ticking on the irrigation because with JW Marriott coming if we don't have the new pump station in place we are going to have to get creative about how we deal with the additional demand.

Mr. Florio stated if the new station is not fully up and running by the time Randall's project is fully completed, which is likely, we will get them serviced through the existing Hoover system but likely we are going to have to modify or restrict significantly the times we water the parkway and our stuff.

Mr. Paris asked isn't the priority to get the bus staging lane done first before the JW Marriott opens?

Mr. Greene stated if that is the case this impacts all of us.

Mr. Florio stated the work that has been done so far has substantiated that we are using significantly more water than we originally estimated on every property including the rights of way. We are still well within our permitted allocations, we are just using a lot more. If we don't deal with the irrigation issue upfront we will run into problems down the road whether it be the boulevard or a user not getting what they need to irrigate their landscaping.

Mr. Paris stated we don't have the money to do both. If the priority is to get the staging lane done then I think we do that and we have to figure out how to pull together another \$500,000 to go towards the pump station.

Mr. Florio stated that is why we are suggesting we get the hard numbers on the staging lane first while we are refining the budgets and design for the pump station. By that time we will know what is in the budget and we can determine whether or not we want to split the package for the pump station and move forward, do one or the other or both.

Mr. Gaul asked how did the staging lane get priority over the pump?

Mr. Florio stated it isn't, it is your decision.

Mr. Gaul stated the pump station touches every property out here, the staging lane is mostly for the use of the Hilton and Waldorf. I would say in my opinion the priority would switch to the pump station if we can't do both at the same time.

Mr. Greene stated I agree.

Ms. Carpenter stated if they do find a need to get that staging in they could fund it and the District purchase it back in the next fiscal year. There are a lot of things we can do if we are short and need to get it done.

Mr. Florio stated we have to negotiate with the same landowner for a new site for the lift station. This is a new owner so it is beyond our Chair and that is why I think we need to get the real numbers.

Ms. Perry stated I would think the irrigation is priority because if anything starts to die or stress you are going to spend more money on the pump system you have to fix it.

Ms. Carpenter stated it sounds like the Board has consensus.

Mr. Florio stated it would be good for the purpose of our documentation to suggest that the Board authorize further evaluation of the pump station upgrade with an expected not to exceed budget of \$1.2 million with further reporting to the Board as we move forward.

On MOTION by Mr. Gaul seconded by Mr. Greene with all in favor staff was authorized to further evaluate the pump station upgrade in an amount not to exceed \$1.2 million.

Mr. Florio stated I heard from the folks at the State on the nature trail and they asked me for your name and address to send drafts.

Mr. Flint stated we can move back to the budget. The District is required by June 15th to approve a proposed budget and set the date, place and time of the public hearing. The way it is structured now is it does not include any increases in the amounts to be assessed to each property and we balance the budget that way. One issue for discussion to resolve this issue might be an increase of \$500,000 for one year then go back down rather than delaying the projects or extending them out. I don't know the politics of each landowner and how that would fly with your owners but that is an option. Because there are only five bills we send out when we direct bill, the direct notice for that would be fairly simple. If you do something like that here it gives you the option at the public hearing of bringing it back down to where it is now. If you don't do it now at the public hearing you would not be able to increase it without doing a separate assessment process that would extend that process. One concept would be to give yourself at least the flexibility at the public hearing to be able to consider an increase and if you want that flexibility we need to build it into this document. You are likely going to want to meet again in July because of all these issues going on so you would still be able to do it in July if you don't want to make that decision today. You can approve this as the proposed budget then amend the proposed budget at the July meeting and still meet our timeframe. We have the hearing set for September 5th so you have time.

Mr. Florio stated the bids would be in July 18th and you would want to meet after that.

Mr. Flint stated that is a discussion we need to have.

Ms. Carpenter stated if you approve a \$500,000 increase now that doesn't mean you are going to do it but it gives you time in July to look at bids and August to look at bids and decide what you are going to do and in September you either take it down or increase the amount up to what you noticed.

Mr. Flint stated at the July meeting you could still decide to amend the proposed budget and increase it then in time for your September 5th public hearing. We will move the July meeting to after the bids come in. We could meet on Friday, July 19th. It is scheduled to be at the Wyndham and it is available and we checked with Peter to see if he was available that day and he is.

Mr. Gaul stated the bus lane speaking for the Wyndham properties has no affect so for us to go up \$1 million for the bus lane I would not be in favor of it.

Mr. Flint stated it would be a \$500,000 increase in total.

Mr. Gaul asked is this the tradeoff, do you need to do the bus lane to get the space for the lift station?

Mr. Florio responded no.

Mr. Gaul stated what I'm feeling is that the bus staging lane is more for the Hilton and Waldorf, which I have no problem with, we are all together but when you start talking about our other properties that really don't get anything out of this I represent them and I have to look at it in a fiduciary manner.

Mr. Florio stated we are very careful to call it a bus lane but we believe it is going to be primarily for the Uber drivers and that is who is there now and in the bus lane now. From what I'm being told everybody uses Uber. There is benefit but I understand there is not direct benefit to the Wyndham with the buses.

Mr. Flint stated the Board can make the decision in July and still be okay.

Mr. Paris asked are we talking about \$500,000 for the bus lane or the cost of the irrigation improvement, which you said was \$1.2 million?

Mr. Florio stated what we are saying is if we did all the projects we currently would like to do and round up the numbers, we will spend \$2 million, of which we have \$1 million in reserves.

Mr. Paris asked doesn't it make sense that Bob and Randall and Peter need to deal with those various owners and see how they want to accomplish this. Irrigation is the priority but they need to talk to their folks over the next 30 days to see if they want to go with a one-time capital infusion for next year. Then we can make a decision at the July 19th meeting.

Mr. Gaul asked would you call that a special assessment?

Mr. Flint responded it would be an assessment increase and the intent of the Board would be to reduce it the following year if you chose to do that. It is not going to be a separate assessment; it would be an increase.

Mr. Gaul stated if we do this and then we want to do another project and we continue to go to that level.

Mr. Flint stated the other project coming behind this is the repaving of Chelonia.

Mr. Florio stated you decided at the last Board meeting to postpone that.

On MOTION by Mr. Gaul seconded by Mr. Greene with all in favor Resolution 2019-04 approving the proposed Fiscal Year 2020 budget and setting the public hearing for September 5, 2019 was approved.

FIFTH ORDER OF BUSINESS

Appointment of Audit Committee and Chairman

Mr. Flint stated every three years we bid out the independent audit and part of that process is designating an Audit Committee and Chairman. In the past the Board has appointed themselves as the Audit Committee.

On MOTION by Mr. Gaul seconded by Mr. Greene with all in favor the Board Members were appointed to sit as the Audit Committee.

On MOTION by Mr. Greene seconded by Ms. Perry with all in favor Mr. Gaul was appointed Chairman of the Audit Committee.

SIXTH ORDER OF BUSINESS

Staff Reports

A. Attorney

i. Discussion of Attorney Fees

Ms. Carpenter stated our contract has an escalator that it can go up for annual increases in our legal fees. Apparently, we haven't done that since 2014 so we are asking to raise our rates to a very low rate.

On MOTION by Mr. Gaul seconded by Mr. Greene with all in favor the increase in attorney fees was approved.

Ms. Carpenter stated the other item is the Moss Park. After the last couple of months we said this is ridiculous we need to get this turned over, we need to own it, you need to get out. We still have this couple inch discrepancy, we suggested legally just get easements from the landowners on both sides. We heard back yesterday that Lennar was not keen on that, which we understood. I came up with the suggestion that if they can get us a survey and title policy not showing encroachments because it is an inch or two from what they say, that if we can get a clean title policy we would accept it if the discrepancy is so minor that the surveyor isn't

noticing it because then we have a clean title policy. That came up after we asked them what about the people on both sides, didn't they close with clean surveys. Obviously, some surveyor did not notice this or didn't pick up on it. That is where we left it. If that doesn't work they will cut it and do whatever else they need to do to get it done but the concern is if they cut it, how do we know they are cutting it right and they don't crack it further. The only other thing was there was some minor cracking and once we get to the point where we are accepting it they will go out and fix any cracking or cover it or whatever else we want them to do.

Mr. Florio stated by law we are required to have 20 feet wide clear for fire access to that parcel. Anything less is not compliance. Whoever wants to give you a pass on that can, it is your call.

Ms. Carpenter stated if we get a survey that we have legal access and a title policy it will work. The new guy seemed to be on Board and they understand. I think we have a solution, hopefully, the surveyors will come up with it and if they don't we will know in a month or two and they can go out and cut it and do whatever else they need to do to get it done.

B. Engineer

This item was discussed earlier in the meeting

C. Manager

i. Consideration of Check Register

On MOTION by Ms. Perry seconded by Mr. Gaul with all in favor the check register was approved.
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ii. Balance Sheet and Income Statement

A copy of the balance sheet and income statement were included in the agenda package.

iii. Presentation of Number of Registered Voters - 0

A copy of the letter from the Supervisor of Elections indicating zero registered voters residing in the District was included in the agenda package.

iv. Field Manager’s Report

Mr. Smith gave an overview of the Field Manager’s Report then presented a proposal from Yellowstone for three areas of improvement with funds available in the budget.

On MOTION by Mr. Gaul seconded by Mr. Greene with all in favor the proposals from Yellowstone in the amount of \$15,363 was approved.

Mr. Smith stated as you come out of the Wyndham after we cleared that up with the oak trees there is a lot of open space and I think we can do a lot to make that look really nice. There are a couple other spots we are going to look at, but this is the start.

SEVENTH ORDER OF BUSINESS

Supervisor’s Requests

Mr. Gaul stated I was reminded today by the Supervisor of Elections to fill out the form 1. I do know they listed Kathy McGill, if you send in your form, she will call you and let you know it is received.

Ms. Perry stated there is also an email address.

EIGHTH ORDER OF BUSINESS

Other Business

There being none,

On MOTION by Ms. Perry seconded by Mr. Gaul with all in favor the meeting adjourned at 2:55 p.m.


Secretary/Assistant Secretary


Chairman/Vice Chairman