

**MINUTES OF MEETING
ORANGE BLOSSOM GROVES
COMMUNITY DEVELOPMENT DISTRICT**

An Organizational Meeting of the Orange Blossom Groves Community Development District was held on Thursday, January 12, 2017, at 3:00 p.m., at the The Ronto Group, 3066 Tamiami Trail North, Suite 201, Naples, Florida 34103.

Present at the meeting were:

Jim Reinders	Chair
Mark Taylor	Vice Chair
Brian O'Donnell	Assistant Secretary
Ken Bloom	Assistant Secretary
Karen Welks	Assistant Secretary

Also present were:

Craig Wrathell	District Manager
Jere Earlywine	Hopping, Green & Sams
Carl Barraco	Barraco and Associates, Inc.
Brett Sealy	MBS Capital Markets
Anthony Solomon	The Ronto Group

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Wrathell called the meeting to order at 3:11 p.m.

- **Administration of Oath of Office to Initial Board of Supervisors** (*the following to be provided in a separate package*)

*****This item, previously the Third Order of Business, was presented out of order.*****

Mr. Wrathell, a Notary of the State of Florida and duly authorized, administered the Oath of Office to Mr. Reinders, Mr. Taylor, Mr. O'Donnell, Mr. Bloom and Ms. Welks, who were named in the petition.

Mr. Wrathell provided and briefly explained the following items:

- A. Guide to Sunshine Amendment and Code of Ethics for Public Officers and Employees**
- B. Membership, Obligations and Responsibilities**
- C. Financial Disclosure Forms**
 - i. Form 1: Statement of Financial Interests**
 - ii. Form 1X: Amendment to Form 1, Statement of Financial Interests**

iii. Form 1F: Final Statement of Financial Interests

D. Form 8B: Memorandum of Voting Conflict

Mr. Wrathell recommended that Form 1: Statement of Financial Interests be sent to the Supervisor of Elections by certified mail, within 30 days of today’s meeting.

Mr. Earlywine advised that there were penalties for violating the Ethics, Sunshine and Public Records Laws and gifts received over \$100 must be declared, on a quarterly disclosure.

SECOND ORDER OF BUSINESS

Public Comments

There being no public comments, the next item followed.

GENERAL DISTRICT ITEMS

THIRD ORDER OF BUSINESS

Administration of Oath of Office to Initial Board of Supervisors *(the following to be provided in a separate package)*

- A. Guide to Sunshine Amendment and Code of Ethics for Public Officers and Employees**
- B. Membership, Obligations and Responsibilities**
- C. Financial Disclosure Forms**
 - i. Form 1: Statement of Financial Interests**
 - ii. Form 1X: Amendment to Form 1, Statement of Financial Interests**
 - iii. Form 1F: Final Statement of Financial Interests**
- D. Form 8B: Memorandum of Voting Conflict**

This item was presented following the First Order of Business.

FOURTH ORDER OF BUSINESS

Consideration of Resolution 2017-01, Electing the Officers of the District

- A. Chair**
- B. Vice Chair**
- C. Secretary**
- D. Treasurer**
- E. Assistant Secretaries**

Mr. Wrathell presented Resolution 2017-01 for the Board’s consideration.

Ms. Welks nominated the following slate of officers:

Jim Reinders	Chair
Mark Taylor	Vice Chair
Craig Wrathell	Secretary
Craig Wrathell	Treasurer
Brian O'Donnell	Assistant Secretary
Ken Bloom	Assistant Secretary
Karen Welks	Assistant Secretary
Cindy Cerbone	Assistant Secretary

No other nominations were made.

On MOTION by Ms. Welks and seconded by Mr. Bloom, with all in favor, Resolution 2017-01, Electing the Officers of the District, as nominated, was adopted.

ORGANIZATIONAL MATTERS

FIFTH ORDER OF BUSINESS

Consideration of the Following Organizational Matters:

A. Resolution 2017-02, Appointing and Fixing the Compensation of the District Manager; Appointing Methodology Consultant: *Wrathell, Hunt & Associates, LLC*

Mr. Wrathell presented Resolution 2017-02 for the Board's consideration. A revised fee schedule was distributed to reflect one bond issuance, versus multiple bond issuances. In response to Mr. Reinders' question, Mr. Wrathell indicated that the \$25,000 fee for the Assessment Methodology Report was for preparing the report, which would be paid out of the Cost of Issuance (COI). If bonds were not issued, this charge would not apply. Mr. Reinders asked if the fee amount was discussed, as it seemed high. Mr. Wrathell stated that \$25,000 was Management's standard fee. In response to Mr. Reinders' question, Mr. Wrathell indicated that the fee for the bond issuance included preparing methodologies, testifying in court for the validation hearing, preparing resolutions, advertisements and bond documents; based on the size of the bond issue.

On MOTION by Mr. Taylor and seconded by Ms. Welks, with all in favor, Resolution 2017-02, Appointing and Fixing the Compensation of Wrathell, Hunt & Associates, LLC, as the District Manager; Appointing Methodology Consultant, as amended, was adopted.

B. Resolution 2017-03, Appointing District Counsel, Authorizing Its Compensation: *Hopping Green & Sams, P.A.*

Mr. Wrathell presented Resolution 2017-03 for the Board's consideration.

On MOTION by Mr. Bloom and seconded by Mr. Taylor, with all in favor, Resolution 2017-03, Appointing Hopping Green & Sams, P.A., as District Counsel, was adopted.

C. Resolution 2017-04, Appointing Interim District Engineer, Authorizing Compensation: *Barraco and Associates, Inc.*

Mr. Wrathell presented Resolution 2017-04 for the Board's consideration. The Consultant's Competitive Negotiation Act (CCNA) requires the District to go out to bid if the annual threshold amount of \$30,000 is met. Since Mr. Barraco prepared a draft Engineer's Report, engaging Barraco and Associates, Inc., as the interim District Engineer was recommended.

Mr. Reinders asked why the District was required to undergo the Request for Qualifications (RFQ) process for the District Engineer and not the District Manager, District Counsel, Bond Counsel and Underwriters. Mr. Wrathell stated that, under Chapter 287.055, District Engineering, landscaping and surveying services were required to go out for bid but the District Manager and District Counsel served at will and could be terminated at any time.

On MOTION by Mr. Reinders and seconded by Mr. Taylor, with all in favor, Resolution 2017-04, Appointing Barraco and Associates, Inc. as Interim District Engineer, and authorizing compensation, was adopted.

D. Authorization of RFQ for Engineering Services

This item was discussed during Item 5.C.

On MOTION by Mr. Reinders and seconded by Ms. Welks, with all in favor, authorization for Staff to advertise a Request for Qualifications for District Engineering Services, was approved.

E. Board Members Compensation

Mr. Wrathell stated that the Board was eligible to receive compensation of \$200 per meeting, up to \$4,800, per year.

On MOTION by Mr. Bloom and seconded by Mr. Reinders, with all in favor, Board Member compensation of \$200 per meeting, was approved.

F. Resolution 2017-05, Appointing Registered Agent; Designating the Office or Location of the Registered Office; and Designating the Office or Location as the Office of Record

Mr. Wrathell presented Resolution 2017-05 for the Board's consideration. The recommendation was for Hopping Green & Sams, P.A. (HGS), to serve as Registered Agent and Registered Office and the offices of Wrathell, Hunt & Associates, LLC, (WHA), as the Office of Record.

On MOTION by Mr. Taylor and seconded by Ms. Welks, with all in favor, Resolution 2017-05, Designating Hopping Green & Sams, P.A., 119 South Monroe Street, Suite 300, Tallahassee, Florida as Registered Agent and Registered Office and the offices of Wrathell, Hunt & Associates, LLC, 2300 Glades Road, Suite 410W, Boca Raton, Florida, as the Office of Record, was adopted.

G. Resolution 2017-06, Designating the Location of the Local Records Office

Mr. Wrathell presented Resolution 2017-06 for the Board's consideration. A local records office must be designated where files would be stored. Mr. Reinders selected the offices of The Ronto Group as the local records office.

On MOTION by Mr. Reinders and seconded by Mr. Taylor, with all in favor, Resolution 2017-06, Designating the offices of The Ronto Group, 3066 Tamiami Trail North, Suite 201, Naples, Florida, as the local records office, was adopted.

H. Resolution 2017-07, Setting Forth the Policy of the District with Regard to the Support and Legal Defense of the Board of Supervisors and District Officers

Mr. Wrathell presented Resolution 2017-07 for the Board's consideration. The Resolution recognized that general liability and directors' and officers' liability insurance will be in place, along with sovereign immunity, to protect the Board and Staff against frivolous lawsuits that may be filed in an attempt to intimidate Board Members to take an action that is not in the best interest of the District.

On MOTION by Mr. Reinders and seconded by Mr. O'Donnell, with all in favor, Resolution 2017-07, Setting Forth the Policy of the District with Regard to the Support and Legal Defense of the Board of Supervisors and District Officers, was adopted.

Mr. Wrathell stated, for the record, that nothing precluded Mr. Reinders, as Chair, from making motions.

I. Resolution 2017-08, Adopting Prompt Payment Policies and Procedures

Mr. Wrathell presented Resolution 2017-08 for the Board's consideration. Mr. Earlywine stated that Florida Law sets forth requirements for local governments to meet when paying bills for contractors that provide services and establishes policies to deal with disputes and processes for timely payment. Mr. Wrathell stated that, under this policy, the District could withhold payment to a contractor for non-performance.

On MOTION by Mr. Reinders and seconded by Ms. Welks, with all in favor, Resolution 2017-08, Adopting Prompt Payment Policies and Procedures, was adopted.

J. Resolution 2017-09, Adopting a Policy for Reimbursement of District Travel Expenses

Mr. Wrathell presented Resolution 2017-09 for the Board's consideration.

Mr. Earlywine explained the policy.

On MOTION by Mr. Reinders and seconded by Mr. Taylor, with all in favor, the Resolution 2017-09, Adopting a Policy for Reimbursement of District Travel Expenses, was adopted.

- K. Resolution 2017-10, Providing for the Public’s Opportunity to be Heard; Designating Public Comment Period; Designating a Procedure to Identify Individuals Seeking to be Heard; Addressing Public Decorum; Addressing Exceptions**

Mr. Wrathell presented Resolution 2017-10 for the Board’s consideration. The Resolution dealt with statutory changes about public comment at meetings.

On MOTION by Mr. Bloom and seconded by Mr. Taylor, with all in favor, Resolution 2017-10, Providing for the Public’s Opportunity to be Heard; Designating Public Comment Period; Designating a Procedure to Identify Individuals Seeking to be Heard; Addressing Public Decorum; Addressing Exceptions, was adopted.

- L. Resolution 2017-11, Ratifying, Confirming and Approving the Recording of the Notice of Establishment**

Mr. Wrathell presented Resolution 2017-11 for the Board’s consideration. The Notice of Establishment was recorded when the District was established.

On MOTION by Mr. Reinders and seconded by Ms. Welks, with all in favor, Resolution 2017-11, Ratifying, Confirming and Approving the Recording of the Notice of Establishment, was adopted.

- M. Resolution 2017-12, Providing For the Appointment of a Records Management Liaison Officer; Providing the Duties of the Records Management Liaison Officer; Adopting a Records Retention Policy**

Mr. Wrathell presented Resolution 2017-12 for the Board’s consideration. WHA would serve as the Records Retention Liaison, with regard to public documents, and a member of WHA’s staff would serve as the Records Management Liaison Officer.

On MOTION by Mr. Reinders and seconded by Mr. O'Donnell, with all in favor, Resolution 2017-12, Providing For the Appointment of a Records Management Liaison Officer; Providing the Duties of the Records Management Liaison Officer; Adopting a Records Retention Policy, was adopted.

N. Resolution 2017-13, Granting the Chair the Authority to Execute Real and Personal Property Conveyance and Dedication Documents, Plats and Other Documents Related to the Development of the District's Improvements; Approving the Scope and Terms of Such Authorization

Mr. Wrathell presented Resolution 2017-13 for the Board's consideration. The Resolution provided for instances, during construction, when utilities must be conveyed in between Board meetings. Mr. Earlywine requested reviewing the plats prior to submittal to the County and not conveying utilities or infrastructure before the CDD acquired them. Mr. Reinders asked if the development was fully platted. Mr. Barraco replied that there were existing plats. Mr. O'Donnell stated that 1B3 was built last year; Phase 2 and the balance of the roads remained.

On MOTION by Ms. Welks and seconded by Mr. Taylor, with all in favor, Granting the Chair the Authority to Execute Real and Personal Property Conveyance and Dedication Documents, Plats and Other Documents Related to the Development of the District's Improvements; Approving the Scope and Terms of Such Authorization, was adopted.

O. Resolution 2017-14, Approving Florida Statewide Mutual Aid Agreement

Mr. Wrathell presented Resolution 2017-14 for the Board's consideration. If the District, participated in this program and a natural disaster occurred, the District may request assistance from other governmental entities and vice versa. Since the District did not currently own any infrastructure or facilities, there was no immediate need to adopt the Resolution.

This item was deferred.

SIXTH ORDER OF BUSINESS

Scheduling of Various Public Meetings and Hearings

A. Resolution 2017-15, Designating a Date, Time and Location for Landowners' Meeting

Mr. Wrathell presented Resolution 2017-15 for the Board's consideration. Within 90 days of establishment, the District must hold its Landowners' Meeting.

The Landowners' Meeting will be advertised for Wednesday, February 15, 2017 at 3:00 p.m., at this location.

On MOTION by Mr. Reinders and seconded by Mr. Taylor, with all in favor, Resolution 2017-15, Designating a Date, Time and Location for Landowners' Meeting for February 15, 2017 at 3:00 p.m., at the offices of The Ronto Group, 3066 Tamiami Trail North, Suite 201, Naples, Florida 34103, and directing Staff to advertise, accordingly, was adopted.

B. Resolution 2017-16, Adopting the Annual Meeting Schedule for Remainder of Fiscal Year 2016/2017

Mr. Wrathell presented Resolution 2017-16 for the Board's consideration. He recommended not adopting a meeting schedule, at this time. This item was deferred.

C. Resolution 2017-17, To Designate Date, Time and Place of Public Hearing and Authorization to Publish Notice of Such Hearing for the Purpose of Adopting Rules of Procedure

- i. Rules of Procedure**
- ii. Notices**
 - **Notice of Rule Development**
 - **Notice of Rulemaking**

Mr. Wrathell presented Resolution 2017-17 for the Board's consideration. Wednesday, March 22, 2017 at 3:00 p.m., at this location, was recommended, which would be the same day as the budget public hearing.

Mr. Earlywine asked to review the advertisement, prior to publication. There was sufficient time to mail the notice to the property owner.

On MOTION by Mr. Reinders and seconded by Mr. O'Donnell, with all in favor, Resolution 2017-17, To Designate Date, Time and Place of the Public Hearing for Wednesday, March 22, 2017 at 3:00 p.m., at this location and Authorization to Publish Notice of Such Hearing for the Purpose of Adopting Rules of Procedure, was adopted.

D. Resolution 2017-18, Designating a Date, Time and Location of a Public Hearing Regarding the District's Intent to Use the Uniform Method for the Levy, Collection, and Enforcement of Non-Ad Valorem Special Assessments as Authorized By Section 197.3632, Florida Statutes; Authorizing the Publication of the Notice of Such Hearing

Mr. Wrathell presented Resolution 2017-18 for the Board's consideration. The Resolution would enable the District to utilize the Property Appraiser and Tax Collector's services and place assessments on the tax bill. The Public Hearing will be held on Wednesday, February 15, 2017 at 3:00 p.m., at this location.

On MOTION by Mr. Taylor and seconded by Ms. Welks, with all in favor, Resolution 2017-18, Designating a Date, Time and Location of a Public Hearing Regarding the District's Intent to Use the Uniform Method for the Levy, Collection, and Enforcement of Non-Ad Valorem Special Assessments as Authorized By Section 197.3632, Florida Statutes; Authorizing the Publication of the Notice of Such Hearing on Wednesday, February 15, 2017 at 3:00 p.m., at this location, was adopted.

BUDGETARY MATTERS

SEVENTH ORDER OF BUSINESS

Consideration of the Following Budgetary Matters:

A. Resolution 2017-19, Approving a Proposed Budget for Fiscal Year 2016/2017 and Setting a Public Hearing

Mr. Wrathell presented Resolution 2017-19 for the Board's consideration. The Resolution sets the Public Hearing date for adoption of the proposed Fiscal Year 2016/2017 budget, which must be held at least 60 days from today, for Wednesday, March 22, 2017 at 3:00 p.m. On Page 1 of the budget, "Assessment levy; off-roll" would be changed to "Developer contribution", since the District's operations would be funded by the developer. The District would bill the developer for incurred expenses; incurred; however, upfront costs were necessary for advertising. The \$9,000 budgeted for "Management/accounting/recording", was a prorated fee for Fiscal Year 2017. "Legal" fees were budgeted at \$18,000; any costs related to the financing would be paid out of the COI. \$3,500 was budgeted for "District Engineer" to attend Board meetings. Many line items would not be applicable, such as the "Audit", which would not occur until the bonds were issued. The \$5,000 budgeted for "Legal advertising" was to advertise public hearings; once the bonds were issued, advertising costs would decrease.

On MOTION by Mr. Reinders and seconded by Mr. Taylor, with all in favor, Resolution 2017-19, Approving a Proposed Budget for Fiscal Year 2016/2017 and Setting a Public Hearing for Wednesday, March 22, 2017 at 3:00 p.m., at this location, was adopted.

B. Landowners' Fiscal Year 2016/2017 Funding Agreement

Mr. Wrathell presented the Landowner's Funding Agreement for Fiscal Year 2016/2017. The Agreement would be attached to the adopted budget as an exhibit. At Mr. Reinders' request, Mr. Wrathell recommended that the Agreement be approved, in substantial form. In response to Mr. Taylor's concerns, Mr. Earlywine proposed approving the Agreement, subject to Developer's Counsel review.

On MOTION by Mr. Reinders and seconded by Mr. Bloom, with all in favor, the Landowner's Fiscal Year 2016/2017 Funding Agreement, subject to Developer's Counsel review, and execution by the Chair and Vice Chair, were approved.

C. Resolution 2017-20, Designating a Qualified Public Depository for Funds

Mr. Wrathell presented Resolution 2017-20, for the Board's consideration. The Resolution designated a checking account, in accordance with the Qualified Public Depository (QPD) program. According to Florida Statutes, the bank must be FDIC insured. When a bank participates in the QPD program, funds are collateralized to provide an additional level of protection beyond FDIC insurance. Mr. Wrathell advised that his firm typically recommends SunTrust Bank; no money was required to open an account.

On MOTION by Mr. Reinders and seconded by Ms. Welks, with all in favor, Resolution 2017-20, Designating SunTrust Bank as the District's Qualified Public Depository for funds, was adopted.

D. Resolution 2017-21, Authorizing District Manager to Establish a Checking Account and to Designate Authorized Signatories for Operating Bank Account(s)

Mr. Wrathell presented Resolution 2017-21 for the Board’s consideration. Pursuant to the Resolution, the Chair and Treasurer would have the ability to sign checks, on behalf of the District.

On MOTION by Mr. Bloom and seconded by Mr. O’Donnell, with all in favor, Resolution 2017-21, Authorizing the District Manager to Establish a Checking Account with SunTrust Bank and to Designate the Chair and Treasurer as Authorized Signatories for the District’s Operating Bank Account(s), was adopted.

E. Resolution 2017-22, Adopting Alternative Investment Guidelines For Investing Public Funds in Excess of Amounts Needed to Meet Current Operating Expenses, in Accordance With Section 218.415(17), Florida Statutes

Mr. Wrathell presented Resolution 2017-22 for the Board’s consideration.

On MOTION by Mr. Reinders and seconded by Ms. Welks, with all in favor, Resolution 2017-22, Adopting Alternative Investment Guidelines For Investing Public Funds in Excess of Amounts Needed to Meet Current Operating Expenses, in Accordance With Section 218.415(17), Florida Statutes, was adopted.

F. Authorization to Obtain General Liability and Public Officers’ Insurance

Mr. Wrathell requested authorization to obtain general liability and public officers’ liability insurance, in the amount of \$1 million, which would be sufficient.

On MOTION by Mr. Reinders and seconded by Mr. Taylor, with all in favor, authorization for the District Manager to obtain General Liability and Public Officers’ Insurance, in the amount of \$1 million, was approved.

BOND FINANCE RELATED MATTERS

EIGHTH ORDER OF BUSINESS

Consideration of the Following Bond Finance Related Matters:

A. Consideration of Bond Financing Team Funding Agreement

Mr. Wrathell presented the Bond Financing Team Funding Agreement. Mr. Earlywine stated that the intent was for the developer to fund the bond financing team costs at the bond closing. District Counsel had a flat fee for the bond issuance but, if bonds were not issued, hourly time would be billed. Mr. Reinders recommended approving the Agreement, in substantial form, subject to Developer's Counsel's review.

On MOTION by Mr. Reinders and seconded by Ms. Welks, with all in favor, the Bond Financing Team Funding Agreement, in substantial form, subject to Developer's Counsel's review, was approved.

Mr. Wrathell stated that any invoices paid, prior to the bond issue, would be booked as "Due to Developer", pending the bond issue.

B. Agreement for Underwriting Services: *MBS Capital Markets, LLC*

Mr. Wrathell presented the Engagement Letter from MBS Capital Markets, LLC, for Underwriter Services. The Underwriter's fee for issuing the bonds would be a 2% placement fee. Mr. Wrathell felt that the fee was fair for the current market. Mr. Brett Sealy, of MBS Capital Markets, LLC (MBS), stated that the firm underwrote \$2 billion in bonds over the past five years. MBS' fees were contingent upon the successful sale of the bonds. Mr. Reinders wanted to obtain input from the owner. Mr. Earlywine recommended approval, in substantial form, subject to the owner's review.

On MOTION by Mr. Taylor and seconded by Mr. Bloom, with all in favor, the MBS Capital Markets, LLC Engagement Letter, for Underwriter Services, in substantial form, subject to the owner's review, was approved.

Mr. Anthony Solomon, of The Ronto Group, and the owner of the property, arrived.

C. Bond Counsel Agreement: *Nabors, Giblin & Nickerson, P.A.*

Mr. Wrathell presented the Bond Counsel Agreement. On Page 2, \$50,000 was proposed for Mr. Danny Tyler, of Nabors, Giblin & Nickerson, P.A. (NGN), to serve as Bond Counsel. Mr. Wrathell asked if Mr. Reinders wanted to approve the Agreement, subject to the owner's review. Mr. Reinders replied that the agreement was terminable, although costs for completed

work must be paid. Work would not be completed until further steps were taken. Mr. Earlywine stated that the fees were contingent on the issuance of bonds.

On MOTION by Mr. Reinders and seconded by Ms. Welks, with all in favor, the Bond Counsel Agreement with Nabors, Giblin & Nickerson, P.A., subject to the owner's review, was approved.

D. Presentation of Master Engineer's Report: *Barraco & Associates, Inc.*

Mr. Barraco presented the Engineer's Report, dated January 9, 2017. The Introduction provided an overview of the development area, property sizes and the proposed development program. The land use and product types were described, on Page 2, followed by a location map and site plan. On Page 7, Section 1.3 described the District and the property being served. Page 8 included assumptions and a description of the existing utility infrastructure. Page 9 described the property boundary and existing infrastructure. Page 10 provided further detail of the project, the CDD infrastructure, including drainage and surface water management, waterline and accessories, sewer system, landscape buffers and security, irrigation and professional fees.

Regarding irrigation, Mr. Taylor stated that the District had one pump station and one well. One additional pump station would be required, in the future. Mr. Barraco would change "two wells" to "one well".

Discussion ensued regarding the irrigation and the number of pump stations necessary for the District and the Orange Blossom Ranch CDD. Mr. Earlywine suggested an agreement between the Master HOA and the District for the pump station to serve lands inside and outside of the District. Mr. Barraco would include the changes in the Engineer's Report and Mr. Earlywine would prepare the Agreement.

Mr. Barraco stated that the summary of costs were on Page 13. Table 3 estimated the potential funding for the drainage and surface water management, waterline and accessories, sewer system, landscape buffers and security, irrigation and professional fees. According to a footnote, on Page 11, Collier County Utilities (CCU) would own Orange Tree Utilities by next month, prior to the District transferring the utilities; if this did not occur, the District would not fund those services. Page 14 listed the proposed infrastructure improvements, owners, financial and maintenance responsibilities and the status of the permits.

In response to Mr. Reinders' question, Mr. Barraco stated that the estimates were real, based on the level of detail. Mr. Earlywine stated that the estimates were high for validation purposes. Mr. Reinders asked if the Assessment Methodology must be amended, if the amount of bonds decreased. Mr. Wrathell replied that the estimates set the caps for the assessment. Mr. Earlywine stated that, when the bonds were issued, there would be a Supplemental Engineer's Report and Assessment Methodology. Mr. Barraco stated that the unit quantities and prices for each item were higher and included utilities; if conveyance of the utilities did not occur, the numbers could be reduced, prior to the bond issuance. Mr. Wrathell stated that there were opportunities to amend the Report up to the Public Hearing and prior to the bond closing.

On MOTION by Mr. Reinders and seconded by Mr. O'Donnell, with all in favor, the Master Engineer's Report, dated January 9, 2017, in substantial form, for validation purposes, was approved.

E. Presentation of Master Assessment Methodology Report: *Wrathell Hunt & Associates, LLC*

Mr. Wrathell presented the Master Assessment Methodology Report, dated January 10, 2017. The purpose of the Report was to define the special benefits received by the property owners within the District. The Methodology was a method of providing a fair and reasonable apportionment of the benefits received by the property owners to fund the District's Capital Improvement Plan (CIP).

Mr. Wrathell stated that Section 2, on Pages 2 and 3, described the overall project, which was a master planned residential development with approximately 90 +/- acres, with 235 residential units. Section 3 described the CIP, which was the basis for the Master Methodology. Section 4 assumed financing 100% of the improvements with long-term bonds; however, the District cannot exceed a par amount of bonds in excess of \$13,470,000 but, as Mr. Reinders alluded to, the amount of bonds would be lower, when marketed. Section 5, on Page 7, described the benefit allocation, which was based on Equivalent Residential Units (ERUs). The premise was that the larger the lot, the larger the home, resulting in greater storm water usage. Special and peculiar benefits, resulting from each improvement, were also defined, such as added use and enjoyment of the property, decreased insurance premiums, increased marketability and value of the property. Since the land was not platted, the total bonded debt of \$13,470,000

would be levied on 90 +/- acres, at a rate of \$149,666.67 per acre. Section 5.6, on Page 9, described the true-up mechanism. One ERU equated to \$51,847.58, which was the maximum par amount of bonds that could be assigned, based on the value of the lot, in relation to the amount of debt. The true-up mechanism would protect against a loss. Table 1, on Page 11, identified the product mix and number of unit types planned. The Methodology had the ability to deal with changes in product mix and unit counts; however, there could not be a loss in ERUs. Table 2, on Page 11, reflected the CIP and costs for each infrastructure type, which was \$9,843,719.26. Table 3, on Page 12, provided the preliminary sources and uses of the bond funds. An interest rate of 7% was assumed, based on conservative estimates, and a 24-month capitalized interest period. Table 4 described the benefit allocation, which was the ERU assigned to the two product types, the 62' and 72' single-family lots. 259.80 total ERUs were anticipated. Table 5, on Page 13, set forth the assessment apportionment, meaning, the maximum par amount of bonds that could be assigned to each unit type. The numbers were 4% higher, assuming that owners would pay in March, versus November. Exhibit A was the Preliminary Assessment Roll, with parcels that were listed on the Property Appraiser's roll. As individual lots were platted, the acreage would revert to the platted lots.

Mr. Reinders asked if it made sense to expand the 30-year long-term bonds to a second series of five years. Mr. Wrathell replied that the owner would dictate whether a pay-off made sense. Mr. Reinders wanted flexibility. Mr. Wrathell stated that the Master Methodology was flexible and could be recalculated after the bonds were issued.

On MOTION by Mr. Reinders and seconded by Mr. Taylor, with all in favor, the Master Assessment Methodology Report, dated January 10, 2017, in substantial form, for validation purposes, was approved.

F. Consideration of Resolution 2017-23, Declaring Special Assessments; Designating the Nature and Location of the Proposed Improvements; Declaring the Total Estimated Cost of the Improvements, the Portion to Be Paid by Assessments, and the Manner and Timing in Which the Assessments are to be Paid; Designating the Lands Upon Which the Assessments Shall Be Levied; Providing for an Assessment Plat and a Preliminary Assessment Roll; Addressing the Setting of Public Hearings; Providing for Publication of this Resolution

Mr. Wrathell presented Resolution 2017-23 for the Board's consideration. The Engineer's Report and Master Special Assessment Methodology Report would be exhibits to the

Resolution. The Public Hearing would be held on February 15, 2017 at 3:00 p.m., at this location.

On MOTION by Mr. Taylor and seconded by Mr. Reinders, with all in favor, Resolution 2017-23, Declaring Special Assessments; Designating the Nature and Location of the Proposed Improvements; Declaring the Total Estimated Cost of the Improvements, the Portion to Be Paid by Assessments, and the Manner and Timing in Which the Assessments are to be Paid; Designating the Lands Upon Which the Assessments Shall Be Levied; Providing for an Assessment Plat and a Preliminary Assessment Roll; Addressing the Setting of the Public Hearing for February 15, 2017 at 3:00 p.m., at this location; Providing for Publication of this Resolution, was adopted.

G. DRAFT Bond Resolution 2017-24, Authorizing the Issuance of Bonds, Approving the Form of an Indenture, and Authorizing the Commencement of Validation Proceedings

Mr. Wrathell presented Resolution 2017-24 for the Board's consideration.

Mr. Earlywine stated that the Resolution started the validation process, authorized the filing of the complaint for validation purposes and adopted the form of a Master Indenture. Mr. Reinders asked about the timing of the validation process. Mr. Earlywine estimated two to four months, depending on the court's calendar. The complaint would be filed in the next several weeks and supplemented with additional information after the assessment hearing in February. Mr. Wrathell stated that the Resolution did not list a not-to-exceed amount and asked if the \$13,470,000, in the Master Methodology, should be increased to \$15 million. Mr. Earlywine preferred \$13,470,000. Mr. Reinders asked why this Resolution was listed on the agenda as a draft. Mr. Earlywine stated that the not-to-exceed amount and, once the Resolution was adopted, the amount would be filled in.

On MOTION by Mr. Reinders and seconded by Mr. Taylor, with all in favor, Resolution 2017-24, Authorizing the Issuance of Not To Exceed \$13,470,000 Capital Improvement Revenue Bonds, in One or More Series; Approving the Form of a Master Trust Indenture, Appointing a Trustee, Registrar and Paying Agent; Approving a Capital Improvement Program; Authorizing the Commencement of Validation Proceedings Relating to the Bonds; and Providing an Effective Date, was adopted.

NINTH ORDER OF BUSINESS

Staff Reports

- A. District Counsel: *Hopping, Green & Sams, P.A.*
- B. Interim District Engineer: *Barraco and Associates, Inc.*
- C. District Manager: *Wrathell, Hunt & Associates, LLC*

There being no Staff reports, the next item followed.

TENTH ORDER OF BUSINESS

Board Members' Comments/Requests

In response to Mr. Reinders' question, it was noted that the Landowner Funding Agreement, Bond Counsel Agreement, Bond Financing Team Funding Agreement and Underwriters Agreement would be sent to the owner. Mr. Earlywine would email the Agreements to the owner, indicating that they were approved, in substantial form.

ELEVENTH ORDER OF BUSINESS

Audience Comments

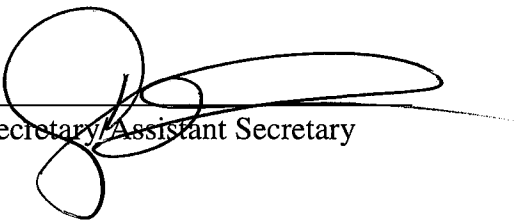
There being no audience comments, the next item followed.

TWELFTH ORDER OF BUSINESS


Adjournment

There being nothing further to discuss, the meeting adjourned.

On MOTION by Mr. Taylor and seconded by Mr. Bloom, with all in favor, the meeting adjourned at 4:43 p.m.



Secretary/Assistant Secretary



Chair/Vice Chair