

**SUN'N LAKE OF SEBRING IMPROVEMENT DISTRICT
REGULAR MEETING**

A meeting of the Board of Supervisors of the Sun'n Lake of Sebring Improvement District was held on Friday January 7, 2022 at 9:00 p.m. at Community Center, 3500 Edgewater Drive, Sebring Drive, Sebring, FL 33872

Present and constituting a quorum were:

Michael Gilpin	President
Ray Brooks	Vice-President
Craig Herrick	Supervisor
Neal Hotelling	Supervisor
Beverly Phillips	Supervisor

Also present were:

Chris Shoemaker	General Manager
David Schumacher	District Attorney
Bill Dailey	MFIT
Ariel Fells	Community Service Director
Joey Silva	Utility Supervisor
Travis Crosson	WaterWerks/Kamstrup
Andy Honeycutt	Metersys
Kahne Kraft	Metersys
Sean Sibert	Empire Pipe and Supply/Master Meter
David Rees	Empire Pipe and Supply/Master Meter
Jimmie Murphy	Empire Pipe and Supply/Master Meter

Residents:

Dave Halbrig
George Puffenberger
Bill Norcross
Tom Kost
Paul Kelsey
Dr. Lance Hoffman (*online*)

The following is a summary of the minutes and actions taken during the January 7, 2022 Sun'n Lake of Sebring Improvement District Board of Supervisors Meeting.

FIRST ORDER OF BUSINESS

Call to Order (ats: 0:07:12)

- Mr. Gilpin called the meeting to order. A quorum was established.

SECOND ORDER OF BUSINESS

Pledge of Allegiance (ats: 0:7:32)

- The Pledge of Allegiance was recited.

THIRD ORDER OF BUSINESS

Announcements (ats: 0:7:55)

- Mr. Gilpin announced an agenda change. Item F on the agenda, Indigo will arrive at 9:45 a.m.
- A. A regular Meeting of the Board of Supervisor is scheduled for Friday January 21, 2022 at 9:00 a.m. at the Community Center, 3500 Edgewater Drive, Sebring, FL 33872
- B. Please silence or turn off your cell phones.

FOURTH ORDER OF BUSINESS

Consent Agenda (ats: 0:8:59)

A. Minutes of the Board Supervisors Regular meeting held December 10, 2021

- Mr. Gilpin asked for a first and second for the consent agenda.

Mr. Hotelling MOVED to approve the consent agenda and Mr. Brooks seconded it.

- Mr. Brooks stated he had not seen the corrections to the November 12, 2021 minutes regarding the corrected name. Mr. Shoemaker stated the record copy was corrected and he will bring this forward at the next meeting.
- There was discussion regarding the minutes and Mr. Herrick stated it did not reflect everything that was discussed at the meeting.
- Mr. Shoemaker reviewed the Board policy B1400 for the official minutes filed in the office and indicated if the Board wishes, they can change the Board policy.
- Mr. Hotelling provided his input on the discussion of the minutes and stated minutes should be summarized and does not need to include all of the details and should be easy to review. However, he stated Mr. Herrick's point that speakers should be recognized as being present at the meeting is valid.
- Mr. Brooks asked if it could be explained to him the difference between the old system and the new one and further discussion ensued on this matter.

- Resident comments were received on:
 - How the minutes were done for the last 15 years.
 - The content of the minutes.
 - Indicated the minutes were at least 35 pages in length.
- Mr. Shoemaker stated as previously mentioned he is going by the Board policy and the legal requirements.
- A resident indicated his support for Mr. Shoemaker for this role as General Manager and feels he is the best individual for this job. He stated if the Board resists him, he would not be successful, so they need to get in tune with what he is trying to do. He continued to state that Mr. Shoemaker needs to be somewhat more flexible. Further discussion ensued. Mr. Herrick stated Mr. Hotelling has a different opinion regarding the minutes which is his right. He shared one of the issues he has which is calling the office and the call goes directly to the voicemail and he in turn has come down to the office only to see individuals sitting in the office. Further discussion ensued regarding this matter.

On VOICE vote with Mr. Hotelling and Mr. Gilpin voting Aye and Mr. Brooks, Mr. Herrick and Mrs. Phillips voting Nay the approval of the consent agenda failed. 2-3

- Mr. Gilpin introduced Scott Kirouac, County Commission (**ats: 0:30:19**)
- Mr. Kirouac introduced himself to the Board, he is the County Commission for District 3. He provided an overview of what has been done so far and informed the Board he had a meeting today with the Mayor of Sebring.
- He discussed:
 - Proposed location
 - Location of recycling
 - Having staff work on getting the coordinates for the location.
 - Hours of operation of the location once opened.
- Further discussion ensued on this matter.

- Mr. Kirouac stated the County Commission has adopted a tentative schedule for a project list on how this money will be spent over the next three and half years. The County contract is with a consulting firm because of the regulations on how this money is to be used.
- A detailed discussion ensued between Mr. Kirouac and the Board regarding the project and questions were asked on whom the County reached out to. Further discussion and questions ensued, and it was suggested Mr. Shoemaker have a meeting with the County.
- Mr. Brooks provided his input in this discussion and Mr. Shoemaker stated they are taking the four initiatives: Wastewater, Stormwater Emergency Management and also grants to the Water Management District in the last few months. He stated there are five initiatives they are working on.
- Board discussion ensued regarding the initiatives mentioned by Mr. Shoemaker.
- Mr. Norcross expressed his disappointment in how the County has interacted with Sun'n Lake. Mr. Kirouac stated the funds have already been air marked and if any of these projects come to fruition, they will have to be approved by the County Commissioner individually. The money has been air marked and they have already discussed it. This money can be moved around, this money for other projects which have been identified. Further discussion ensued regarding the money as it relates to each project and he would be happy to provide direction to Mr. Shoemaker with whatever the Board chooses to have done.
- Mr. Shoemaker will have monthly meetings with the County Commission and keep the Board apprised of what is happening.
- Resident comments were received on gas tax money, PPP money.

FIFTH ORDER OF BUSINESS**Public Comment (ats: 0:52:28)**

- Mr. Gilpin reminded the public that public comments can be made after each discussed item.
- Mr. Puffenberger stated being a long-term resident of the community, he suggested the Board members individually should go through and read the policies and procedures at

least two or three times a week until they can repeat it verbatim. This is the directive that gives the Board their direction on how to manage the District. Several things have occurred that are in direct conflict of those issues. Some of the conflicts were discussed:

- Too much money spent on golf club and restaurant
- Irrigation
- Poor financial management
- Mr. Puffinberger shared more of his concerns related to issues he believes the Board has ongoing and needs to change. Further discussion ensued.

SIXTH ORDER OF BUSINESS

Action Agenda (ats: 1:07:08)

A. AMI Meter Presentation Purchase and Implementation

- Mr. Shoemaker stated at the last meeting they had two vendors come in and give a presentation to the Board. He has brought in a third vendor to give a presentation for 15 minutes. They will give an overview of their product and how they implement it as well the prospective on the project, and noted they are there to answer any questions.

1. Presentation by Empire Pipe & Master Meter

- Sean Sibert introduced himself to the Board. He is the distributor, stocking supplier for Master Meter. The District put out a request for bids on a water solution system. He was unsure on how to present this to the Board on whether he should just talk about his meter or show the Board graphs with the computer system and with the individuals present and he felt there should be a different approach. This is a very large investment which will cost over one million dollars and when you hear that number you throw up a lot of red flags, a lot of caution, and this brings him to his next point.
- He sees there is a factor of trust in something they invested in, how long it is going to last. He will go over it and at the end they can ask questions on anything the Board felt he missed.
- Mr. Sibert provided an overview of the product which he considers as a revenue stream that they can rely on for the length of the warranty which is pretty incredible. They look at the meter as a cash register, how could they provide them with a cash register that they can get the most money out of, how can you analyze that money, how can you maximize it, how can you make it more and with the combination of their product and

the combination of the customer service that they have, he believes they will maximize this and capture that non-revenue bar that is out there.

- He continued with his presentation and discussed, in detail, two of their patented meters.
- Mr. David Reas from Master Meter provided a detailed overview of the product. Mr. Sibert continued on with further details of the presentation.
- Mr. Brooks and Mr. Herrick had a number of questions which were answered by Mr. Sibert and Mr. Reas. Mr. Shoemaker also had questions which were answered by Mr. Sibert.
- There were questions regarding the pricing, and Mr. Sibert indicated if they have two prices from him it is because they provided for both the mechanical meter and they did one for the ultrasonic which is the one he believes the Board preferred and he wanted to provide an additional option.
- Mr. Shoemaker stated they asked each vendor to provide pricing and that is why you can see there is different pricing for mechanical and ultrasonic and also the 1.648 figure in the meter report, he asked if they can expand on that. Ten percent contingency at \$160,000 and it also includes \$120,000 of project management and inspection fees, this is where the figures are different.
- Mr. Brooks stated there are so many documents showing various prices making it difficult to comprehend what they should be voting on. Mr. Shoemaker stated today is just for informational purposes.

2. Overview by MeterSys Staff (ats: 1:29:51)

- Mr. Shoemaker introduced Andy Honeycutt from MeterSys. Mr. Shoemaker stated one thing with their bidding sheets with MeterSys they asked them about the first-year operation and tried to find every hidden cost, anything that would come up on the table so they would not come back and say it is \$1.25 million.
- Mr. Honeycutt shared a bit about himself and proceeded to provide an extensive overview. He went on to state there were a couple of things he wanted to mention. They are at this election point on what do they do, they have recommendations, and they placed those recommendations in the presentation. They believe the best course

of action is they deem the infrastructure to be credible. Water infrastructure is critical. What happens as an organization, that bill will come through eventually. The District has identified, from a customer service prospective, this is not a sustainable body.

- Their recommendation was provided based on this.
- His opinion as a consultant and a former public administrator that against a 15-year asset, meters have an internal investment.
- Mr. Honeycutt in providing his review broke down the entire process.

B. Additional Professional Services for Phase II AMI Metering Solutions MeterSYS (ats:1:43:36)

- Mr. Shoemaker explained this was a housekeeping matter and provided the details to the Board. Discussion was had and Mr. Brooks provided his input on this matter.
- Discussion was had regarding the budget as it relates to this project. After much discussion surrounding the budget, Mr. Shoemaker will follow-up and get verification and provide it to the Board.

Mrs. Phillips moved to approve expenditure of \$12,100 for Phase II of the meter technology master plan with MeterSYS, and Mr. Hotelling seconded it.

- Questions were asked and Mr. Honeycutt provided a response. *(1:58:14 Mr. Herrick was asking questions about the number of meters present when the systems transition from manual read to AMI. Portions of this section of the recording was inaudible)*
- Mr. Shoemaker wanted to answer the question directly as it relates to meter reading. They hired two full-time meter readers and it takes them three months to read all their meters. They are getting hard meter readings on one-third of their system each month, so it takes them three months with those two full-time individuals.
- Additional resident comments were received.
- Paul Kelsey, resident of the District had a question regarding what he heard that six or seven years ago they hired a reputable company to put in equipment. He asked if the equipment was still viable. Mr. Shoemaker responded to the question that the equipment was non-functional and has been for two years.

- Mr. Bill Norcross indicated he was in favor of any grants that they can get. He stated there must be a program that would give some relief to people who have to put in water meters and make accurate accountability of water use. There must be some department that can help them out. Ms. Fells had investigated this and indicated there were no grants but there were loans available.
- Mr. Gilpin stated this is public comment period and not question and answer session.
- Mr. Brooks questioned why he did not have a copy of the motion.

On VOICE vote with Mr. Herrick, Mr. Hotelling, Mrs. Phillips and Mr. Gilpin voting AYE and Mr. Brooks voting NAY the expenditure of \$12,100 for Phase II of the meter technology master plan with MeterSYS was approved. 4-1

C. Water Meter Replacement Project Software Quote – Tyler Technologies (ats: 2:15:57)

- Mr. Shoemaker indicated this is related to the meter program, but he suggested they delay it until they make a selection. They have to start moving forward with the upgrade approval. Anyone of these vendors they select will all the need this interface.
- Mr. Hotelling suggested they table this until a decision has been made. If staff thinks they need to do some of this for the current software needs that they have he would be happy to look at it, but this should be tabled until the next meeting.

Mr. Hotelling moved to table the proposal from Tyler Technologies for the water meter replacement project software, and Mr. Gilpin seconded it.

- Mr. Gilpin asked if there were any audience comments. No comments were received.

On VOICE vote with Mr. Herrick, Mr. Hotelling, Mrs. Phillips, Mr. Books and Mr. Gilpin voting AYE the consideration of the proposal from Tyler Technologies for the water meter replacement project software was tabled. 5-0

D. Additional Professional Services for Construction Management – MeterSYS (ats: 2:17:43)

- Mr. Shoemaker stated this should move forward in the amount of \$119,000 to approve an executed purchaser. He suggested this item be tabled until the next meeting along with the Board recommendation and the budget numbers.

Mr. Hotelling MOVED to table professional services for construction management with MeterSYS in the amount of \$119,000 and Mr. Herrick seconded it.

On VOICE vote with Mr. Herrick, Mr. Hotelling, Mrs. Phillips, Mr. Brooks and Mr. Gilpin voting AYE professional services for construction management with MeterSYS in the amount of \$119,000 was tabled. 5-0

E. Assessment Appeals Committee Recommendations (ats: 2:17:46)

- Mr. Shoemaker requested a motion for the recommendation provided by the Assessment Appeals Committee for the 12 application that were submitted on this agenda item. The Assessment Committee reviewed the 12 applications which were submitted, one application was approved which was at the Carnage Road at US 27 and the other 11 applications were denied and those individuals were informed by email and a follow-up package with all the information.

Mr. Hotelling MOVED to approve assessment appeals committee recommendations, and Mrs. Phillips seconded it.

- A resident provided his comments on the appeals recommendations. He does not have any disagreement on the recommendation except for one.

On VOICE vote with Mr. Herrick, Mr. Hotelling, Mrs. Phillips, Mr. Gilpin and Mr. Brooks voting AYE the Assessment Appeals Committee Recommendations with one application approved which was at the Carnage Road at US 27 and 11 other applications being denied, with staff to follow-up with resident was approved. 5-0

F. Landowners Election (ats: 2:29:47)

- Mr. Shoemaker apologized for the confusion and stated when he first put this together, he assumed when they spoke in December that the election was on the fourth Friday January 28, 2022 and understood it was done in conjunction with another Board meeting. His suggestion is moving the landowner's election from January 28, 2022 to February 4th.
- Mr. Brooks stated someone took it upon themselves to move a meeting and not tell anyone. He stated they are the Board and need to be informed of changes.
- Further discussion ensued on landowners' date and the process and extensive discussion continued.

Mr. Hotelling MOVED to approve holding the landowners meeting on January 28, 2022.

- Motion failed as there was no second.

Mr. Brooks MOVED to approve holding the landowners meeting on February 4, 2022, and Mrs. Phillips seconded it.

- Mr. Schumacher explained what the ordinance states, and further discussion ensued regarding the landowners meeting date.
- Resident comments were received on this matter.
- Mr. Schumacher read the ordinance for the District.

On VOICE vote with Mr. Brooks, Mr. Herrick, Mrs. Phillips and Mr. Gilpin voting AYE and Mr. Hotelling voting NAY for the landowners meeting to be held on Friday February 4, 2022 was approved. 4-1

Let the record reflect the meeting recessed. (ats:2:52:16)

Let the record reflect the meeting reconvened (ats: 2:59:35)

G. Deer Run Golf Course Irrigation Project (ats: 2:59:40)

- Mr. Jimmie Murphy indicated the only thing he wanted to let the Board know about is the price of pipe was increasing and they knew this was coming. He indicated he was okay with whatever the Board wished to do. They have put it out to bid and they have

had two contractors interested. There is a \$100,000 difference in the bids and if they go to February it may be a different price and discussed the email he sent last night. He discussed the design with SWFMD and stated they are happy with the design. The baseline gives them the opportunity for them to conserve the water for the irrigation. The hydraulic system uses a lot of water. They cannot isolate Deer Run without shutting the pump system down.

- The question was asked about the pipe cost? The pipe price can go anywhere from ½ percent within 10 days. The original price on the pipe was a million and one and now it is down to \$900,000 not that it is a big savings, but it can go as high as 2% of the nine hundred thousand dollars.
- The agreement that they signed a couple of months ago was not for the pipes, so they do not have to manufacture the HDP pipe. All they have to manufacture is the satellites and the sprinkler heads. The first thing they committed to was \$174,000 so the twelve part will always remain the same so the rest of that \$600,000.
- Further discussion ensued on this and additional discussion was had regarding the cost of the equipment.
- Mr. Brooks stated at the last meeting they knew the cost of the equipment and asked if this was correct. There was a lot of back-and-forth extensive discussion regarding the cost of the equipment between a number of Board members and Ariel Fells.
- The question was asked about the likelihood of them spending the playground money in this fiscal year. Ms. Fells anticipates that they will not hear back about this until around July, the worst-case scenario knowing that probably not likely or if they are speaking of the project being completed before October 1st. There was more discussion on this and Mr. Shoemaker was asked in preparing the budget to provide the Board with capital expenditures for the next five years so they can look at it and make changes they deem necessary at the next meeting.
- Mr. Hotelling stated another alternative based on comments received earlier in the day is they are looking at a \$700,000 of what they budgeted and what the expense is going to be. \$700,000 divided into 350 is \$2,000 over 10 years would be \$200 a year assessment.

- The question on the number of golf membership was asked about. The Board was informed that there are approximately 330 memberships at this time for this current year. He was asked to provide Mr. Shoemaker with the updated membership.
- Mr. Gilpin asked if there were any additional comments from the Board as a motion needs to be done. Mr. Hotelling asked how they are going to do this and how are they going to pay for it as they only have three million dollars in incumbent reserves take this out he will not vote for this. Since the treasurer they had is no longer here he wants to make sure to know where they are before they approve spending \$3,000,000.
- Mr. Gilpin agreed with Mr. Hotelling on this matter and feels they should wait. Mr. Hotelling stated he is willing to not vote to table it, if the Board is willing to say they will approve \$1.3 million if the members will accept the \$200.
- Mr. Hotelling stated they keep talking about the capital utility fund at \$3.3 million and then you have certificate of deposits for \$2 million and they also have LGIP of \$4.7 million so that is \$10 million. Further discussion ensued regarding the available dollar figures.

Mr. Hotelling MOVED to table Deer Run Golf Course Project, and Mr. Gilpin seconded it.

On VOICE vote with Mr. Gilpin voting AYE and Mr. Herrick, Mrs. Phillips, Mr. Hotelling, Mr. Brooks voting NAY to table the Deer Run Golf Course Project failed. 1-4

- Another motion was requested. They were asked to tell the Board exactly what was needed. They said all the pipe which is going in the ground, the lines that are going over the sprinkler heads and that is about it. Further discussion ensued regarding the dollar figures. The question was asked how much it could it go up in cost and the Board was informed it could go up as much as two percent.
- Mr. Hotelling stated it is \$700,000 and it could go up as much as two percent and this was confirmed as correct. The additional amount could be \$14,000.

Mr. Hotelling MOVED to table the Deer Run Golf Course Project until the next meeting, and Mr. Herrick seconded it.

- Mrs. Phillips asked about the labor is it included in the new price or the old price. The labor is included in the new price. The \$2,004,000 includes the labor and material. The closer they get to the summer it will be harder and harder to get contractors.

On VOICE vote with Mr. Herrick, Mr. Hotelling, Mr. Brooks and Mr. Gilpin voting AYE and Mrs. Phillips voting NAY to table the Deer Run Golf Course Project until the next meeting was approved. 4-1.

SEVENTH ORDER OF BUSINESS

Staff Reports (ats: 3:30:11)

A. General Counsel Report

1. Resolution to Highlands County Board of County Commissioners for Roadway Improvements to Pave Schumacher Road

- Mr. Schumacher indicated the resolution will be presented to the Board at the January 21, 2022 meeting. He will be communicating better with Inframark when he needs to have things to them which need to be included in the agenda package.
- The Board still wished to discuss this item even though it will not be approved at this meeting since the resolution was not provided.
- The question was asked whether anyone had looked at the alternative from the Corpin extension being a highly populated area as opposed to a less populated connection to Schumacher would be advisable.
- Mr. Gilpin stated he looked at it and provided his input on this matter as well as the County's suggestion on this.
- Further Board discussion ensued on this roadway improvement. Mr. Shoemaker has already received feedback from residents on this project.
- Discussion was had regarding minimizing the impact to the neighborhood and continue on, on Cortez over to Schumacher.
- Mr. Gilpin stated there are 8,000 people and it is the Boards' job to do what is best for the entire District. There are people on Cortez who do not want it, but if you look at it and think about it you have to do what is best for the District.

- Mr. Schumacher stated they will bring it back at the January 21, 2022 meeting. He was contacted by McDermott/Auditor and he is in the process of preparing an annual litigation report that they requested. He has meetings scheduled at Cliff Rhodes office who is looking to help the District with some of its backlog of foreclosure that is maintaining.
- Question was asked if anything had occurred with the lawsuit and Mr. Schumacher stated it is still the same, but hopefully after next weeks' meeting, they will have some direction.

B. General Manager's Report (ats: 3:37:51)

- Mr. Shoemaker stated they have the draft water rate study from the Florida Rural Water Association. The plan will be to allow a couple of weeks to review that draft and get it on the Districts' website. Prior to this we will provide it to the Board for review and be placed on the agenda for further discussion.
- Mr. Shoemaker stated they spoke to the Board in November about paving contract for this fiscal year that would get started in January. Spoke with Town Excavation Point yesterday. Mr. Shoemaker will be bringing back the report to the Board. He was informed they were going to come out to start working on the 17th. He will keep the Board apprised of this project.
- Further discussion ensued between the Board, Mr. Shoemaker and Mr. Schumacher on this matter.
- Mr. Hotelling asked who was responsible for updating the District website because the last reports on there are from August 2021 (financials). Ms. Fell stated it was done routinely, but if it is sent to her she will ensure it gets posted until they get someone hired in the office.
- Mr. Brooks asked about the organizational chart, Mr. Shoemaker indicated he will email it to him, however Mr. Brooks wanted to have discussion on it. Mr. Shoemaker stated he will bring the proposed revised organizational chart, also the staff priorities and the proposed Board priorities at the next meeting as the Board has set their strategic meeting at the second meeting in February; in that way bring all the priorities out and

get it in a workshop format and get the Boards' blessing and move forward and this would drive their budgeting for the next year and also their workplan.

- Mr. Brooks feels there is a lot falling through the cracks right now and his patience level is low and discussed a scam related to utilities and asked about the status. Ms. Fell has not heard back from the Sherriff's office but will follow-up on this matter today.

1. Golf Financials (ats: 4:00:50)

- The golf financials were reviewed with the Board and further discussion was had on a number of items on the report. Mr. Brooks discussed additional golf concerns which were brought to his attention, the banquet rooms drapes, restaurant no seating due to short staff, absenteeism.
- There was extensive discussion on a variety of golf issues and for those taking medical leave from playing due to health concerns and being credited.
- Ms. Fell provided an update on a number of items.

2. Unfinished Business

i. New Business

- This item was not discussed.

3. Committee Reports

- No Committee reports were discussed.

4. Discussion to/from Board

i. Email from David Halbrig dated December 25 concerning American Rescue Plan Act Funds (ARPA)

- This item was not discussed.

5. Adjournment (ats:4:44:23)

- There being no further business to come before the Board, the meeting adjourned at 1:44 p.m.

Michael Gilpin, President