

**MINUTES OF MEETING
NORTH SUMTER COUNTY UTILITY
DEPENDENT DISTRICT**

A Meeting of the Board of Supervisors of North Sumter County Utility Dependent District was held on Thursday, February 14, 2019 at 9:00 a.m. the District Office Large Conference Room, 984 Old Mill Run, The Villages, Florida, 32162.

Board members present and constituting a quorum:

Charlie Smith	Chairman
Dominic Berardi	Vice Chairman
Tom Hosken	Board Director
Matt Friedland	Board Director
Richard Rademacher	Board Director
Tom Farlow	Board Director
Diane Spencer	Board Director

Staff Present:

Richard Baier	District Manager
Kenny Blocker	Assistant District Manager
Lewis Stone	District Counsel
Sam Wartinbee	District Property Management Director
Barbara Kays	Budget Director
Anne Hochsprung	Finance Director
Brittany Wilson	Director of Technology and Board Services
Jennifer McQueary	District Clerk
Julie Kulas	Administrative Assistant

FIRST ORDER OF BUSINESS: Call to Order

A. Roll Call

Chairman Smith called the meeting to order at 9:02 a.m. and stated for the record that all Board Directors were present representing a quorum.

B. Pledge of Allegiance

The Chairman led the Pledge of Allegiance.

C. Observation of Moment of Silence

Chairman Smith led the Board and residents in a moment of silence.

D. Welcome Meeting Attendees

The Board welcomed the meeting attendees present.

Chairman Smith and the Board recognized former Board Directors Pat Francis and Gary Davis for their service on the North Sumter County Utility Dependent District (NSCUDD) and thanked them for their service to their community.

SECOND ORDER OF BUSINESS: Approval of the Minutes

On MOTION by Dom Berardi, seconded by Tom Farlow, with all in favor, the Board approved the Minutes from the Meeting held on January 17, 2019.

THIRD ORDER OF BUSINESS: Acceptance of Audit Report for Fiscal Year 2017/2018

Anne Hochsprung, Finance Director, advised that Purvis Gray & Company, the District's Auditor, have completed the audit report for Fiscal Year 2017/2018 and reviewed the Statement of Activities as well as the Balance Sheet of Governmental Funds with the Board. The following items were highlighted from the Fiscal Year 2017/2018 audit:

- In Fiscal Year 2017/2018, North Sumter County Utility Dependent District showed an increase in net position of \$1,661,841. While operating at a positive cash position, the District experienced significant non-cash expenses of \$5,030,467 for depreciation and \$2,938,471 for amortization. The depreciation expense shows the using up of the capital assets over time that must be replaced or renovated in future years.
- The total net position as of September 30, 2018 is \$958,514. This year is the first year the District showed a positive net position. Of the total net position, \$29,821,436 of unrestricted net position exists that can be used at the discretion of the Board of Supervisors.
- Cash and cash equivalents on hand at the end of the year totaled \$40,424,464. In addition, the District has \$11,504,055 in liquid, short-term investments. This provides \$51,928,519 in readily

available deposit and investment accounts, a growth of \$3,982,601 from the \$47,945,918 balance last year.

Helen Painter with Purvis & Gray, the District's Auditors, advised an unmodified opinion has been issued and believes that the financial statements are fairly presented in accordance with generally accepted accounting principles and are free from material mistakes. Ms. Painter thanked Staff for their cooperation in providing all necessary documents to them for the completion of their audit. Ms. Painter responded to the inquiries of the Board.

Board Director Rademacher requested a footnote be added to future audits noting that metered irrigation revenues are dependent upon the weather.

The Board thanked the auditors for the report provided.

On MOTION by Diane Spencer, seconded by Tom Hoskins, with all in favor, the Board accepted the North Sumter County Utility Dependent District Fiscal Year 2017/2018 Audit.

FOURTH ORDER OF BUSINESS: Approval of Fiscal Year 19/20 Budget Calendar

Barbara Kays, Budget Director, provided the Board with the Fiscal Year 2019/2020 Budget Calendar and advised that the June 20, 2019 regular meeting has been changed to Monday, June 10, 2019 and at that time the recommended budget will be reviewed. The approval of the proposed budget will take place during the regular meeting on July 9, 2019 in the District Office Large Conference Room and submitted to Sumter County by July 15th.

Board Director Hoskins requested clarification of the process following this Board's approval. Richard Baier, District Manager, advised that the budget is submitted to and reviewed by the Sumter County Board of County Commissioners for their formal approval. Staff has not received any inquiries from Sumter County in the past.

On MOTION by Tom Farlow, seconded by Tom Hoskins, with all in favor, the Board approved the Fiscal Year 2019/2020 Budget Calendar.

FIFTH ORDER OF BUSINESS: Operating Policies and Procedures

Brittany Wilson, Director of Technology and Board Support Services, advised that a draft of the Operating Policies and Procedures was provided to the Board via email and as an attachment to the agenda package. Staff has conducted a review of the District's existing Policies and Procedures, Statutory requirements, Operating Policies from other governmental entities and existing policies that the Board has adopted throughout the years, which have been incorporated into the document presented. Ms. Wilson advised that Staff has highlighted those areas where options have been provided to the Board for consideration and are requesting that the Board review the document and provide comments to Staff to be incorporated prior to the March Board Meeting. Once the Operating Policies and Procedures have been finalized, Staff will move forward with the advertisement process for the Board to hold a Public Hearing to adopt the Rule.

Board Director Hoskins inquired if their Rules are different than the numbered District Boards. Ms. Wilson advised that a standard format has been provided to the Boards, but NSCUDD does have some differences because NSCUDD is a Dependent District established via Florida Statute 189 by Sumter County.

SIXTH ORDER OF BUSINESS: Approval of Additional Services – Supervisory Control and Data Acquisition (SCADA) System Upgrade Program Phase 2

Mr. Baier advised that the request before the Board is a budgeted update to the Supervisory Control and Data Acquisition (SCADA) system which was approved as Capital Improvement Project (CIP) as part of the Fiscal Year 2018/2019 Budget. The combined total cost of \$50,000 will be shared by the North Sumter Utility Fund (NSU) & Villages Water Conservation Authority (VWCA). The agreement allows for an 8% markup for project administration overhead, including but not limited to purchasing, inventory, accounts payable, invoicing and management.

<p>On MOTION by Diane Spencer, seconded by Tom Farlow, with all in favor, the Board approved the Additional Services Agreement – SCADA System Upgrade Program Phase 2 with Operations Management International Inc. (CH2M/OMI), and authorized the Chairman or Vice Chairman to execute the Agreement.</p>

SEVENTH ORDER OF BUSINESS: Financial Statements

The Financial Statements as of December 31, 2018 were provided as information to the Board.

EIGHTH ORDER OF BUSINESS: District Manager Reports

Mr. Baier advised that a memorandum was sent to the Board advising of the commencement of construction of the secondary access road from the North Sumter Utility (NSU)/Central Sumter Utility (CSU) facilities.

Mr. Baier advised there will be a public meeting set up in the near future for the Supervisors and Committee members, as well as the public, for a District update to be provided regarding all activities that are occurring.

A. Recognition of Service

The item was previously addressed.

NINTH ORDER OF BUSINESS: District Counsel Reports

There were no District Counsel Reports.

TENTH ORDER OF BUSINESS: Supervisor Comments

Board Director Farlow submitted his letter of resignation, effective at the end of today's meeting, and advised that he is aware that the SCBOCC is responsible for appointing a replacement for the vacant seat, but advised that he has included a recommendation for his replacement.

Board Director Hoskins requested clarification of the utility billing format. Mr. Baier advised that the utility bills differ in color depending on which utility provides the service; however, the format of the bills remain the same.

Board Director Friedland advised that utility payments are inadvertently placed in the Villages Homeowners Association (VHA) box at the postal facilities. Mr. Baier advised that the boxes are clearly labeled for each utility.

Board Director Rademacher stated that residents should be encouraged to sign-up for e-billing which would assist in alleviating the issue.

Board Director Friedland suggested that information regarding e-billing be placed on the bulletin boards at the postal facilities.

Board Director Rademacher stated that he previously requested that tours of the wastewater treatment facility be offered for Camp Villages be seriously considered. Mr. Baier advised that supervised tours can be offered and advised that Staff would review.

Board Director Spencer stated that she would be opposed to providing tours to underage children because of liability concerns. Mr. Baier advised that the liability concerns will be an item considered as part of Staff's review.

Board Director Rademacher suggested that strategic planning occur at an upcoming meeting to allow discussion about new technologies and projects. Mr. Baier advised that these discussions will occur as part of the budget process.

The Board thanked Board Director Farlow for his service on the Board and to him community.

ELEVENTH ORDER OF BUSINESS: Audience Comments

No audience comments were received.

TWELFTH ORDER OF BUSINESS: Adjourn

The meeting was adjourned at 10:00 a.m.

On MOTION by Tom Farlow, seconded by Tom Hoskins, with all in favor, the Meeting was adjourned.
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Richard J. Baier
Secretary

Charlie Smith
Chairman