

MINUTES OF MEETING

*Babcock Ranch Community Independent Special District
Continued Board of Supervisors Meeting
Monday, December 21, 2015 at 11:00 a.m.*

Present and constituting a quorum:

Theresa Jurca	Board Member
Elizabeth Andres	Board Member
Gary Nelson	Board Member

Also present were:

Jonathan Johnson	Hopping Green & Sams	(via phone)
Matt Smith	Lee County Liaison	(via phone)
Jennifer Walden	Fishkind & Associates, Inc.	(via phone)

FIRST ORDER OF BUSINESS

Call to Order

The meeting was called to order at 11:00 p.m. and Ms. Walden proceeded with roll call. Board Members Theresa Jurca, Elizabeth Andres, and Gary Nelson were present, constituting a quorum.

SECOND ORDER OF BUSINESS

Business Matters

Public Comment Period

There were no questions or comments from members of the public.

Consideration of the Franchise Agreement

Mr. Johnson stated that the Board Members received a copy of this agreement at the meeting, last week, which has been continued until today. There is also a copy of the agreement in the agenda package. Mr. Johnson explained that the Landowner within the District, Babcock Property Holdings, LLC, has entered into an agreement with People's Gas, which is a division of Tampa Electric Company, to provide gas service to the lands within the Babcock Ranch Community, much of which are included within the Babcock Ranch Community Special District. Currently the lands within Charlotte County are included in the District and we are currently working through the process to add the lands within Lee County to the District. All of those lands will, pursuant to that agreement, be served exclusively by People's Gas to provide gas to both residential and commercial and other users. Mr. Johnson stated that he has been negotiating on a parallel path to enter

into and propose this Franchise Agreement with People's Gas to go along with the agreement entered into by the Landowner. The key reason he mentioned to do so is to obtain a franchise fee from People's Gas for their use of the District's rights of way and other properties within the District. The amount of that proposed fee, which is 6% of the gross revenues with certain adjustments, that is specified in the agreement would be payable to the Special Districts. These revenues are not pledged to the Bonds that were issued or any specific purpose. They can be used for additional Operating & Maintenance obligations that may incur over time or potential capital costs that the Board may decide to undertake later. Mr. Johnson noted that there are a couple of items he wanted the Board to recognize and go over why they are in the agreement. He stated that the term that is proposed is a 30 year term. Both parties are looking to cement a long term relationship. This term is also coincidentally the same typical term of the District's Bond transaction. Mr. Johnson stated that it is also important for the Board to realize that by entering into this agreement, the District is agreeing that they are not going to get into the business of distributing or selling gas within its boundaries. However, the District does have a number of special powers in our special act. The District also has a number of obligations in this agreement that will kick in over time. The District will provide information to People's Gas as the areas are developed and there is language in the agreement that ensures, to the extent that there are conflicts with construction or other damages that may occur to their facilities or the District's rights of way, that the responsible parties are on the hook to deal with that. And, there is a provision requiring People's Gas to have acceptable insurance. There is a process for the District, as needed, to audit the records to make sure that the District is comfortable with how People's Gas is calculating their gross revenues so that the District would receive the appropriate percentage of monies that they are obligated to be paid. There are also other provisions dealing with governing law and severability.

Ms. Andres said that she has no questions and that she is comfortable with the agreement. Mr. Johnson requested a motion to approve the agreement and authorize its execution.

On MOTION by Ms. Andres, seconded by Mr. Nelson, with all in favor, the Board approved the Franchise Agreement and authorized its Execution.

THIRD ORDER OF BUSINESS

Other Business

Staff Reports

Attorney- No Report

Engineer- Not Present

Manager- The next meeting is scheduled for January 28, 2016.

FOURTH ORDER OF BUSINESS

**Audience Comments and
Supervisors Requests**

Ms. Jurca stated that the office is relocating. Mr. Johnson asked for Ms. Walden to coordinate with Dr. Fishkind to make sure that the meeting notice that is published for the January meeting has the new address. Ms. Jurca will send Ms. Walden the new office address.

FIFTH ORDER OF BUSINESS

Adjournment

There were no further questions or comments. Ms. Walden requested a motion to adjourn the meeting.

On MOTION by Ms. Andres, seconded by Mr. Nelson, with all in favor, the December 21, 2015 Continued Board of Supervisors Meeting of the Babcock Ranch Community Independent Special District was adjourned.


Secretary/Assistant Secretary


Chairman