

June 25, 2021

Ms. Gloria Perez
District Manager
Cutler Cay Community Development District
Special District Services, Inc.
The Oaks Center
2501A Burns Road
Palm Beach Gardens, FL 33410

Re: Year 2021 Cutler Cay CDD Report

Dear Ms. Perez:

The intent of this report is fourfold: 1) To inform as to the status of ownership of the infrastructure that was financed or constructed by the District; 2) To describe the state, working order and condition of the infrastructure still owned by the District; 3) To give recommendations as to the funds estimated necessary for the proper maintenance, repair and operation of the District's infrastructure and; 4) To report on the insurance being carried by the District.

The District is located in Sections 2 and 3, Township 56 South, Range 40 East, in Miami-Dade County, Florida. It is bounded by Old Cutler Road on the west, SW 185 Terrace and undeveloped land on the north, Biscayne Bay on the east, and SW 196 Street on the south. The development is located within Zip Code 33157. See Exhibit 1.

1. Infrastructure Ownership and Maintenance Responsibilities.

a. General

The CDD owns the land and improvements within the tracts shown in Exhibit 1. These tracts and improvements were granted in 2008 to the District by Shoma Development Corporation (the "Developer") and by The Cutler Cay Homeowners Association, Inc. (the "HOA") via Quit-Claim deeds recorded at ORB 26735, PG 1457 and ORB 26735, PG 1455, respectively.

The portions of Old Cutler Road and SW 196 Street that lie within the development were dedicated to Miami-Dade County by the recording of the plat titled "Cutler Cay" in Plat Book 162, Page 23.

The water and sanitary sewer systems were completed and conveyed to Miami-Dade County for ownership and maintenance.

b. Maintenance Responsibilities of CDD-Owned Facilities

The District terminated an amended maintenance agreement between the CDD and the HOA dated September 30, 2016 and replaced it with a new agreement dated May 26, 2021 (the "2021 Maintenance Agreement") to share maintenance responsibilities of the District-owned improvements as follows:

Maintenance Responsibilities of CDD-Owned Facilities.				
(Refer to Exhibit 1 for Location)				
Tract ID	Acreage	CDD Ownership	Improvements Maintenance Responsibility	
			CDD	HOA
A	32.02	Land, Roads, Drainage, Sidewalks, Guardrails, Signs, Pavement Markings, Retaining Perimeter Wall and Fence at SW 78 Ave (from 195 Terr to 194 Terr), Lighting, Landscaping, Irrigation, Security Guardhouse Structure with Gates and Equipment, North Entry Features, South Entry Fountain.	Roads, Drainage, Sidewalks, Guardrails, Signs, Pavement Markings, Retaining Perimeter Wall and Fence at SW 78 Ave (from 195 Terr to 194 Terr), Lighting, Security Guardhouse Structure, North Entry Features, South Entry Fountain.	Landscaping, irrigation, security gates at the guardhouse, security equipment, interior guardhouse components, and regular janitorial services within the guardhouse.
B	33.05	Land, Lake, Fountain, Drainage Outfalls, Guardrails, Landscaping, Irrigation.	Lake (water), Drainage Outfalls, Guardrails, Fountain.	Landscaping, Irrigation (lake banks).
C	1.821	Land, Lake, Drainage Outfalls, Guardrails, Landscaping, Irrigation.	Lake (water), Drainage Outfalls, Guardrails.	Landscaping, Irrigation (lake banks).
G	1.753	Land, Drainage, Retaining Perimeter Wall and Fence on the East Side of the Tract, Landscaping, Irrigation.	Drainage, Retaining Perimeter Wall and Fence on the East Side of the Tract.	Landscaping, Irrigation.
H	0.588	Land, Landscaping, Irrigation.	-	Landscaping, Irrigation.
I	1.109	Land, Drainage, Decorative Wall, Landscaping, Irrigation.	Drainage, Decorative Wall.	Landscaping, Irrigation.

Maintenance Responsibilities of CDD-Owned Facilities.				
(Refer to Exhibit 1 for Location)				
Tract ID	Acreage	CDD Ownership	Improvements Maintenance Responsibility	
			CDD	HOA
J	0.048	Land, Landscaping, Irrigation.	-	Landscaping, Irrigation.
K	0.048	Land, Landscaping, Irrigation.	-	Landscaping, Irrigation.
N	1.849	Land, Pond, Guardrails, Decorative Wall on Old Cutler Rd, Landscaping, Irrigation.	Pond (water), Guardrails, Decorative Wall on Old Cutler Road.	Landscaping, Irrigation (pond banks).
O	2.188	Land, Pond, Guardrails, Decorative Wall on Old Cutler Rd, Landscaping, Irrigation.	Pond (water), Guardrails, Decorative Wall on Old Cutler Road.	Landscaping, Irrigation (pond banks).
P	0.438	Land, Guardrails, Retaining Wall at SE Corner of Tract, Landscaping, Irrigation.	Guardrails, Retaining Wall at SE Corner of Tract.	Landscaping, Irrigation.
Q	0.021	Land, Landscaping, Irrigation.	-	Landscaping, Irrigation.
R	0.023	Land, Landscaping, Irrigation.	-	Landscaping, Irrigation.
S	0.398	Land, Landscaping, Irrigation.	-	Landscaping, Irrigation.
T	0.052	Land, Landscaping, Irrigation.	-	Landscaping, Irrigation.
U	0.203	Land, Guardrails, Retaining Perimeter Wall and Fence on SW 74 Ave, Landscaping, Irrigation	Guardrails, Retaining Perimeter Wall and Fence on SW 74 Ave	Landscaping, Irrigation.
V	1.298	Land, Decorative Wall on Old Cutler Road, Landscaping, Irrigation	Decorative Wall on Old Cutler Road.	Landscaping, Irrigation.
W	0.122	Land, Decorative Wall on Old Cutler Road, Landscaping, Irrigation	Decorative Wall on Old Cutler Road.	Landscaping, Irrigation.

Maintenance Responsibilities of CDD-Owned Facilities.				
(Refer to Exhibit 1 for Location)				
Tract ID	Acreage	CDD Ownership	Improvements Maintenance Responsibility	
			CDD	HOA
X	0.083	Land, Landscaping, Irrigation.	-	Landscaping, Irrigation.
A-A	0.153	Land, Landscaping, Irrigation.	-	Landscaping, Irrigation.
B-B	0.144	Land, Landscaping, Irrigation.	-	Landscaping, Irrigation.
C-C	0.058	Land, Landscaping, Irrigation.	-	Landscaping, Irrigation.

2. State, Working Order and Condition of the Infrastructure Currently Owned by the District.

a. Roads and Road Components, Walls, Fences, Structures, Landscaping and Irrigation.

The roads and other CDD-Owned facilities listed above in Section 1.b. are in good working order and condition.

b. Stormwater Management System, Lakes, Ponds, Drainage and Open Areas

The drainage and stormwater management facilities listed above in Section 1. b. are in good working order and condition except for the area at SW 188 Terrace and SW 74 Court which floods periodically during major storms, and another area east of the clubhouse, where recurring flooding has been reported. In the second half of 2019 and the first half of 2020, the District conducted an exploration of the drainage system consisting of cleaning the drainage structures and pipes and videoing the pipes. The exploration was conducted in the two areas of the District where flooding has been reported, as shown in the clouded areas in Exhibit 1. The exploration revealed several places where pipes need to be repaired due to obstructions, and other places where roots from nearby trees are partially impeding free flow. The Board of Supervisors has decided to address first the repairs on 188 Terrace, from SW 74 Court to the point of outfall at the lake int Tract B. As of the date of this report, the proposed repairs are being permitted at the City and County.

c. Water and Sewer Systems

The water and sewer systems were completed and conveyed in good working order and condition to Miami-Dade County for ownership and maintenance.

Issues with the systems may be reported to the County at either of the following numbers: 305-274-9272 (Emergencies) or 305-665-7477 (Customer Service).

3. Estimated Maintenance Costs for District-Owned Infrastructure

a. General

The CDD 2021-2022 Fiscal Year budget has the following amounts for maintenance expenditures:

2021-2022 Budget for Maintenance	
Contingency/Reserve	\$30,000
Lakes Maintenance	\$10,000
Roads Maintenance/Reserve	\$47,500
Stormwater Drainage/Reserve	\$17,575
Stormwater Drainage System Pipes Repairs Project	\$65,000
Field Operations	\$3,600
Walls & Wall Fountain Maintenance	\$25,000
Sidewalk Maintenance/Repairs	\$15,000
Engineering/Inspections	\$7,000
Street Signage	\$5,000
Lake Fountain Maintenance	\$15,000
Entry Features Maintenance	\$15,000
Guardhouse Exterior Maintenance	\$10,000
Guardhouse Insurance	\$5,000
Water & Sewage	\$5,000
FPL - Street Lighting Project	\$95,000
FPL - Electrical	\$150,000
Total	\$520,675

For more detailed information on the 2021-2022 budget, please visit the District's website at the following link:

<http://cutlercaycdd.org/financials/>

Alvarez Engineers finds the District's maintenance budget for Fiscal Year 2021-2022 adequate, and recommends considering the following suggestions for future budgets:

b. District Roads

Funds will be needed to replace the wearing roadway asphalt layer in about 13 years, when the asphalt has reached its estimated 30-year service life. The District Board of Supervisors may decide whether to create a sinking fund to finance the future capital expense over the next 13 years or to pay a lump sum amount at the end of the asphalt service life. The table below provides the estimated future replacement cost and the estimated annual contributions over the remaining service life to fund the expense. The calculations below assume an annual interest rate of 0.25%.

Pavement Service Life (30 Years Estimated)		Present Year	Remaining Service Life (Yrs)	Present Year Cost (PC) of Pavement Replacement (Mill and Resurface 3/4" Thick)			Future Replacement Cost @ End of Service Life*	Annual Interest Rate	Annuity to Finance (FC) in (n) Years given (i)
From	To		(n)	Quantity (SY)	Unit Cost (\$/SY)	(PC)	(FC)	(i)	$FCi/((1+i)^n-1)$
2004	2034	2021	13	10,800	\$5.75	\$62,100	\$90,480	0.25%	\$6,856
* Using Florida Department of Transportation Inflation Factors									

c. Stormwater Management System

The following is a suggested 5-year cyclical program for servicing the inlets, manholes, pipes and French drains of the drainage system. The program consists of servicing 20% of the system every year so that at the end of the fifth year, 100% of the system will have been serviced. The table below shows the estimated amount that would need to be budgeted yearly to service the 325 drainage structures and 18,680 Linear Feet of pipes in the District. The program may be financed yearly or in one lump sum when needed, or at any other period combination, at the discretion of the Board of Supervisors.

Total No. Structures in CDD	Total LF Pipes	No. Structures with Pipes Serviced per Year					Cost/EA Structure	Cost/LF Pipe	Total Budget Amount Per Year
		Year 1	Year 2	Year 3	Year 4	Year 5			
325	18680	65					\$150.00	\$5.00	\$28,500
			65				\$150.00	\$5.00	\$28,500
				65			\$150.00	\$5.00	\$28,500
					65		\$150.00	\$5.00	\$28,500
						65	\$150.00	\$5.00	\$28,500

d. Water and Sewer Systems

The water and sewer systems are maintained, operated and funded by WASD, which may be contacted at 305-274-9272 (for emergencies) or at 305-665-7477 (for customer service).

4. Insurance

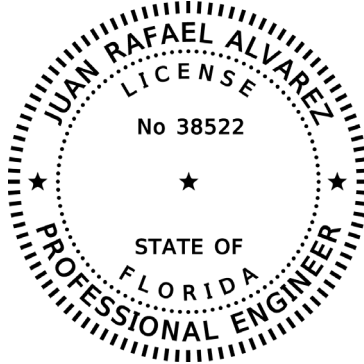
Alvarez Engineers has reviewed the District's general liability, property, hired non-owned auto, employment practices liability and public officials liability coverage insurance policy provided by Florida Insurance Alliance under Agreement No. 100120030, for the period between October 1, 2020 and October 1, 2021. The District has budgeted enough funds to cover the \$7,758 insurance premium.

This report was prepared to the best of my knowledge and belief and is based on field observations conducted by Alvarez Engineers personnel, the District Engineer's Report, public documents available and communications with the District's field staff.

If you have any questions, please do not hesitate to contact me at 305-640-1345 or at Juan.Alvarez@Alvarezeng.com.

Sincerely,
Alvarez Engineers, Inc.

Juan R. Alvarez, PE
District Engineer
Date: June 25, 2021



This item has been digitally signed and sealed by
Juan R. Alvarez, PE on June 25, 2021.

Printed copies of this document are not
considered signed and sealed and the signature
must be verified on any electronic copies.

