

June 26, 2024

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 2024 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 CDD and the HOA entered into a maintenance agreement dated May 26, 2021, which will expire at the end of the 2024-2025 Fiscal Year on September 30, 2025. The CDD and the HOA have entered into a new 2-year, renewable maintenance agreement dated June 10, 2024 to begin on October 1, 2025 at the expiration of the 2021 agreement. The maintenance responsibilities of the CDD and HOA described in the 2021 and 2024 agreements are summarized in the table below:

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.

Maintenance Responsibilities of CDD-Owned Facilities.				
(Refer to Exhibit 1 for Location)				
Tract ID	Acreage	CDD Ownership	Improvements Maintenance Responsibility	
			CDD	HOA
H	0.588	Land, Landscaping, Irrigation.	-	Landscaping, Irrigation.
I	1.109	Land, Drainage, Decorative Wall, Landscaping, Irrigation.	Drainage, Decorative Wall.	Landscaping, Irrigation.
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.

Maintenance Responsibilities of CDD-Owned Facilities.				
(Refer to Exhibit 1 for Location)				
Tract ID	Acreage	CDD Ownership	Improvements Maintenance Responsibility	
			CDD	HOA
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.
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
Except for the drainage repairs described below, the drainage and stormwater management facilities listed above in Section 1. b. are in generally good working order and condition.

The CDD has engaged Headley Construction to undertake the Phase II Drainage repairs to the storm drainage system that drains the loop of SW 77 PL, SW 193 St, SW 76 Ct and SW 193 LN, where complaints have been received.

The CDD has completed the Priority 1 (Phase 1) shoreline restoration of the lake within Tract "B," following Landshore Enterprises' Lake Erosion Analysis.

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 2024-2025 Fiscal Year budget has the following amounts for maintenance expenditures:

2024-2025 Proposed Budget for Maintenance	
Contingency/Reserve	\$200,000
Lakes Maintenance	\$12,000
Roads Maintenance/Reserve	\$50,000
Stormwater Drainage Maintenance/Reserve	\$40,000
Stormwater Drainage System Pipes Repairs Project - Phase 2	\$0
Field Operations	\$12,000
Walls & Wall Fountain Maintenance	\$30,000
Sidewalk Maintenance/Repairs	\$15,000
Engineering/Inspections	\$45,000
Street Signage	\$5,000
Lake Fountain Maintenance	\$15,000
Entry Features Maintenance	\$15,000
Guardhouse Exterior Maintenance	\$10,000
Water & Sewage	\$2,500
FPL - Street Lighting Project	\$0
FPL - Electrical Utility	\$110,000
DERM Required Stormwater Quality Improvement Project	\$120,000
Retention Wall Maintenance/Reserve	\$0
Security	\$460,000

Landscaping	\$300,000
Total	\$1,441,500

For more detailed information on the 2024-2025 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 2024-2025 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 10 years when the asphalt has reached its estimated 30-year service life. Funds will also be needed to update signs and markings on the roadways when asphalt is replaced and subsequently restored every 10 years. The District Board of Supervisors may decide whether to create a sinking fund to finance the future capital expense over the next 10 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 unit cost \$2 and Resurface 3/4" Thick \$6)			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	2024	10	10,800	\$8.00	\$86,400	\$118,627	0.25%	\$11,730
* Using Florida Department of Transportation Inflation Factors									

Signs & Marking Service Life (10 Years Estimated)		Present Year	Remaining Service Life (Yrs)	Present Year Cost (PC) of Signs & Marking			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)	$FCi/((1+i)^n-1)$
2022	2034	2024	10	10,800	\$1.00	\$10,800	\$14,828	0.25%	\$1,466
* 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 (Includes Cleaning, and Baffle Replacement)	Cost/LF Pipe (Includes Cleaning, Video, Dewatering, and Root Removal)	Total Budget Amount Per Year
		Year 1	Year 2	Year 3	Year 4	Year 5			
325	18680	65					\$225.00	\$6.70	\$39,700
			65				\$230.00	\$6.90	\$40,800
				65			\$235.00	\$7.40	\$43,000
					65		\$240.00	\$8.10	\$45,900
						65	\$245.00	\$9.20	\$50,300

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

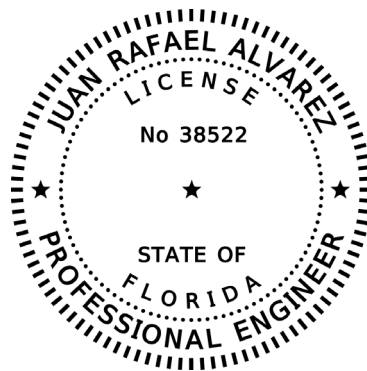
Alvarez Engineers has reviewed the District’s general liability, property, hired non-owned auto, employment practices liability, public officials liability coverage and deadly weapon protection insurance policy provided by Florida Insurance Alliance under Agreement No. 100123030, for the period between October 1, 2023 and October 1, 2024. The District has budgeted enough funds to cover the \$13,272 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 26, 2024



This item has been digitally signed and sealed by Juan R. Alvarez, PE on June 26, 2024.

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

