

**MINUTES OF MEETING
RIVER HALL
COMMUNITY DEVELOPMENT DISTRICT**

A Regular Meeting of the Board of Supervisors of the River Hall Community Development District was held on Thursday, January 4, 2018, at 3:30 p.m., at the River Hall Town Hall Center, 3089 River Hall Parkway, Alva, Florida 33920.

Present were:

Michael Morash	Chair
Paul D. Asfour	Vice Chair
Joseph E. Metcalfe, III	Assistant Secretary
Joseph Lundquist	Assistant Secretary
Kenneth Mitchell	Assistant Secretary

Also present were:

Chuck Adams	District Manager
Cleo Adams	Wrathell, Hunt and Associates, LLC
Robert Rebey	Wrathell, Hunt and Associates, LLC
Daniel H. Cox	District Counsel
Charlie Krebs	District Engineer
Gary Stilwell	Resident
Barbara Sanguiliano	Resident

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Adams called the meeting to order at 3:31 p.m. All Supervisors were present, in person.

SECOND ORDER OF BUSINESS

Public Comments

Mr. Gary Stilwell, a resident, voiced his opinion that there were errors in the November 2, 2017 Meeting Minutes and stated that the comments on Lines 134 and 135 were about Mr. Krebs following up with Mr. White of the South Florida Water Management District (SFWMD). He stated that everything was permitted and he found out because the SFWMD did not go back far enough in its records, which revealed corrugated metal pipes underneath the northern right-of-way (ROW), at least one in the east, and a 1999 permit application. No culverts were mentioned in the permit application or the 1991 topographic information mentioned. Mr.

Stilwell offered to provide copies of both documents and stated that the area, commonly referred to as a “Texas Crossing”, appeared to be further east of what was shown on the property and was quite deep. The gross calculations place the velocity at approximately 10’ per second cubic feet and the off-site flow from that particular Number 4 basin is supposed to be 0.5 cubic feet per second per acre. Mr. Stilwell hoped that the information on the culverts and control structures was included in the application. Mr. Stilwell stated that he did not make the comment attributed to him on Line 144, of the November Minutes. Mr. Morash stated that Mr. Brad Roberts, from Hampton Lakes, made the statement. Mr. Asfour stated that the error would be corrected.

THIRD ORDER OF BUSINESS

**Continued Discussion: Drainage Issues
Control Structure Elevations Review and
Report**

Mr. Adams stated that the documents related to this item were behind Staff Reports.

Mr. Krebs referred to the colored exhibits and stated that the CDD-maintained control structures fell within the SFWMD requirements and the exhibit marked with an asterisk illustrated where the elevations fell below the level that was permitted and the area below the asterisk indicated where the level fell within the tolerances. The construction tolerance was $2/10$ ’ from the bleeder elevations and the top of grade elevations and, as long as it fell within that tolerance and even if below the elevation, it was considered to be in compliance with the permit. All elevations were accepted when the original Engineer went through the certification process. During the review process, a plugged bleeder was found and someone unplugged it. Structure B2-2 had issues during Hurricane Irma. Surveyors reported that the lake went under water and stayed under water for quite a while. It was uncertain if there was a downstream obstruction because the surveyors did not examine the pipe to see if it was clear, they were just shooting a control structure; however, that was the lake that, per the residents, remained very high, east of Hampton Lakes. In response to a Board Member’s question regarding the variances and drainage, Mr. Krebs stated, when descending, there may be a larger increase than the water discharging to it but, if there is a downstream obstruction, it would cross underneath culverts before going into the Florida Power & Light (FPL) easement because that area discharged into a wetland area. He was unsure if the pipe was examined or cleared or if something downstream caused the water to stack up. Mr. Metcalfe asked if structure B2-2 controlled all of the lakes in Cascades. Mr. Krebs replied affirmatively. Mr. Metcalfe stated that the control structure was a

problem since 2008. Mr. Krebs pinpointed the lake in question and stated that there were two drainage basins with two different elevations and the lake to the north was lower by design. If all those pipes were open, the FPL easement should be closely examined for blockages in any of the structures. A Board Member stated that he monitored the culvert because his lot was in close proximity to the preserve and it was open and flowing freely. Mr. Morash shared that, when he and Mr. Asfour first joined the Board, there was an ongoing modification project to bring the control structures into compliance. Mr. Krebs explained that the top of the grates on the structures were higher than required, by permit, so incisions were made on the notches of several of the lakes to bring the notches to the required elevation. Mr. Metcalfe wanted to know why the orifice in Control Structure B3-5 should be 8" instead of 7". Mr. Krebs stated that it was due to a reduction by the surveyors, who generally worked underwater and took measurements at an angle, and, when drilled, the orifices rarely matched and were usually a little bit smaller.

Ms. Barbara Sanguiliano, a resident, commented that Lake 3-5 was significantly lower than the lakes that fed into it. Discussion ensued regarding the control structures, water levels, elevations and deviations. Mr. Morash stated that a surveyor would check the water levels in the four lakes in question and provide the answer. Mr. Metcalfe inquired about Control Structures B4-2 and B3-6. Mr. Krebs stated that the surveyors could not locate B4-2 and B3-6 was owned by the landowner; two lakes in the Cascades were not maintained by the CDD. In response to Mr. Morash's question regarding status, Mr. Krebs stated that everything was in compliance with the permits. Surveyors would be dispatched to the lakes to shoot water elevations and double-check bleeder elevations and he will present a summary of their findings at the next meeting.

Mr. Adams inquired about golf course irrigation and asked if wells were scattered throughout the property. Mr. Krebs stated that there was a well near Lake 35 but most of the water was drawn out of Lake 33, which is the main intake for the golf course irrigation. Ms. Sanguiliano recalled that, in July or August, the HOA activated a well and informed her that they would be doing work adjacent to her property; the new well structure was now activated. She wanted to know why the water level was so low. Discussion ensued regarding well water, surface water, holding ponds and the lower Hawthorne. Mr. Adams stated that it was a closed well head and water flowed from the well right into the transmission system. Mr. Morash directed Mr. Krebs to investigate the lake near Ms. Sanguiliano's residence. Mr. Krebs would have surveyors to evaluate the lakes and he would re-verify the orifice in the control structure.

FOURTH ORDER OF BUSINESS

Update/Continued Discussion: Traffic Signal Reimbursement from RH Ventures, LLC

Mr. Adams stated that a copy of the prior correspondence to Mr. Cox's second request for reimbursement was circulated.

Mr. Cox stated that there were two types of improvements; those who were eligible for payment from District bond funds and those that were not. Of the improvements that were eligible for reimbursement from bond funds, the total amount estimated outstanding, at that time, was \$3.6 million. Currently, \$2,550,000 was in the construction account because the District paid \$475,000 to install the traffic signal and, even if RH Ventures LLC (RH) paid the amount of the traffic signal, they would still owe the District. The CDD went through various iterations and reached an agreement stipulating that, at the start of each month, a cost estimate could be submitted to RH for bond fund eligible and ineligible improvements, based on the progress of work. At month's end, before the invoices were due from the contractor, RH would deposit funds to cover the District ineligible improvements plus any shortfalls and minus what was exhausted in the construction account for District eligible improvements. It was noted that available funds were less than if the CDD deposited the funds and a question was raised regarding why the District would go through that exercise if RH was expected to eventually reimburse the District. Mr. Asfour stated that the original permit allowing for the cut in the median, stipulated that the Developer would pay for the cost of the traffic signal whenever the warrants were issued. The warrants were issued in 2014 and RH has not paid toward the traffic signal but the District is anticipating reimbursement. Mr. Cox stated that only so much was available within the District's funds to cover the improvements that were District-eligible for reimbursement. Mr. Morash asked if there would be a forthcoming agreement. Mr. Cox stated that he sent a letter to Ms. Feldman, the attorney for RH, in December 2015, requesting finalization of the agreement, prior to the zoning which was advancing through the system. In response to a question regarding whether he received a response, Mr. Cox stated that he was advised by Ms. Feldman that the CDD would receive an agreement soon. Mr. Cox assumed that, by the next meeting, he would present a draft agreement that contained the proper indemnification language granting the CDD "qualified sovereign immunity."

Mr. Morash felt that the Board had a duty to defend future Boards against a Developer preventing them from completing improvements and questioning how construction funds were

expended. Mr. Cox stated that, in that instance, he would make sure the District was properly defended by having Mr. Krebs testify that the projects were eligible for reimbursement from the construction account and that there was Directors and Officers (D&O) insurance coverage, under the District's policy, to cover such a legal defense. Discussion ensued regarding the construction fund, the traffic signal and the Developer. Mr. Cox summed up that the District sought reimbursement for the traffic signal by sending a letter and both a Development Agreement and an Acquisition Agreement for the improvements were on file with the County.

Mr. Asfour stated that the documents indicated that GreenPointe purchased the development from the prior Developer and not from the bankruptcy court. Mr. Cox stated that the District should not be concerned with that. He and Ms. Feldman agreed to present a new agreement to both clients for their final approval. Mr. Metcalfe wanted to know who was completing the actual work and asked about the reimbursement. Mr. Cox stated that it was a "pre-imbursement" for a private/public partnership and RH would complete the improvements and pre-imburse the District. Mr. Asfour opposed the arrangement and stated that it was a "no vote" for the District to complete the work and the Board was assured that was not how it was normally done and the District was not equipped to do that and, as the Developers, RH should complete the work. Ms. Sanguiliano stated that, if they did the work and specified the contractors that were not to the CDD's liking, the District would be in trouble because it would have to reimburse the Developer. Mr. Asfour stated that it should be part of the agreement that the District would have a say, as far as the approval of the infrastructure, and inquired about Engineering standards. Mr. Adams confirmed that the District had Engineering Standards and the Board would be approving and accepting a final product that can be put into service and that was certified by the Developer's Engineer and the District's Engineer. In response to Mr. Asfour's question, Mr. Adams confirmed that they would not be reimbursed until it was certified. Mr. Cox verified that the certification from the Developer's Engineer would be that the improvements that RH completed were in accordance with the plans that were approved by the regulatory agencies and the certification from the District's Engineer would be that the improvements are project-eligible for a specified reimbursement amount. Mr. Adams stated that was the control the District had. Mr. Metcalfe asked if there was any infrastructure that was not yet turned over. Mr. Adams recalled that in Hampton Lakes, unfinished water and sewer lines and drainage improvements were still pending. Mr. Metcalfe asked whether it was covered in the current agreement. Mr. Krebs stated that Lee County Utilities verified that those

improvements were not connected as they were in the ground and separated. Mr. Metcalfe asked if this was because the CDD already paid its share of the work. Mr. Adams stated that it would not have been completed so it would not have been acquired. Discussion ensued regarding certification, improvements, items conveyed to Lee County and material costs. Mr. Krebs estimated that the improvements would take 10 to 18 months to complete.

FIFTH ORDER OF BUSINESS

Update/Discussion: Perimeter Access Control Initiatives

Mr. Adams stated that a survey that Carter Fence needed prior to commencing work on the southwest corner was underway. Lennar was going to create a legal description but delayed it because they considered this a minor project. He stated that Mr. Krebs would prepare the legal description that the County required; Lennar previously agreed to split the costs. In response to a Board Member's question regarding the fence, Mr. Krebs stated that, after the last meeting, he sought an update from Carter Fence but did not receive one; however, they forwarded their insurance certificate. The area was mowed and cleared in accordance with their requirements and a surveyor recently staked the south edge, where the fence will be installed, but the project was still pending. Mr. Morash stated Carter Fence was already compensated and must perform.

Regarding another fence matter, Mr. Morash noted that it was determined that certain individuals had fences on District property and asked what the next steps should be. Mr. Asfour was unaware of the issue and requested more information. Mr. Adams stated that the item was discussed at a previous meeting. A Board Member stated that the intruding fence was 60' on the property. Mr. Krebs stated that the surveyors shot and measured the property line and, although he could not recall the exact distance, it was big enough that it had a double gate at the entrance for FPL access. Mr. Cox sent a letter on July 31, 2017, advising the landowner to remove the fence and, on August 22, received a response contending that the fence was there for 75 years and there was never an issue. Discussion ensued regarding who owns the property and fence, the CDD possibly leasing the property to that party for a nominal price, the deed, the property line, etc. In response to Mr. Asfour's question regarding a resolution, Mr. Cox suggested contacting the landowner to explain the problem, offer to move the fence at their expense and inform them that, if the fence was not removed from the CDD's property within a specified number of days, an injunction would be filed to have the fence removed. Mr. Asfour asked if Mr. Adams was copied on any of the letters to the landowner. Mr. Cox was unsure if Management was copied.

In response to Mr. Asfour's request, Mr. Cox would forward copies of all CDD-related correspondence to the Board and Management going forward.

SIXTH ORDER OF BUSINESS**Update: SR 80 Waterline Drainage Issue**

Mr. Krebs stated that the City Engineer was not responding to his emails. Mr. Lundquist voiced his opinion that it was unacceptable for this item to still be pending. Mr. Krebs sent photographs along with an email asking about improvements. In response to Mr. Asfour's question, Mr. Krebs confirmed that the City acknowledged that they would repair the waterline and composed a purchase order but the bids exceeded the purchase order. Mr. Lundquist asked if Mr. Krebs could scope the project for the City and recommend something less than removing everything and replacing it, or to just make an exploratory excavation, even if it was only 8" deep. Mr. Krebs was uncertain as to whether something was done to analyze the water main but he would reevaluate their repair costs, for a fee. The City may have used submersibles to videotape the system at two different junctions to explore and find the crack. In response to a question regarding estimates, Mr. Krebs stated that the Public Works Department's staff formulated the estimates. Mr. Lundquist suggested sending another letter. Mr. Krebs would contact Mr. Brian DeBoyd who previously stated that he would help the CDD.

Mr. Asfour inquired about legal options. Mr. Cox stated it was probably more cost-effective to repair the water main than to seek an injunction. Mr. Krebs stated that it would cost \$100,000 to repair the water main. Discussion ensued regarding repairing the water main. Mr. Krebs stated that the issue was that the water main was not on CDD property and the Florida Department of Transportation (FDOT) must be involved, as it was in the ROW. Mr. Asfour wanted to know how the CDD was impacted if the water main was in the FDOT ROW. Mr. Adams replied the water main impacted the District's right to have landscaping within the FDOT ROW but it was not necessarily a trespass. Mr. Krebs stated the District maintained the grassy areas inside the ROW to a higher standard and all the impacts were within the ROW; and that the water main issue was not impacting CDD properties at all. Mr. Adams stated that it was a public safety issue. Mr. Krebs would copy District Staff on the correspondence that would be mailed to Mr. DeBoyd. Mr. Adams would forward copies to the Board.

SEVENTH ORDER OF BUSINESS**Acceptance of Unaudited Financial Statements as of November 30, 2017**

Mr. Adams presented the Unaudited Financial Statements as of November 30, 2017.

EIGHTH ORDER OF BUSINESS

Approval of November 2, 2017 Regular Meeting Minutes

Mr. Adams presented the November 2, 2017 Regular Meeting Minutes and asked for any additions, deletions or corrections. The following changes were made:

Line 39: Change “the Boar” to “the Board”

Line 122: Change “Loxahatchee River” to “Caloosahatchee River”

Line 144: Change “Mr. Stilwell” to “Mr. Brad Roberts”

Line 173: Change “A Board Member” to “Mr. Asfour”

Line 295: Change “pile” to “piles”

On MOTION by Mr. Lundquist and seconded by Mr. Asfour, with all in favor, the November 2, 2017 Regular Meeting Minutes, as amended, were approved.

NINTH ORDER OF BUSINESS

Staff Reports

A. District Counsel: *Daniel H. Cox, P.A.*

There being no report, the next item followed.

B. District Engineer: *Hole Montes*

Mr. Krebs stated that the berm near Mr. Asfour’s residence and the berm in the southwest corner were repaired and sodded and the SFWMD was asked to inspect them. He would contact Mr. White to make sure that they were inspected and ask if there were any concerns or questions about the repairs.

i. Control Structure Record Drawings

This item was previously discussed.

C. District Manager: *Wrathell, Hunt and Associates, LLC*

i. NEXT MEETING DATE: February 1, 2018 at 3:30 P.M.

The next meeting will be held on February 1, 2018 at 3:30 p.m., at this location.

▪ Operations Manager

*****This item was an addition to the agenda.*****

Mrs. Adams provided the following updates:

- Street sweeping was completed the first week of December
- There were problems with wild hogs turning up the sod
- Staff completed a lake audit in December
- Sod replacement due to storm damage was completed
- Two oak trees will be planted next week
- Regarding trespassers in Walnut Run and general disturbance within the community, Management was following up with local law enforcement.

Discussion ensued regarding how the gates and fence were breached, access points and securing the perimeter of the CDD.

Mr. Morash urged the Board to execute its plans to resolve the trespassing issue and stated the two projects underway would result in improvements.

TENTH ORDER OF BUSINESS

Public Comments (Non-Agenda Items)

There being no public comments, the next item followed.

ELEVENTH ORDER OF BUSINESS

Supervisors' Comments/Requests

Mr. Morash commended Management for its quick response to a homeowner's complaint about dead fish in a nearby pond. The lake contractor resolved the issue, the fish were better and the resident was happy. Mr. Adams explained that the fish kill was the result of a quick cooling of the surface temperature of the pond, which impacted oxygen levels in the pond.

Ms. Sanguiliano observed residents drag racing airboats on the lake behind her home but they left when they noticed her. Mrs. Adams urged everyone to be observant and alert Staff of any and all suspicious activity.

Mr. Asfour reiterated that Board Members should receive copies of all CDD-related communication going forward. Mr. Adams would ensure Mr. Asfour's request.

TWELFTH ORDER OF BUSINESS

Adjournment

There being no further business to discuss, the meeting adjourned.

<p>On MOTION by Mr. Lundquist and seconded by Mr. Metcalfe, with all in favor, the meeting adjourned at 5:00 p.m.</p>
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Secretary/Assistant Secretary



Chair/Vice Chair