

**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, March 1, 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
Ken Mitchell (<i>via telephone</i>)	Assistant Secretary

Also present were:

Chuck Adams	District Manager
Cleo Adams	Wrathell, Hunt and Associates, LLC
Charlie Krebs	District Engineer
Daniel H. Cox (<i>via telephone</i>)	District Counsel

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Adams called the meeting to order at 3:33 p.m. Supervisors Morash, Asfour, Metcalfe and Lundquist were present, in person. Supervisor Mitchell was attending via telephone.

SECOND ORDER OF BUSINESS

Public Comments (*3 minutes per speaker*)

There being no public comments, the next item followed.

THIRD ORDER OF BUSINESS

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

Mr. Krebs stated that exhibits of all the control structures were submitted and were in tolerance with the South Florida Water Management District (SFWMD). Water elevations were assessed in some of the questionable lakes and all were at the same water elevation, even though

one lake was in a different basin altogether. The water level seemed to be equalized to groundwater and there was no influence from water contributing from upland areas. The lakes were well below control level, expected fluctuation from one basin to another was not visible and there was no indication of blockage that prevented water from flowing from Basin 3-5 to Basin 3-3 and out. The water levels could be re-evaluated, once the rainy season commenced; by then, the water elevation will have increased and there would be more influence from water coming from upland areas. The groundwater should then return to normal, resulting in a normal drop from one drainage basis to another, of 6” to 1’; however, the current dry conditions and the groundwater being equalized, resulted in a constant elevation. Mr. Asfour stated that there should be no restrictions when the water begins to flow. Mr. Krebs stated that, when the rainy season commences and everything equalizes, surveyors would verify, again, that the lakes were either at their permitted control elevations or that water was not stacking up between the lakes, as it tries to flow towards the conservation area. Discussion ensued regarding the control structures.

FOURTH ORDER OF BUSINESS

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

This item was discussed during the Fifth Order of Business.

FIFTH ORDER OF BUSINESS

Consideration of Infrastructure Improvements Funding, Construction and Acquisition Agreement

Mr. Cox referenced a previously distributed redline document and stated that, in the fourth “Whereas” clause, the amount of available funds should be \$2,550,573, which is the amount expended from the account for the design and installation of the traffic signal. Paragraph 6 stated that the District would not be able to recover the costs if, in the future, it issued tax-exempt revenue bonds. If the District issued additional bonds to construct infrastructure related to this project, it would first reimburse the Developer for the amount expended or District-eligible costs that the District did not have funding for in the construction and acquisition account. Mr. Asfour asked where the document stated that the Developer would pay for everything above the cost of the traffic signal and what remained in the account. Mr. Cox read a portion of Paragraph 2c into the record:

“The District’s disbursement obligation pursuant to this Agreement shall be limited to the amount of the Construction and Acquisition Funds, and in no event shall the District be obligated to the Landowner for any funds in an amount in excess of the amount of the Construction and Acquisition Funds then held in the Construction and Acquisition Account,” which was \$2,550,573.

Mr. Morash stated that that the District had been seeking this Agreement for the past four years, which he found favorable. Despite Ms. Feldman previously not understanding the true intent of Paragraph 6, it remained in the Agreement. He felt that Paragraph 6 served no purpose and proposed amending it to include only the first and last sentences so it would be clearer and free of passages that the Board did not understand or approve. Mr. Cox stated that the last two sentences should remain and suggested changing the time frame for not issuing bonds to within two years, instead of five years. Discussion ensued regarding Mr. Morash’s proposed change to Paragraph 6. Mr. Cox would amend Paragraph 6. A Board Member asked if the entity developing the property was a Developer or Landowner. Mr. Cox stated that the semantics of the Agreement did not affect that, in any other context. Mr. Adams stated that, regardless of whether they were referred to as the Developer or the Landowner, they are the controlling entity of the parcels, which envision the improvements that were already costed and justified the remaining construction funds; the three or four parcels and the remaining improvements render them developable and sellable, regardless of what the entity is called. The developing entity will complete the improvements and be reimbursed from the District’s construction fund, which was always envisioned from the construction fund, and, as is typical to the extent that they over expend the available funds, they were obligated for those costs and not the District. Mr. Asfour asked what obligated the developing entity to pay or construct anything in excess of the funds currently in the acquisition account. Mr. Adams replied that the system must be complete and certifiable in order for the District to provide final reimbursement. In response to a question, Mr. Adams confirmed that the work could be phased and, if work was completed in phases, there was nothing that would obligate the Developer to anything beyond the amount currently in the construction account.

Discussion ensued regarding District improvements, the 2008 recession, the construction fund and the Developer. Mr. Cox stated that the original Assessment Methodology contemplated the development plan that was in place at that time but it has changed significantly; therefore, he wondered if the District needs an amendment to the Assessment Methodology and a True-Up,

which may result in the Developer paying extra funds into the account, aside from the traffic signal, which should be set aside at this time. Mr. Krebs asked if Mr. Cox could draft a paragraph that would give the CDD the ability to pull the bonds, in the event that a Landowner or Developer went under, because, in another District, the County would not allow the District to utilize those funds to finish any of the neighborhoods because the District did not have fee ownership interest in the underlying road, as it was all to the neighborhood or the Master Association. Mr. Cox stated that it was more complicated and, unless the District had a cooperative agreement with the HOA, which at the time was controlled by RH Ventures, who was not amenable, the District could not pay for the project. Currently, the Developer submits the requisitions and the District pays them; the other option would be to determine the total projected reimbursable expenses and make proportional payments so that the District always has funds in the account. Mr. Morash suggested that Mr. Cox fill in the Appendix items so the Board knows what would be included in the remainder of the contract. Mr. Cox stated the proportional payments must also be considered, that way the CDD retained funding in the end. Mr. Morash felt that the percentage that the Developer paid must equal the amount the CDD paid.

Mr. Asfour listed the following concerns:

➤ The third “Whereas” clause was incorrect because the CDD was not supposed to pay everything; the Developer was supposed to pay any portion in excess of the bond proceeds, which is exactly why the District was able to file a claim with the bankruptcy court.

Mr. Cox amended the clause to include, “intended to finance portions of the design, engineering, construction, inflation as more particularly described.”

➤ Referencing Item 2b, Mr. Asfour asked, how a third party Engineer would be chosen.

Mr. Cox felt that Mr. Krebs and Mr. Barraco could recommend a qualified Engineer.

➤ Referencing Item 3, Page 3, Mr. Asfour questioned the meaning of “any transferable warranty of the creator of the Work Product.”

Mr. Cox stated that, in Paragraph 4, on Page 3, where the Work Product is ultimately going to Lee County, which required a one-year warranty, they would provide that warranty.

➤ Paragraph 9 was stricken.

➤ Regarding the quality of the work product, Mr. Cox added a subparagraph to Paragraph 2a specifying “Certification by the Landowner’s Engineer that the improvements have been constructed in strict compliance to the plans and permits and that the amount due must be of fair market value or the actual costs.” Mr. Cox broke up what the Landowner shall provide and

explained that any partial payments, which would include a 10% value of the payment retainer, is an additional amount but the actual amount paid would be less, because of the retainer. Mr. Krebs asked what would qualify as “the Landowner’s Engineer shall certify the improvements how they are constructed.” Mr. Cox stated that it would be a signed and sealed certificate. Mr. Krebs explained that, traditionally, when requisitions are submitted, all the backup testing data and a certification accompany it and asked how he would verify a project. Discussion ensued regarding certification, ownership, maintenance, agency approvals and permits. Mr. Asfour expressed dissatisfaction with the Agreement.

Mr. Cox stated that he did the following:

- Offered solutions to move the project forward
- Completed the Agreement so the District could end its relationship with the Developer
- He would amend the document per the Board’s wishes and revise the payment portion to reflect a proportion of whatever the Exhibit A improvements were, proportionate to the amount in the District’s construction fund versus the estimated total cost, attach the proposed Engineer’s Certification and forward them to Mr. Krebs for approval
- Made all of the other changes discussed today

Mr. Adams advised Mr. Cox that notice should be to District Management’s Boca Raton office and not the prior Management address. Mr. Cox would amend the notice. Discussion ensued regarding Exhibit A and Mr. Krebs identifying what was eligible for reimbursement, under the Engineer’s Report. That will be Exhibit A and there is a table for each of the remaining proposed projects, with the estimated costs for each and the District’s proportionate share of that cost; those tables would probably be revised and updated. Mr. Krebs asked if the Developer would provide the data, based on the new density and the changes in zoning. Mr. Cox would request that Mr. Szymonowicz, from the District Manager’s office, evaluate the Assessment Methodology and determine whether there should be a True-Up, based on the increase and density on the property, which is typically part of the District’s bond document requirements; if a Development Plan changes substantially and impacts the proportionate share that the property should pay for maintaining its facility, there must be a True-Up payment to pay down the bonds. Discussion ensued regarding Hampton Lakes, the County and Exhibit A.

SIXTH ORDER OF BUSINESS

Update/Discussion: Perimeter Access Control Initiatives

reimbursement or construction funds for those improvements and would fund the Cascades, internally, for the operation and maintenance (O&M). Consequently, the plat has no dedications of responsibilities to any facilities within the Cascades, except for the Cascades Homeowners Association. The Cascades pays into the CDD because the trunk stormwater system within all of River Hall, outside of the Cascades, which they tie into, is all on one permit, operates as one, complies as one and was assessed as a part of that, from the beginning. The question was whether the CDD wants to absorb maintenance responsibilities for the stormwater system within the Cascades. If so, there must be a decision of whether it would be routine maintenance, barring any future capital improvements, or the entire system, maintaining it all as one, under the CDD, which would require legal access, through an easement over the roads going into the Cascades and easements to gain access to the ponds and preserves. Regarding the financial impact to CDD residents, Mr. Adams calculated the costs to all residents within the CDD, both built and platted and those anticipated, which was \$73.40 per unit, and for the Cascades, which were currently paying \$61.88 per unit. In total, the Cascades pay \$125.38. If the CDD assumed the Cascades' costs the difference to the CDD's door front costs would be an additional \$17 per unit, to operate everything under the CDD umbrella, as one. Mr. Asfour asked if the CDD could, with the Cascades HOA's approval, ask the Cascades' to pay the difference, which would still be a reduction on their total HOA bill and would not increase the CDD assessment. Mr. Adams favored the process of the District assuming the costs. If the petitioner wished, they would incur the cost of preparing the sketch, legals and easement documents and turn them over and the District would absorb that system into its overall budget. Discussion ensued regarding the Developer, the Landowner, easements, Lake Tract ownerships and conveyances.

TENTH ORDER OF BUSINESS**Notice of General Election: November 6, 2018**

- **Official Candidate Qualifying Period: Noon, June 18, 2018 – Noon, June 22, 2018**

- i. **Candidates May Pre-Qualify Beginning June 4, 2018 at 10:00A.M.**

Mr. Adams announced the official candidate qualifying and pre-qualifying periods for the upcoming November 6, 2018 General Election.

- **Consideration of Resolution, Implementing Section 190.000(3)(A)(2)(C), Florida Statutes, and Instructing the County Supervisor of Elections to Conduct the District's General Election**

i. **Resolution 2018-01, River Hall Community Development District [Seats 1 & 2]**

Mr. Adams presented Resolution 2018-01. Mr. Asfour and Mr. Morash’s seats would be up for election.

On MOTION by Mr. Lundquist and seconded by Mr. Asfour, with all in favor, Resolution 2018-01, Implementing Section 190.000(3)(A)(2)(C), Florida Statutes, and Instructing the County Supervisor of Elections to Conduct the District’s General Election, was adopted.

ELEVENTH ORDER OF BUSINESS

Acceptance of Unaudited Financial Statements as of January 31, 2018

Mr. Adams presented the Unaudited Financial Statements as of January 31, 2018. A Board Member commented that the “District engineer” line item was at 196%.

TWELFTH ORDER OF BUSINESS

Approval of February 1, 2018 Regular Meeting Minutes

Mr. Adams presented the February 1, 2018 Regular Meeting Minutes and asked for any additions, deletions or corrections. The following changes were made:

- Line 44: Change “3:31 a.m.” to “3:31 p.m.”
- Lines 85, 87 and 89: Change “Mr. DeBoyd” to “Mr. DeBoy”
- Line 214: Insert “of an adjacent neighborhood” after “Mr. Gary Stilwell, a resident”

On MOTION by Mr. Lundquist and seconded by Mr. Asfour, with all in favor, the February 1, 2018 Regular Meeting Minutes, as amended, were approved.

THIRTEENTH 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**
There being no report, the next item followed.
- C. District Manager: Wrathell, Hunt and Associates, LLC**

i. NEXT MEETING DATE: April 5, 2018 at 3:30 P.M.

The next meeting will be held on April 5, 2018 at 3:30 p.m., at this location.

▪ Operations Manager:

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

Mrs. Adams provided the following update:

- The signature oak tree remained pending but the other two oak trees were installed.
- GulfScapes was advised to use more pesticides because of the wild hogs.
- Lake bank maintenance is scheduled for March.
- Fertilization occurred the first week of February.
- The hardwood trees were installed in January.
- Ditch cleaning is scheduled for March.
- Management was awaiting a proposal for the Lake #35-D repair in Chestnut Grove.
- Debris cleanup for the fence installation cost \$900.
- Flowers would be installed on Tuesday.
- Shrubbery trimming would occur after Easter.
- Culvert inspections will occur on the first or second week of April.

FOURTEENTH ORDER OF BUSINESS

Public Comments: Non-Agenda Items (3 minutes per speaker)

There being no public comments, the next item followed.

FIFTEENTH ORDER OF BUSINESS

Supervisors' Comments/Requests

There being no Supervisors' comments or requests, the next item followed.

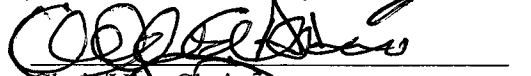
SIXTEENTH ORDER OF BUSINESS

Adjournment

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

On MOTION by Mr. Asfour and seconded by Mr. Metcalfe, with all in favor, the meeting adjourned at 4:57 p.m.


Secretary/Assistant Secretary

Paul D. Dy

Chair/Vice Chair

✓