

**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, April 5, 2018, at 3:30 p.m., at the River Hall Town Hall Center, 3089 River Hall Parkway, Alva, Florida 33920.

Present were:

Michael Morash (<i>via telephone</i>)	Chair
Paul D. Asfour	Vice Chair
Joseph E. Metcalfe, III	Assistant Secretary
Joseph Lundquist	Assistant Secretary
Ken Mitchell	Assistant Secretary

Also present were:

Chuck Adams	District Manager
Cleo Adams	Wrathell, Hunt and Associates, LLC
Charlie Krebs	District Engineer
Daniel H. Cox	District Counsel
Mike Hagan	Resident
Tom Fulton	Resident
John Dodd	Resident

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Adams called the meeting to order at 3:30 p.m. Supervisors Asfour, Metcalfe, Lundquist and Mitchell were present, in person. Supervisor Morash was attending via telephone.

On MOTION by Mr. Lundquist and seconded by Mr. Asfour, with all in favor, authorizing Mr. Morash's attendance and full participation, via telephone, due to exceptional circumstances, was approved.

Mr. Morash asked Mr. Asfour to act as Chair for the meeting.

SECOND ORDER OF BUSINESS

Public Comments (3 minutes per speaker)

Mr. Mike Hagan, a resident, stated that the pond near his residence was always low and the worst-looking pond in the entire community and asked if the lake repairs could be completed within the next two weeks, prior to the start of the rainy season. Mr. Adams stated that he and Mrs. Adams inspected the lakes and identified heavy washouts, directly related to runoff from the gutters and downspouts flowing across lawns and the bank in those areas. Residents will be required to install yard drains to convey water through underground pipes to the edge of the pond; a contractor will connect the pipe to the yard drain and carry it further into the pond to restore the bank; otherwise, lake bank restoration would be a moot point because, once rainy season commences, the runoff would result in washouts again. Mrs. Adams stated that five addresses were causing the erosion to the existing lake bank; she took photographs and obtained proposals from a contractor that Management utilized for lake bank restoration in several other districts. Letters, with attached information, copies of the proposals and photographs, will be sent to the residents in question, after the meeting. Mr. Asfour asked why the residents must pay for the repair work if it is the lake bank. Mrs. Adams stated that it was not uncommon for the runoff, from residents' homes, to cause erosion to lake banks and, if homeowners did not correct the runoff issue, it would never be remediated. In response to a Board Member's question, Mr. Adams stated that Lee County did not require builders to install pipes to prevent runoff. Discussion ensued regarding easements, an adjacent undeveloped lot and installing riprap. In response to Mr. Hagan's question, Mr. Adams stated that he could hire a contractor of his choosing to install the drainage pipe.

Mr. John Dodd, a resident, voiced his opinion that there were a number of security issues involving a mountain of dirt in Ashton Oaks that people went over and around, and asked if the berm between the two ponds could be removed. Mr. Krebs stated, upon reviewing the South Florida Water Management District (SFWMD) plans, this was a base and boundary separation, meaning the berm was there because of different control elevations in those two lakes. It could not be removed because that would require the District's permit to be modified, which would have a greater effect on the lands to the east, as the berm separates the base and boundaries between two different drainage areas. In response to Mr. Dodd's question, Mr. Krebs stated that the pond was part of the Basin 4 area, which fed eastward into the wetland and the preserve areas. Discussion ensued regarding lake improvements, pipes and lake and roadway ownership.

THIRD ORDER OF BUSINESS**Continued Discussion/Consideration:
Infrastructure Improvements Funding
Construction and Acquisition Agreement
with RH Venture III, LLC**

Mr. Asfour circulated his version of the Acquisition Agreement.

Regarding Paragraph 3a, "Disbursement of Construction and Acquisition Funds", whereby the District directly compensates the contractor or Engineer, Mr. Morash felt that the District should pay the landowner directly, not their subcontractors, and, although he did not outrightly object, it seemed odd that the District would utilize this payment method. A Board Member thought that there would be disbursements with proportional payments, which were not reflected in the Agreement. Mr. Cox explained that the primary change, after the previous meeting, was the introduction of the Whereas clauses, which specified that the District spent \$588,341 to install the traffic signal to satisfy condition 10, or Resolution Number Z-15-003, and that the landowner accepted responsibility for that improvement. Mr. Morash stated that this was better than proportional and better than what the District asked for because the first \$588,000 is dollar-for-dollar and RH Venture did not receive any of it. Mr. Cox stated the landowner must show that improvements of \$588,000 were completed, prior to billing the District towards the other improvements. Mr. Adams stated that the District would receive full credit for \$588,000, on the front end, which was actually a better position. Discussion ensued regarding the project, disbursements and proportional payments. Mr. Morash felt that the District should back away from trying to force completion of the project. A Board Member asked what would happen if RH Venture sold the property. Mr. Cox stated that the buyer would do their due diligence and would know that they would be bound by it. Mr. Asfour felt that the agreement was similar to what Ms. Feldman presented in the first place. Mr. Cox and Mr. Morash concurred that this Agreement was vastly different and much better than the one presented last year. In response to a question, Mr. Cox stated that Mr. Krebs reviewed the quotes and recommended that some items be removed and those were removed without question. A Board Member remarked that professional fees were \$800,000 and asked if it was unusual. Mr. Cox stated that it was the total on the \$4.3 million amount. Mr. Adams stated that the Engineers always get paid.

Mr. Morash stated that the sentence starting with "any costs incurred", in Paragraph 3c, is a holdover from the old Agreement and should be removed. He also questioned Paragraph 6, "Conveyance of Real Property". Mr. Cox stated that the work completed behind the gates and paid for by the CDD involved the drainage system. The lakes are owned by the CDD; all the

pipng for the water and sewer was conveyed to the County but the CDD retained easement rights. Mr. Morash asked Mr. Cox to strike the following sentence from Paragraph 3c:

“Any costs incurred or funds advanced by the Landowner for which funds are not available for payment or reimbursement shall be deemed incurred or funded on the District’s behalf and subject to potential future repayment pursuant to Section 6.”

Mr. Asfour questioned the following items:

- The impact of striking from the seventh Whereas clause stating that certain other improvements within the District were not eligible for financing by the District. Mr. Cox replied that it was because Exhibit A only described the District improvements.
- In Paragraph 6, 10 business days was changed to seven business days, with regard to repayment. Mr. Cox stated that the previous Paragraph 6 was removed.
- The sentence, “Subject to any rights reserved or retained by the author or prepare of such work product,” from Paragraph 4. Mr. Cox explained that whenever you have plans and specifications of a work product, the Engineer or Architect include that that terminology specifying that the plans are suitable only for the specific use for which they were prepared and cannot be used for any other project, no matter how similar the conditions, etc.
- Why the fifth Whereas Clause, stating that the landowner refused to reimburse the District for the traffic signal, was deleted.

Mr. Asfour felt that the Landowner was agreeing to give the District improvements, which benefitted them but not the District; he would vote “no” on this item, out of principle.

Referring to Page 3, a Board Member asked what would be the result of a Breach. Mr. Cox stated that it was more money in a lawsuit and that section would be modified.

Mr. Asfour asked how much the District incurred for the River Hall Parkway paving. Mr. Adams replied, approximately \$400,000. Mr. Asfour remarked that the increased density and construction traffic would eventually damage the roadway and asked if \$400,000 could be placed in a reserve fund for future road repairs. Mr. Cox stated that the properties could be assessed. Mr. Adams stated that the District’s costs will escalate far above \$400,000, when the roads need to be resurfaced. A Board Member inquired about the funding source for Mr. Krebs’ services. Mr. Adams stated from the construction account; the construction company will submit requisitions for Mr. Krebs’ services related to this project.

On MOTION by Mr. Morash and seconded by Mr. Lundquist, with Mr. Morash, Mr. Lundquist, Mr. Mitchell and Mr. Metcalfe in favor and Mr. Asfour dissenting, the Infrastructure Improvements Funding, Construction and Acquisition Agreement with RH Venture III, LLC, as amended as discussed, was approved. (Motion passed 4-1)

FOURTH ORDER OF BUSINESS

Continued Discussion: Additional West Turn Lane at River Hall Parkway and SR 80 Intersection

Mr. Krebs stated that he spoke with Mr. Brian DeBoy, the permit coordinator at the Florida Department of Transportation (FDOT), and the exhibits forwarded were reviewed and the District could proceed with converting the gore striped lane to a left turn lane by applying new pavement markings and adding another signal head on the mast arm to create two left turn lanes coming out of the community. Mr. Reid Fellows, P.E., who completed the original design, must provide confirmation that the mast arm could hold the additional weight but the FDOT would not object to the safety upgrade. There would not be a permit fee; the costs would come from Engineering preparing the documentation for submission to the FDOT, responding to comments from District Staff, the purchase of the signal head and any other wiring or equipment needed in the existing cabinet. In response to Mr. Asfour’s inquiry, Mr. Krebs stated the project would be funded from the construction fund. Discussion ensued regarding whether adding lights would increase the cost, erecting signage and adding pavement markings to prevent collisions at the Hampton Lakes right-hand entrance, permitting and District liability. In response to a Board Member’s question regarding the timeline for the signal, Mr. Krebs anticipated that the project would commence in August. He would secure a proposal.

FIFTH ORDER OF BUSINESS

Update/Discussion: Perimeter Access Control Initiatives

Mr. Adams reported no participation from Lennar with regard to the southeast corner. He will meet with a Lennar representative, in a few weeks, and would force the issue. In response to a comment that Lennar may not own the land yet, Mr. Krebs stated that the Property Appraiser’s website confirmed that Lennar owns the land and it was platted.

SIXTH ORDER OF BUSINESS

**Update/Discussion: SR 80 Waterline
Drainage Issue**

Mr. Krebs stated that the latest communication was that this has not left procurement and FDOT has not sent a contract or started seeking bids; the project has not moved forward. Mr. DeBoy was informed that there was a concern that the ground was always wet and the District recently completed several improvements, which might loosen limerock or do something else that could alter the right-of-way (ROW).

Mr. Asfour asked about the SFWMD and permits to a property north of his residence, where residents installed plywood to prevent water from draining. Mr. Krebs conferred with Mr. Mark White and was informed that SFWMD was not able to visit the property and he was advised by Mr. Brian Rose to drop the matter, as it was non-issue. Mr. Krebs stated that he would remove the plywood. A Board Member asked about the 30" culvert. Mr. Krebs stated that the Texas Crossing location was where the 30" culvert was; there were two permit drawings and a permit modification was obtained updating the Florida Power & Light (FPL) easement and what was transpiring in future phases of development. Mr. Krebs, Mr. White and Mr. Stillwell discussed upgrading the poles on the FPL easement and the drainage changes made to the culverts. Mr. Krebs concluded that Mr. Stillwell was under the impression that FPL might have done that work, as part of improvements, but there was no evidence on the District permit that the Developer made any changes on the FPL easement. Mr. Krebs stated he would just pull it, as it was not securely up against the pipe.

SEVENTH ORDER OF BUSINESS

**Update/Discussion: Encroachment on
CDD Property (FPL Easement)**

Referencing aerial slides, Mr. Cox called attention to the area owned by the CDD. When the owners of P&T Farms LLC (P&T) wanted to install a fence, FPL informed P&T that they could not block the District's access; P&T Farms installed a fence, with a gate, to the limit of the then existing FPL easement and provided the keys but then the FPL easement was modified again. A Board Member stated that the District was essentially leasing the property to P&T and asked Mr. Cox to draft a lease agreement charging \$10,000 per month. Mr. Cox stated that, in "adverse possession," if someone has occupied your property for seven years, there were certain things that should be done and, beyond installing a fence, they must inform the tax collector that they spoke to the resident and explained the legal description and that the fence is in the wrong

place. Mr. Cox alerted the P&T Farms' owner that he must move the fence and offered assistance with the legal description because all it would require was a corrective deed from the predecessor and the owner knew the whereabouts of that individual. The owner has not responded to Mr. Cox's offer. He recommended that the District proceed to move the fence and stated that it would cost up to \$2,000 to secure a declaratory statement from a judge, granting the District the right to move the fence. There is a definite encroachment on CDD property and he would ask a judge to confirm that. The Board's consensus was for District Counsel to proceed with obtaining a Declaratory Statement from a judge proclaiming that the CDD has the right to move the fence.

Mr. Krebs stated that the fence was installed in 2010 or 2011. A Board Member asked if the proper length of the fence was 65' on CDD property. Mr. Krebs stated that it was 65' from their property line; they have the first 50' of that easement and then it goes into District property. Discussion ensued regarding the fence.

EIGHTH ORDER OF BUSINESS

Acceptance of Unaudited Financial Statements as of February 28, 2018

Mr. Adams presented the Unaudited Financial Statements as of February 28, 2018.

NINTH ORDER OF BUSINESS

Approval of March 1, 2018 Regular Meeting Minutes

Mr. Adams presented the March 1, 2018 Regular Meeting Minutes and asked for any additions, deletions or corrections.

On MOTION by Mr. Lundquist and seconded by Mr. Mitchell, with all in favor, the March 1, 2018 Regular Meeting Minutes, as presented, were approved.

TENTH ORDER OF BUSINESS

Staff Reports

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

Mr. Cox stated that the Parkland School shooting and the budget impasse took priority during the legislative session and hindered any proposed changes to the CDD meeting laws from being passed hence, there were no major legislative changes to report.

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: May 3, 2018 at 3:30 P.M.

The next meeting will be held on May 3, 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 District will receive an oak tree this month.
- A resident’s bougainvillea was hit by Caterpillar and GulfScapes was asked to replace them.
- Spring flowers were installed.
- Drainage ditch cleanouts would occur monthly, from April to September.
- Streetlights were being upgraded to LED, at a \$30 cost differential.

Mr. Lundquist stated that some of the palm trees block the overhead streetlights. Mrs. Adams would ask GulfScapes to review and trim the palm trees.

- Drainage pipe inspections commence next week.

A Board Member asked if the wild hog issue was resolved. Mrs. Adams stated that none were recently spotted. Discussion ensued regarding hunters and wild hogs.

FOURTEENTH ORDER OF BUSINESS

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

A resident asked if it was possible to reverse the designated drainage of the lakes, specifically Lake 3-5D on Bulrush Court. Mr. Krebs stated that the water goes both ways; there was nothing in the pipes that prevented it from flowing forward or backward but it exited the community in a northward direction.

Mr. Lundquist stated that he recently attended an HOA Board Meeting in Mr. Lundquist’s neighborhood and they were very receptive to the District assuming operation and maintenance (O&M) of their lakes and the interconnecting pipes. He answered all questions posed to him and anticipated receiving a letter from them for the May agenda. They would like the District to accept ownership of the ponds and lake tracts, for the reasons previously discussed. The idea is to quickly take over O&M of the lake, as part of the District’s Fiscal Year

2019 budget, starting October 1. Because it is an HOA asset, two-thirds of the homeowners' must vote in favor; he suggested deferring the voting until January, at which time he would make a presentation regarding the benefits of transferring ownership of the lakes. In response to Mr. Asfour's question, Mr. Adams stated that the HOA would give the CDD an easement for the purpose of maintenance. District Counsel could draft an Access Easement Agreement to facilitate the transfer. A Board Member inquired about the new Fire Station. Mr. Ware stated that construction would commence in one year but the station would not be functional for another three years.

FIFTEENTH ORDER OF BUSINESS

Supervisors' Comments/Requests

Mr. Lundquist asked if anything could be done to stop the berm crossing between Country Club and Hampton Lakes. Mr. Adams stated perhaps, once the Agreement approved today is executed, he could approach Q. Grady Minor for approval to install a fence. Discussion ensued regarding the fence, berm, pipes and water flow.

SIXTEENTH ORDER OF BUSINESS

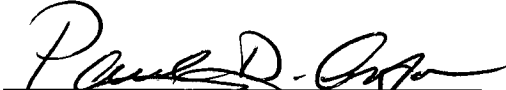
Adjournment

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

On MOTION by Mr. Lundquist and seconded by Mr. Mitchell, with all in favor, the meeting adjourned at 5:07 p.m.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]


Secretary/Assistant Secretary


Chair/Vice Chair