

Minutes of Meeting
Rivers Edge
Community Development District

The regular meeting of the Board of Supervisors of the Rivers Edge Community Development District was held Wednesday, July 18, 2018 at 11:00 a.m. at the RiverTown Amenity Center, 156 Landing Street, St. Johns, Florida.

Present and constituting a quorum were:

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| Jason Sessions | Chairman |
| Tara Jinks | Vice Chair |
| Judy Long | Supervisor |
| Charles Oates | Supervisor |
| Justin Frisbee | Supervisor |

Also present were:

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| Jim Perry | District Manager |
| Jennifer Kilinski | District Counsel |
| Neal Brockmeier | Prosser, Inc. |
| Dan Fagan | Vesta |
| Marci Pollicino | Vesta |
| Robert Beladi | Vesta |
| Jason Davidson | Vesta |
| Louis Cowling | Mattamy |
| Justin Rowan | MBS Capital Markets, LLC |
| Ernesto Torres | GMS |

The following is a summary of the minutes and actions taken at the July 18, 2018 meeting. A copy of the proceedings can be obtained by contacting the District Manager.

FIRST ORDER OF BUSINESS

Roll Call

Mr. Perry called the meeting to order at 11:00 a.m.

SECOND ORDER OF BUSINESS

Audience Comments

Mr. Barker stated a couple years back, I questioned the radio selection that tended to be depending on who was working, it seems to be going on over here at the clubhouse depending on the staff at that time. Is there going to be a policy in the club as well as what used to be at the pool area. The pool area hasn't had music in months.

Mr. Sessions asked did you report the music not being played at the pool to anyone at any point?

Mr. Davidson stated it is on a timer and should come on at 10:00 a.m. and should go off at 7:00 p.m. I can check the timer.

Ms. Jinks stated I suggest you choose a station that is going to suit the majority of the people and have it not be a polarizing selection of music.

A resident stated in the initial attempt to repair a sinkhole a cold patch was applied and had to be repaired again.

Mr. Beladi stated it is more than a pothole, David and I have worked to have contractors to cut back the asphalt quite a bit and repair underneath the asphalt and backfill it and repair the asphalt.

Ms. Mollohan reported on what she felt to be a dangerous situation on the roads and lack of doggie stations in all neighborhoods, lack of umbrellas and guest passes,

Ms. Jinks outlined the policy on guest passes is dependent upon how the property is deeded and outlined a plus one, rules will be drafted for the next meeting.

Ms. Hartjes stated I talked to Marcie about starting a motorcycle club and wanted to ask the attorney to make sure that there will not be any potential liability.

Ms. Kilinski stated the club package includes waivers that if they wanted to join the club they have to be official club members and would have to sign. There is always liability in everything we do from walking down the sidewalk to jumping in a pool. We try to cover ourselves from an insurance perspective for those possibilities. It is up to the board on the club process, we present those requests to the Board for consideration so that we can ensure the Board is aware of what clubs are available and we can ensure insurance and proper documentation is in place for each of those types of clubs.

Ms. Ferraro stated the I'm not sure the tennis courts are being utilized as much as they could be and they be relined for pickleball.

Mr. Sessions stated we can get a cost estimate to do it and put it out to the residents and see if that is something they want to raise the CDD fees to cover.

Ms. Pollicino stated pickleball was low on the survey responses but I have had requests for that.

THIRD ORDER OF BUSINESS

Financing Matters Related to 2008A Refunding

A. Presentation: MBS Capital Markets, LLC on Refunding

Mr. Rowan stated at the last board meeting we presented the potential opportunity to refinance the outstanding Series 2008A Bonds and illustrated an annual savings. Our next step is to prepare a credit package that we would use to approach rating agencies and bond insurers and banks. We were able to obtain an investment grade rating assessment from Standard & Poor's as well as a commitment from Assured Guaranty for bond insurance for the refinanced bonds. What we presented in concept last month we are now ready to move forward. The next step would be for the board to authorize us to move forward and that also involves going through the assessment process again because even though we would be potentially reducing annual assessments by approximately 20% because there is cost of issuance involved and cost for bond insurance the principal will increase by about 2% but the annual savings is about 20%.

B. Insurance Commitment Letter

Ms. Kilinski stated the next item on the agenda is the insurance commitment letter that was provided to us for the board to consider then we will get into the assessment methodology report and the two resolutions that would kick off that assessment process. We can talk about why we are doing that and what it will look like from a homeowner's perspective, specifically what homeowners can expect to receive in the mail and see in the newspaper regarding assessments and the upcoming assessment hearing.

On MOTION by Ms. Long seconded by Mr. Sessions with all in favor the commitment letter from Assured Guaranty Municipal for capital improvement refunding bonds, Series 2018A-1 was approved.

C. Consideration of Assessment Methodology Report for Refunding Series 2008A Bonds

Mr. Perry stated item C is consideration of the assessment methodology report for the refunding of the 2008A Bonds. Based upon the potential financing that Justin believes we can get in the marketplace we have taken those numbers and analyzed it to come up with this report, which will basically take 476 platted lots that are out here in Rivers Edge that were subject to the 2008A Bonds, we will refinance them. There is not a change in the term you still have 20 years

remaining on the term but there is a slight increase in the actual debt associated with each lot because of the refinancing but you will also have a reduction in assessments on an annual basis. It depends on the lot size, there are various lot sizes but for example a 60-foot lot the debt increase would be about \$650 but the assessment will decrease on an annual basis about \$207.

The tables go through the allocation of the debt and of the assessments. This report is in draft form and there are changes to it. There was a replatting this year; originally there was 468 lots subject to those bonds and now there are 476 lots and we have to make some slight changes to the numbers but materially these numbers are correct.

Originally, we thought this could be placed with a bank and our timeframe for closing would be shorter, so we built our budget around that as far as the public hearing. This now has to go out as a public offering and the time period is a little longer and as part of this when we get to the resolution and the budget we are going to ask that you change the budget and public hearing on this to September. Unfortunately, our September meeting is after the 15th it has to be at least a couple days before the 15th in order to close the bonds and do the assessment roll so the property owners next year would get the full effect of this reduction in assessments.

Ms. Kilinski stated Table 4 is the one that tells the story about the reduction in assessments. This is the higher end, conservative view of the reduction and the annual assessment amount so for purposes of the residents in the audience, the net effect of that would be a reduction in your debt assessment associated with your lot ranging from \$127 a year up to \$303 a year depending on the size of the lot – this would be the result of refunding the bonds.

D. Consideration of Resolution 2018-11 Declaring Special Assessments

Ms. Kilinski stated as was described the reason we are going to have to go back through the assessment process is although the net effect of the assessments that you will pay on a yearly basis is going down, the amount of outstanding par debt on each lot is going up. The District previously noticed a maximum amount of debt that would be associated with each of the lots proposed to be refunded. Accordingly, the residents will get a letter in the mail that will describe what we are doing, it will describe what the assessment amount is expected to be upon closing of the bonds, which will be a reduction, and the amount of outstanding debt, which means the actual amount allocated to your lot if you were to pay off your debt, which as I mentioned is going up a because of the refunding costs. You will get a mailed notice, that notice will also

include the proposed O&M assessments for next fiscal year. The District will mail one notice and we will combine both of those and there will be a publication in the newspaper that will describe the same information as well. This resolution kicks that process off. It provides the background of the 2008A Bonds, which is the series of bonds proposed to be refunded, it includes the master improvement plan that is an exhibit to this document that demonstrates what we actually financed when the district issued the 2008A Bonds, it talks about the resolutions that were previously approved to levy the master assessment lien. It will incorporate by reference the methodology that Jim reviewed in substantial form recognizing there might be a few changes to it, but we will be setting the maximum amount of assessments allocated to that property today. In section 4 the amount to defray is approximately \$6,460,000, which will be the maximum amount of bonds to be issued, which includes the amount to redeem the outstanding 2008A bonds plus financing related charges related to the refunding. This won't extend the life of the bonds, the bonds will still be payable over a 30 year period it will not start a new 30 year timeclock.

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| On MOTION by Mr. Sessions seconded by Ms. Jinks with all in favor Resolution 2018-11 was approved. |
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E. Consideration of Resolution 2018-12 Setting a Public Hearing Date

Ms. Kilinski stated the next resolution dovetails with item five, moving the budget adoption hearing to September 12, 2018. This is the resolution that gets published regarding the hearing on the assessments that we just discussed and because of the time period that is going to take to market the bonds we would like to hold that hearing on August 22, 2018 at this location.

Mr. Rowan stated I suggest we complete the public hearing if possible before we mail the public offering document and from a procedural standpoint there will be prepared a delegated award resolution that the board needs to approve before we mail an offering document that will approve the offering memorandum as well as the trust indenture and other documents. My suggestion would be to notice a public hearing date for the end of August and you could also do the delegated award resolution. That would give us about a week to mail the offering document and price the bonds. By the end of the first week of September we would have final numbers to put in your budget even though we may not have closed on the bonds and we could have the closing on September 12th.

On MOTION by Ms. Long seconded by Mr. Oates with all in favor Resolution 2018-12 setting the public hearing to August 22, 2018 at 11:00 a.m. in the same location was approved.

FOURTH ORDER OF BUSINESS

Consideration of Landscape Proposals and Award by Resolution 2018-13

Mr. Beladi gave an overview of the proposals received.

Ms. Kilinski stated we put an RFP out to bid, you got four responses back. Staff has reviewed all of the bids for legal sufficiency and responsiveness to the RFP and have deemed them all responsive so you don't have to throw any out. You can consider all of them and the way we typically do this is one of two ways. One is that the board can discuss the ranking based on the evaluation criteria, you could each go through the evaluation criteria, score them appropriately based on your review of the bids and adopt one or multiple evaluations and then come up with a total. The other way we see this done especially when you have the type of professional staff you have on site here is if they have reviewed them and have a recommendation you can listen to the recommendations, ask questions then you can adopt staff's recommendation or point system based on those questions. We will have to have one form adopted by the board so we can use those when we send out notice of award letters. Robert has gone through and has some recommendations based on his analysis of the RFP.

Mr. Perry stated these are all qualified bidders and then gave an overview of the scoring sheet and the points assigned by staff for each bidder. The total points for Brightview is 95.66, Precision Turf is 85, Verde Go is 97.06 and Yellowstone is 91.67 so the ranking would be Verde Go no. 1, Brightview no. 2, Yellowstone no. 3 and Precision Turf no. 4.

The board discussed the frequency of mulching and possibly pulling mulch from the contract and contracting separately for that item, transition in contractors, irrigation and bringing the contract in line with the budget.

On MOTION by Mr. Sessions seconded by Ms. Long with all in favor Resolution 2018-13 adopting the evaluation ranking was approved as presented and staff was authorized to negotiate a reduced scope of services with the no. 1 ranked firm.

FIFTH ORDER OF BUSINESS

**Discussion of FY 2019 Budget and
Consideration of Moving Budget Adoption
Hearing to September 12, 2018**

Mr. Perry stated you do have a placeholder in the agenda, we haven't made any changes to it, obviously, there is going to be a lot of changes with landscaping and the refinancing for the 2018 bonds.

On MOTION by Mr. Sessions seconded by Ms. Jinks with all in favor the budget hearing was moved to September 12, 2018 at 6:00 p.m. in the same location.

SIXTH ORDER OF BUSINESS

**Consideration of Assignment of Amenity
Management Agreement and Termination of
Mattamy Lease Agreement**

Ms. Kilinski stated a couple of months ago the board approved a lease agreement with Mattamy and an amenity management contract with Vesta for management of the River Club that we discussed at the time as being a short term agreement. Rivers Edge II CDD is now established and that district is having their organizational meeting later today; accordingly, it is appropriate to assign the amenity management contract to Rivers Edge II and terminate the lease agreement with Mattamy as this district, effective tomorrow, would no longer be in charge of operating that facility.

On MOTION by Mr. Sessions seconded by Ms. Jinks with all in favor the lease agreement with Mattamy was terminated and the assignment of the amenity management agreement to Rivers Edge II CDD was approved.

SEVENTH ORDER OF BUSINESS

**Consideration of Interest Waiver – Interlocal
Agreement**

Ms. Kilinski stated I wanted to bring this before the board, it occurred to me as I started to draft the interlocal agreement between Rivers Edge and Rivers Edge II that it puts our firm in the position of representing both districts on an agreement that both parties are entering into. Having reviewed the rules of Florida Bar as it relates to drafting that agreement and because of

the type of agreement that this is I put into this conflict of interest waiver letter why I think it is not a conflict at this point but has the potential to be a conflict if there was a disagreement over the terms in the future. If there was ever a disagreement between Rivers Edge and Rivers Edge II regarding this interlocal agreement, I would recommend that you get special counsel and they would handle that matter for you and I would recommend the same for Rivers Edge II. Because the agreement is really statistical in nature, the engineer has provided the analysis on the cost share arrangement based on number of units in each district and we know exactly what those amounts are from your district manager, I don't make that determination and I don't think there is a conflict drafting those substantive provisions. Having said that if you would like to get your own counsel in the drafting of this agreement or to review what has been drafted, I can provide recommendations for capable folks. My view is that it is a routine memorialization of engineering and methodology numbers and I don't anticipate there will be any conflict between both parties' interests in that agreement because it is offsite improvements required by the DRI.

On MOTION by Ms. Long seconded by Mr. Oates with all in favor the conflict of interest waiver regarding the interlocal agreement with Hopping Green & Sams was approved.

EIGHTH ORDER OF BUSINESS

Consideration of Interlocal Agreement with Rivers Edge II Community Development District

Ms. Kilinski stated this agreement was worked on between GMS, Prosser and my office and right now this district has a cost share agreement with Mattamy for certain offsite improvements, it is landscape and stormwater ponds primarily and you have an exhibit list that demonstrates the boundaries and the improvements that the districts are sharing. The highlights are that there are certain offsite improvements required by the DRI: C.R. 244, C.R. 223 as well as the S.R. 13 roundabouts that have landscaping improvements on those roadways. There are also certain stormwater management ponds that are used as water retention areas for those roadways that are not related to any one district boundary and were constructed and now operated to facilitate water runoff from those roads. The engineers have gone through and made a determination of what those shared offsite improvements include and then went through with Jim's office and determined what the cost allocation between the districts based on the number

of units in each district would be and the agreement in your agenda package has been updated with the correct percentages. You saw the highlights because we were waiting to make sure that those numbers have been run through their proforma model, the 32% would be Rivers Edge, Rivers Edge II's percentage is 25%, the other percentage would be borne by Mattamy for the property that is not within Rivers Edge I or Rivers Edge II. This won't change the cost share percentage you have been paying to date, you have been paying 32% and Mattamy has been footing 68% but because we now have another unit of government it is appropriate for an interlocal to wrap up the agreements between two districts that we will record as it relates to obligations. We have dealt with the recreational usage, what we say here is that each district is agreeing that the residents and patrons, which would be defined in your policies, are able to use each of the facilities. As you know the River Club isn't within this district's boundary and this facility we are in today is not within Rivers Edge II so you have the shared usage; however, there is no shared operation expenses. Thus, whatever the amount is to keep this facility up is to be borne by this district, the amount to keep that facility up would be borne by the residents of that district. The only agreement it has related to the recreational usage would be that, you may recall that you have adopted an annual user rate that is \$4,000 so if I am living in Julington Creek and wanted to come here and join the CDD and pay \$4,000 a year and you are required to adopt a rate for an individual use because of your bond covenants so this agreement would require both districts to have the same amount so if I joined Rivers Edge, I would have use of River Club for \$4,000. You want those numbers to be the same. From a rate perspective that rate can change if we determine because now there are multiple facilities and you combined the Rivers Edge I and Rivers Edge II rate and it got to \$5,000 or \$6,000 it is not inappropriate to review that rate based on the improved facilities.

Mr. Sessions stated I agree.

Ms. Kilinski stated we can bring that back to you at the next meeting. You have to adopt it by rule, you can adopt some interim rate.

Mr. Perry stated the rate is not prorated either so you are not going to have anybody join right now for a month and a half, but we can bring it up and it has to go through rulemaking.

Ms. Kilinski stated right and there may be other rates that you want to adopt for Rivers Edge at the same time and we can make a notice that is combined. The other thing I want to note is if there is a disagreement regarding maintenance costs or how items should be maintained it

requires the districts to have a joint meeting to discuss those between both boards. We have a number of districts that share facilities and we found that is usually the most advantageous way to get both boards together to discuss the differences rather than go back and forth between staff. If that joint meeting doesn't work then there would be mediation, both districts would hire a mediator. I just want to bring this to your attention so if there are any questions about what happens.

On MOTION by Mr. Sessions seconded by Ms. Long with all in favor the interlocal agreement with Rivers Edge II Community Development District was approved subject to Rivers Edge II's board approving it and the change noted about the percentage thresholds.

NINTH ORDER OF BUSINESS

Ratification of Surface Water Management Systems Easement Agreement

Ms. Kilinski stated this is just a cleanup item. You may recall at the last board meeting when we approved the acquisition of certain property I had noted that Ryan and I had discovered the day before the meeting that we didn't actually have access to some of the ponds and I sought your authority to draft and have executed a drainage easement so the district could get to the ponds it needed to maintain and that is this agreement. We have had it recorded we are just looking for a motion to ratify.

On MOTION by Ms. Jinks seconded by Mr. Oates with all in favor the surface water management systems easement agreement was ratified.

TENTH ORDER OF BUSINESS

Consideration of Interlocal Agreement with St. Johns County School Board for Bartram Trail High School's Use of the Competition Pool

Ms. Kilinski stated this is the same agreement you had last year.

On MOTION by Mr. Sessions seconded by Ms. Long with all in favor the interlocal agreement with the St. Johns County School Board for Bartram Trail High School's use of the competition pool was approved.

ELEVENTH ORDER OF BUSINESS Acceptance of the Fiscal Year 2017 Audit

Mr. Perry stated next is acceptance of the fiscal year 2107 audit. On page 2 is the opinion and it is what is referred to as a clean opinion. Also in the report is a report on internal control and there are no issues there and on page 32 is specific compliance with rules of the auditor general of the State of Florida and again nothing that we need to bring to the board's attention. We filed this with the state and we ask that you accept the audit for fiscal year 2017.

On MOTION by Mr. Sessions seconded by Mr. Oates with all in favor the fiscal year 2017 audit was accepted.

TWELFTH ORDER OF BUSINESS Approval of the Minutes of the June 12, 2018 Meeting

On MOTION by Mr. Sessions seconded by Ms. Long with all in favor the minutes of the June 12, 2018 meeting were approved as presented.

THIRTEENTH ORDER OF BUSINESS Staff Reports

A. Attorney

There being none, the next item followed.

B. Engineer

1. Memo on Evaluation of 4-Way Stop

Mr. Brockmeier stated the evaluation of the 4-way stop is in your agenda package. We had that reevaluated by a traffic engineer within our office and his recommendation was to clean up some of the landscaping blocking visibility at the intersection and see if that clears up visibility issues. If the board feels like that is not enough he recommended a speed feedback sign and have St. Johns County be brought in to enforce the speed limits.

2. Consideration of Sign Estimates

A copy of the sign proposal from Fast Signs was included in the agenda package.

3. Public Facilities Report

Mr. Brockmeier asked are there were any questions or comments on the public facilities report?

Ms. Kilinski stated this is required by Chapter 189 and it gets recorded and it is information regarding the district's facilities, its assessments and that sort of thing. We do these every five years.

C. Manager

There being none, the next item followed.

D. Amenity Manager - Report

A copy of the amenities manager report was included in the agenda package.

E. Field Services - Report

A copy of the field operations manager's report was included in the agenda package.

On MOTION by Mr. Sessions seconded by Mr. Oates with all in favor staff was authorized to have 57 lounge chairs restrung in the amount of \$7,695.

FOURTEENTH ORDER OF BUSINESS Supervisors' Requests and Audience Comments

Ms. Long stated I love the basketball courts, thanks to Mattamy. We are getting a new tennis coach because the one we have is leaving. Her specialty is children and over 50, she had a great program for over 50 and great program for children. Did you look at that for the new people? You had to close the pool. How do you measure the bacteria in the pool? Is that done on a daily basis?

Mr. Davidson stated we follow the Department of Health's guideline, which is 9:00 a.m., 1:00 p.m. and 4:00 p.m.

Ms. Long stated I think it would be nice to put that in the newsletter that we are on top of everything and we are maintaining the pool.

Mr. Oates stated I would also like to commend the developer on having the highest quality of the tennis court. It is easy to cut corners, but you didn't do that and I think it reflects well on the overall high quality of all the facilities.

Ms. Hansknecht stated some of the older parts of the community have sidewalks that are uneven by an inch or two. If there is a sidewalk problem who is responsible for that, is it the homeowner?

Mr. Sessions stated I don't know if the sidewalk is the CDD's responsibility or the homeowners' responsibility and we need to look at that. Jennifer and I will both look at that and we will figure that out and we will add to the newsletter a section about sidewalks.

A resident asked when are the minutes available to the residents?

Mr. Perry stated the minutes don't typically go on the website until after the board has approved them because they are not official minutes.

FIFTEENTH ORDER OF BUSINESS Financial Reports

A. Tri-Party Funding Request No. 62

On MOTION by Ms. Long seconded by Mr. Oates with all in favor tri-party funding request no. 62 was approved.

B. Balance Sheet & Income Statement

A copy of the balance sheet and income statement were included in the agenda package.

C. Assessment Receipt Schedule

A copy of the assessment receipt schedule was included in the agenda package.

D. Approval of Check Register

On MOTION by Mr. Sessions seconded by Mr. Oates with all in favor the check register was approved.

SIXTEENTH ORDER OF BUSINESS

**Next Scheduled Meeting – Wednesday,
August 22, 2018 @ 11:00 a.m. at the
Rivertown Amenity Center**

July 18, 2018

Rivers Edge CDD

Mr. Perry stated the next meeting will be August 22, 2018 at 11:00 a.m.

On MOTION by Mr. Oates seconded by Ms. Jinks with all in favor
the meeting adjourned at 1:00 p.m.



Secretary/Assistant Secretary



Chairman/Vice Chairman