

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, April 19, 2023 at 11:09 a.m. at the RiverTown Amenity Center, 156 Landing Street, St. Johns, Florida.

Present and constituting a quorum were:

Mac McIntyre	Chairman
Erick Saks	Vice Chairman
Frederick Baron	Supervisor
Robert Cameron	Supervisor
Scott Maynard	Supervisor

Also present were:

Howard McGaffney	District Manager
Lauren Gentry	District Counsel
Ryan Stillwell	District Engineer
Jason Davidson	Vesta/Amenity Services
Kevin McKendree	Vesta/Amenity Services
Jay King	Vesta/Amenity Services
Eric Olsen	Vesta/Amenity Services
Mike Scuncio	Yellowstone
Several Residents	

The following is a summary of the discussions and actions taken at the April 19, 2023 meeting.

FIRST ORDER OF BUSINESS

Roll Call

Mr. McGaffney called the meeting to order at 11:09 a.m. and called the roll.

SECOND ORDER OF BUSINESS

Audience Comments

A resident stated we have an issue with what appear to be regularly scheduled water surges, that pop out of the ground into the street. We live on the north end across from the playground. One is next to utility boxes. We have had people out from Mattamy, JEA, FP&L, they dug it out

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and said there was a washout in the vicinity of the conduits under the sidewalk and someone covered it over. The ground is subsiding. It happens on a schedule, early in the morning on Tuesdays, Thursdays and occasionally on weekends. Across the street is a manhole cover that says storm sewer on it and almost every day there is a torrent of water that comes out and onto the street.

Mr. McGaffney stated we will have the engineer go out and look at it.

A resident stated on the agenda is the cars and coffee event and I would like to speak on that.

Mr. McGaffney stated we will move around some of the agenda items to accommodate the time that the chairman is here.

THIRD ORDER OF BUSINESS

Approval of the Consent Agenda

A. Minutes of the March 15, 2023 Meeting

B. Financial Statements

C. Approval of Check Register

Mr. McGaffney stated I did receive questions and exchanged comments and answers with Supervisor Baron related to the financials. If he wants to go over those he can.

Mr. Baron stated I would like to go over them and understand for the rest of the board members what is happening. On the community gardens we are not seeing any revenue coming in. I want to know who has ownership and responsibility of that and the collection of dues.

Mr. Gaffney stated we have \$980 collected year to date and the budget was \$1,000, then the clarification on what is collected and how it is collected I will turn over to Jason.

Mr. Davidson stated the lifestyle director is responsible for the collection of those and tracking of the specifics. It is on an annual basis, so you will start seeing more revenue coming in by May. We have a tracking sheet of when they expire.

Mr. Baron asked do we see revenue on the next line down for tennis that wasn't on the sheet? We haven't collected anything since October.

Mr. Davidson stated tennis revenue we will be getting in March.

Mr. Baron stated engineering billing, Prosser numbers didn't add up, I saw two bills come in, but they don't add up to the bills in February's data, and we are now into May. This is well beyond the 30, 60, 90-day period. I want to understand why the numbers didn't add up.

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Mr. McGaffney stated similar to your questions about the Prosser invoice I think there are a few other invoices you discussed with me, and I will answer all those together. When I looked at the financials, I reviewed with our accountant and some of the items have already been expensed through February but there is a cutoff to finalize the financials in time for the agenda, which I previously explained the process would include the District receiving the monthly unaudited financials a month behind.. Mr. McGaffney stated staff are submitting their invoices timely, most of them are stamped the same day if not the next day. Some of the expenses did get expensed to February, the February invoice for Prosser did not make the cutoff date for the February financials because we received it in March, and it did get paid in March.

Mr. Baron stated we went through this delay where things are dramatically out of sync now. It has never happened in the two years I have been here. We were up on the financials with the periodicity then you asked for a delay of 30 days to make sure we had it right, but it is not showing up right. I will give it 30 days as a grace, but I would like to see things reset accurate for what is being submitted into what period. If that means you have to adjust things on your financial side for reporting internal to GMS, then take that on as your ownership. It is not on us to do your QA.

Mr. McGaffney stated I appreciate what you are trying to say but you are factually incorrect. Prior to the financials being moved this way you did have the same issue, you had issues with invoices coming in and there is a cutoff date in which to produce the financials and if we pay something in March, that is when you are going to see it in the check register. You actually see those invoices have been paid and it is in the check register that is included in the agenda. What has made it confusing, and I am fixing it going forward, is we are not going to have a March check register for February financials. The invoices you are questioning have been paid, they are in the March check register, they just are not showing in the February financials, because they were paid in March.

Mr. Cameron stated my point of view is if our vendors cannot get a bill to us in time to be paid in the month it is due since you are going a month prior, then there should be some sort of deduction.

Mr. McGaffney stated you cannot do that legally.

Mr. Cameron stated then it is your job to see that they send their invoices in on time.

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Mr. McGaffney stated I do stay on top of invoices, but there are reasons bills are not paid timely. A couple of the ones Supervisor Baron brought up, included one that was a Vesta invoice that went back to 2021 that Vesta's bookkeeping went back and said they never got paid for. They brought it to my attention. Our office went back and looked at the facts and the facts were, Wells Fargo went through Positive Pay and they held things up at the bank, they actually voided that transaction and did not allow that payment to go through. But nobody knew about it. That was beyond our control, and the outstanding invoice was proven that services were rendered and therefore the District had to pay it.

Mr. Baron stated we paid it. Did any funds come out of this fiscal year?

Mr. McGaffney stated it has to come out of this fiscal year because the audit is completed for 2021. The only thing I can tell you is you are not missing money, there was nothing fraudulent, malicious, or negligent by either party. They submitted an invoice after they proved to me that they didn't get paid and on our side we confirmed that they didn't get paid.

Mr. Baron stated I will go back in the records and look because that is \$100,000. I want to make sure we didn't pay twice. We can take this offline.

Mr. McGaffney stated there were a couple or Yellowstone invoices that were being held by the General Manager to make sure they had everything invoiced the way we need to have it done as part of our internal control process. Once they got that aligned, they sent it to us and we paid it.

Mr. Baron stated I want to make sure that when this package goes out and gets posted that the questions don't come back to the board and say why don't these numbers add up. I'm doing the due diligence here in these forums to make sure it is addressed so they can look back at the meeting minutes and say that was brought up, it is not something we are seeing for the first time.

On MOTION by Mr. Baron seconded by Mr. Saks with all in favor the consent agenda items were approved.

The next item was taken out of order.

FIFTH ORDER OF BUSINESS

Business Items

A. Public Hearing for the Purpose of Adopting Revised Suspension and Termination Rules, Resolution 2023-09

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On MOTION by Mr. Saks seconded by Mr. Cameron with all in favor the public hearing was opened.

Ms. Gentry stated these rules were first introduced to you two months ago, and they have not changed. They are based on best practices and lessons learned, things that we can clarify so that there is no confusion. We did add an administrative reimbursement of up to \$500 if someone violates the rules in a way that requires the district to incur additional legal fees or administrative expenses. There is also a provision allowing us to collect a reimbursement for repairing any damage caused to the property. As always, we spell out the ways that a resident can appeal a suspension and have a hearing in front of the Board. There is an automatic extension of a suspension for non-payment of any of those fees. We added a reciprocity provision to spell out that a suspension from the River Club is also a suspension from the RiverHouse and vice versa.

A resident stated I can't reconcile expulsion for rules that apply to River Club to rules that don't apply to River House.

Ms. Gentry stated the rules that apply to each facility apply to that facility. If you violated River Club's alcohol policy, you would be suspended from that facility, and reciprocally you are also suspended from River House. That is because there is an interlocal agreement where anyone living in Rivers Edge also has access to Rivers Edge II amenity facilities and vice versa. The rules that apply to each facility are specific to that facility but if you violate the rules that apply to that facility you can be suspended from all the amenities. In order for everyone to have access to the other Districts' amenities, you have to respect their rules.

A resident stated River Club has an alcohol rule where you are not allowed to bring outside alcoholic beverages, but River House doesn't have that same rule. How does that reasonably translate over to River House?

Ms. Gentry stated even though there are different rules that apply to each facility, this board only has authority to set rules for the River House. The Rivers Edge II board only has authority to set their rules for the River Club. They could in theory have completely different rules that apply to their pools, but if you violate the pool rules of River Club and get suspended for that, you would be suspended from River House as well, even though they have different rules.

A resident stated I don't know how you are going to rectify that with the statute that prohibits arbitrary and capricious rulemaking.

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Ms. Gentry stated Florida Law allows the CDD to change its rules after having the requisite public hearing. We are here to have a public hearing, and people are giving their comments, participating in democracy, but the specific statute you are referring to does not apply to CDD boards. This is a local government board of elected officials who operate in much the same way as a city or county. In the same way that the county can change their rules for their county park, this board can change the rules for the amenities and that is what we are doing today.

A resident asked where can I see the rules?

Mr. McGaffney stated they are on the website and any revisions will be updated and posted.

A resident stated on top of this what people have an issue with is the inconsistency of how these rules are being enforced. Are we going to see an increased consistency of making sure that everyone is following the rules?

Mr. McGaffney stated the reason we amend policies from time to time is to help with that.

A resident stated related to the access, there should be a sign in sheet if you leave your card at home. I was upset a couple weeks ago when they closed the River Club.

Mr. McGaffney stated after the meeting Jason will get with you, but it doesn't fall under this public hearing.

On MOTION by Mr. McIntyre seconded by Mr. Maynard with all in favor the public hearing was closed.

On MOTION by Mr. Saks seconded by Mr. Cameron with all in favor Resolution 2023-09 was approved.

B. Items for Board Consideration

1. Request for Cars and Coffee Resident Club

Mr. Davidson stated in an effort to aid the cars and coffee event, we came together and wanted to figure out the best approach. We had a conversation around having it involved with the vendor fair and the farmers market because a lot of what was being requested was, "how do we keep people there?" and that provides that opportunity. We will have a space in the back corner that would be designated to cars and coffee and if there were any vendors that wanted to participate, they would do the same as if you were signing up for the vendor and farmers market. They would go through the process with Eric.

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A resident stated I want to make sure that if they are coming to be a vendor but not selling that it has to be permissible.

Mr. McGaffney stated just to clarify, are you basically saying this is under the Vesta umbrella it is a special event, and you are asking for three to four times a year not in the summer months.

Mr. Davidson stated yes, it would be like any other event where you bring different vendors and different participants together and have an event.

Mr. Maynard stated I want to clarify vendor versus non-vendor, pay versus non-pay. I don't want to put Vesta in a position where there is a vendor marketing their product for free next to a vendor who has paid to be a participant in the farmers market. How much do you charge the vendors anyway?

Mr. Olsen stated we charge \$25.

Mr. King stated if they are marketing services and actually selling something they would fall under the vendor \$25 fee but if they are just setting up their car for people to take a look and ask questions that is different. We can finetune that.

Ms. Gentry stated we would still want an agreement signed where they affirm that they have insurance, and they are responsible for liability and everything like that.

Mr. Cameron stated we charge the chiropractor and all he is doing is showing off his services.

Mr. Olsen stated yes, we charge him. If somebody is coming and showing off their services, they will be charged. I don't have a problem with the event, but I want to be fair.

Ms. Gentry stated if the board is agreeable to this concept, running it under Vesta special events, we can work with Vesta and make sure we get all the policies buttoned up.

Mr. McIntyre stated I agree if there is any advertising for their service and they are willing to speak about it, that should be a vendor fee. They are participating but they are also marketing passively while they are participating. I classify them as being a vendor.

Mr. McGaffney stated we will button up the insurance, we know there is little chance it will conflict with other events, three or four events but nothing in the summer.

A resident stated another bone of contention was raffle prizes being offered and swag bags given out. The misconception of what we were doing was a raffle, they are like door prizes, they

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are free. Are we cleared to be able to do door prizes for people who are participating or giving away freebies?

Ms. Gentry stated that is something we can work out with Vesta. I will check the statute to make sure that Florida doesn't somehow consider that a raffle. There are some gambling laws that are not necessarily intuitive.

On MOTION by Mr. Saks seconded by Mr. Maynard with all in favor the request for the cars and coffee resident club under the Vesta umbrella for a special event as described was approved.

2. Revised Agreement for Soccer Shots Spring Season

Ms. Gentry stated the board did approve the new spring season at your last meeting. The substantive amendment was that they changed the fees that they are charging for that event, so we wanted to bring it back for ratification. They have not changed the 15% share to the district from the revenue of those fees.

On MOTION by Mr. Saks seconded by Mr. McIntyre with all in favor the Fifth Addendum to the License Agreement between the District and Soccer Shots was ratified.

3. FDOT Right of Way Conveyance

Ms. Gentry stated it has been planned for a long time to put another roundabout on S.R. 13. FDOT pulled the title report and found some title commitments related to all three districts. In order to make sure they have clean title to that property, which they were always intended to have, they are asking all three districts to sign this quit claim deed to the extent that anybody has interest in that property. We reviewed it and it is consistent with what has been planned.

Mr. Saks asked will they be responsible for repairs?

Mr. Stillwell stated the actual roundabout once constructed, the roadway itself will be a DOT responsibility. The landscaping will eventually become the responsibility of CCD III but in turn the cost share will be in place.

On MOTION by Mr. Saks seconded by Mr. Baron with all in favor the grant of right of way conveyance to FDOT was approved.

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4. Proposals

a. Coquina Boulder Installation (Cost Share Item)

Mr. Davidson stated the coquina boulder installation will take place in CDD II, approved in the previous meeting. This is brought in front of this board for cost share interlocal agreement purposes.

On MOTION by Mr. Baron seconded by Mr. Cameron with all in favor the installation of the coquina boulder installation at the River Club cost share was approved.

b. Plant Material Replacement for The Manors (Cost Share Items)

Mr. Davidson stated next is for plant material replacement with The Manor and it is a cost share item, CDD II and CDD III did approve. CDD II put a stipulation with a not to exceed amount on that. Yellowstone was able to come under that not to exceed amount.

On MOTION by Mr. Baron seconded by Mr. McIntyre with all in favor the proposal for The Manors entrance plant replacement cost share was approved.

c. Addition of The Settlement to the Landscape Maintenance Contract

i. Landscape Maintenance

ii. Aquatic Management

Mr. Davidson stated next is the addition of The Settlement to the landscape and maintenance for the aquatic management contracts. The other two districts did accept.

Mr. McGaffney stated this will also be part of the acquisition package that we are tracking on district counsel's side.

Mr. Cameron asked we did an inspection on everything and the parks in that area drain properly so we don't have to correct it later on?

Mr. Davidson stated that is correct.

Ms. Gentry stated this will be acquired by CDD III, it is actually in CDD III boundaries. All we are approving is adding it to the master landscaping and master aquatic contracts.

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Mr. Maynard stated my concern is there are two sidewalks that have flooded since Mattamy constructed them. Now to repair them it is going to be a CDD fee when they were not constructed correctly.

Mr. Stillwell stated the one I'm aware of I have gone back to Mattamy with it.

Mr. Cameron stated I have noticed if a house is built between two other houses the sidewalk doesn't match up and there could be as much as an inch difference.

Mr. McGaffney stated the engineer has to give the okay from the District's perspective. He has to review the proposed areas for maintenance, and this is what we are discussing, the maintenance.

Mr. Saks stated before you got here, we accepted property from the developer that was not ready and the District had to pay for the repair. We don't want any of the CDDs to accept anything that is going to put a burden on the residents versus the developer.

Mr. Stillwell stated I think what you are referring to are things that were late from an acquisition perspective. The landscaping in the Settlement was just put in so that one-year warranty from the contractor with Mattamy still exists.

On MOTION by Mr. Maynard seconded by Mr. Baron with all in favor the proposal for plant material replacement due to freeze at berm before The Settlement cost share was approved.

Mr. McIntyre left the meeting at this time.

FOURTH ORDER OF BUSINESS

Staff Reports

A. District Counsel

There being none, the next item followed.

B. District Engineer

Mr. Stillwell stated we did receive approval from St. Johns County for adding the double yellow striping on Orange Branch Trail. We also received approval from the county for stop signs at the end of Kendall Crossing and Main Street. Technically, that is in CDD III, but we are getting pricing for both those and should have those by the next meeting.

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Mr. Saks left the meeting for a short time after which he returned to the meeting.

C. District Manager – Overview of the Fiscal Year 2024 Budget

Mr. McGaffney stated I put together a draft snapshot of what the 2024 budget is looking like. There are some changes to Rivers Edge II and III's assessment tables, but I don't think that applies to Rivers Edge. I want to thank the board for allowing Supervisor Baron to meet with me so we could go over some things. While I have been doing budgets over 15 years, this one has some complexities to it, but we have Jim Perry's input on the cost share. You will see cost share expenses are going to change, they may go up or down over time, mainly they are going to go up. The percentages are going to stay the same as last year. We are still trying to make sure we have the final projection, what we project to come online in Rivers Edge II and III or anything else that will impact your budget for maintenance. Mainly landscaping repairs and maintenance, insurance is going up substantially, the general liability insurance is projected to go up 15%, and for property insurance, due to the amount of hurricanes over the last five years all the insurers and reinsurers are reevaluating, but I was told to prepare for a 50% increase. We are not in a position to self-insure, but I am looking at potential options of taking some of the things out to try to offset that increase. That process may take a year just to make a recommendation on whether to do that. I won't take anything out unilaterally if it doesn't make sense, but you have a lot of decorative lighting in this District, Rivers Edge III is going with FP&L lighting. Things have changed over the progress of development of RiverTown that this District will probably not benefit from, but others will. The 50% is a high-water mark and I expect an update by Friday. We will present this budget at the May meeting for approval. When we get to the August public hearing the assessments can go down, but they cannot go up.

Mr. Maynard asked where are we on the reserve study?

Mr. McGaffney stated it is done and I'm working on how to put that in an Excel spreadsheet to give to you. I suspect you will see some of that work coming out in emails from me. It will be things not on the capital reserve study but things that you think are needs or wants or you feel you have a finger on the pulse. We will go down that road, we will get that input and start to put that on a spreadsheet, and I will compare it to what is on the reserve study. We will have all of that by March or April next year.

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Mr. Baron stated the budget that you are proposing for 2024 shows our expenditures going up by \$40,000. They are not going to see an assessment more than what they saw last year, \$40,000 is not a huge difference in what the fees are going to be. Where there is a difference is in the capital expenditures that we hold in reserve to pay for things as they break. That was only set aside with a 3% based on the last capital reserve budget and the shortfall that was there. We are trying to keep it level loaded but we will also look to see if we can adjust that downward a little bit or maintain. I'm comfortable with where we are today and what we are pushing to keep it level for at least next year.

Mr. McGaffney stated in short, I'm going to convert that over to an Excel form so that I can use that to get additional input and move things around. I will give you a copy of that.

Mr. Maynard stated my big concern is that we know insurance is going up, the costs of repairs are going up, paving is a big expense and a long-term outlook, but if we don't start putting money aside to hold for that when that time comes we are going to be not in the best position.

Mr. McGaffney stated there are two ways to approach the roads, you can start to fund an expense that could be 20-30 years down the road or in 20-30 years you can issue bonds to pay for that, then pay the bond off over 20-30 years. You either self-fund it through capital reserves, which will cause your assessments to go up, or issue a bond. We will go through the reserve study category by category and make hard decisions with this board based on that living document.

D. General Manager

1. Monthly Amenity and Field Operations Report

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

2. Pond Service Report

A copy of the Charles Aquatics Service Report was included in the agenda package.

E. Landscape and Irrigation Maintenance – Monthly Report

Mr. Scuncio stated we have been here about 6 ½ months, this is our first growing season, and we have four separate teams going through sections to make sure everything gets done. We have a dedicated team person here 24/7 treating weeds, fertilizing and it takes about a year for our turf program to start seeing results.

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SIXTH ORDER OF BUSINESS**Other Business**

There being none, the next item followed.

SEVENTH ORDER OF BUSINESS**Supervisors' Requests and Audience Comments**

A resident asked whose responsibility is it to shop the insurance?

Mr. McGaffney stated there are two companies in the State of Florida that provide special district insurance. The one that you have writes probably 90% and the other company is getting out of that business. The issue is with the reinsurers.

A resident stated all the grass from the mowers is going into the lake. The condition of our lake is pretty bad. Is it Mattamy's responsibility to remove the trash from the lake? They just finished construction and their trash is floating in the lake.

Mr. McGaffney stated I'm making note of that but give Jason the information and we will get with Mattamy about any cleanup that is necessary.

A resident stated I'm on a drainage easement and I didn't get approval from the HOA to install a fence because it is actually CDD property to be able to encroach 5-feet. Mattamy told me when we were buying the house that I'm only allowed to fence in 50 feet instead of 55 feet because of that easement. I know residents have actually fenced on their easement and I'm requesting to be able to do the same.

Mr. McGaffney stated I will be onsite on Monday and meet with Jason and we will do a personal inspection.

Ms. Gentry stated there is actually a policy for requesting an easement variance from the District. If you get with Howard and Jason, they can send you the forms and we can get everything rolling.

A resident asked do we have access to the budget?

Mr. McGaffney stated we will be refining the budget over the next few months. The current budget is on the website. We will be working on the capital budget.

A resident stated I and my tennis friends have emailed the last couple days about league play versus open resident play and I appreciate the response I received this morning. What is the process to address the tennis community to make sure you are hearing from everyone instead of

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maybe one person who shows up here? I only remember seeing one survey in the last few years so how do you make sure you are hearing from everyone?

Mr. Cameron stated we have been studying adding two more courts because they were previously approved. We have to look at the capital expenditures for that and we were changing them to asphalt so they could be shared with pickleball. It is about \$180,000 per court.

Mr. McGaffney stated Jason and his team are responsible for the internal communication and they have done surveys. I don't think we are at the level yet to get the information from the community on their needs and wants for the capital plan but that is definitely part of the process. It will start here then we will reach out to the community so it will be very collaborative.

Mr. Maynard stated limited league play is on the calendar and those time slots will be posted on the calendar.

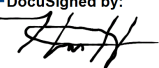
Mr. McGaffney stated both Jason and Eric will get with you after the meeting to address your concerns.

EIGHTH ORDER OF BUSINESS


Next Scheduled Meeting – Wednesday, May 17, 2023 at 6:00 p.m. at the RiverTown Amenity Center

Mr. McGaffney stated the next meeting will be May 17, 2023 at 6:00 p.m. in the same location.

On MOTION by Mr. Maynard seconded by Mr. Saks with all in favor the meeting adjourned at 12:53 a.m.

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Secretary/Assistant Secretary

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Chairman/Vice Chairman