

ROLLING HILLS
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Rolling Hills Community Development District was held Tuesday, August 11, 2020 at 6:00 p.m. via Zoom.

Present and constituting a quorum were:

Bill Tew	Chairman
Rose Bock	Vice Chairperson
Kurt von der Osten	Supervisor
David Church	Supervisor
Shannon Jordan	Supervisor

Also present were:

Jim Oliver	District Manager
Katie Buchanan	District Counsel
Michele Rigoni	Hopping Green & Sams
Keith Hadden	District Engineer
Freddie Oca	Amenity Center Manager, RMS
Pat Szozda	Field Operations Manager, RMS
Sete Zare	MBS Capital Markets, LLC
Rick Harb	Nabors Giblin Nickerson
Bill Huck	Waltham Development
Ken Peterson	Waltham Development

FIRST ORDER OF BUSINESS

Roll Call

Mr. Oliver called the meeting to order at 6:00 p.m. and called the roll.

SECOND ORDER OF BUSINESS

Audience Comments

There not being any, the next item followed.

THIRD ORDER OF BUSINESS

Affidavit of Publication

A copy of the affidavits of publication of the notices for the public hearings were included in the agenda package.

FOURTH ORDER OF BUSINESS

Approval of the Minutes of the May 14, 2020 Meeting and July 23, 2020 Special Meeting

Mr. Oliver stated Supervisor Jordan is going to provide some grammatical corrections that we will incorporate into the final version of the minutes.

Ms. Jordan stated the second set of minutes are incomplete and is not the complete conversation that should be included in the minutes.

On MOTION by Ms. Jordan seconded by Ms. Bock with all in favor the minutes of the May 14, 2020 meeting were approved as amended and the July 23, 2020 minutes were tabled.

Mr. Oliver stated we will review the second set of minutes and revise as necessary. If any of the supervisors find a problem with the minutes when you get your agenda packet, please let me know and we will try to get a corrected copy out prior to the meeting. Minutes themselves are not transcripts. They are just a synopsis of the meeting and the most important statutorily required elements are; who was at the meeting, what items were on the agenda, and what action was taken. It is not intended to be a transcript; we don't have a transcriptionist. ,

FIFTH ORDER OF BUSINESS

Consideration of Matters Related to Series 2020 Bonds

Ms. Buchanan stated I would like to give an overview of what is going to happen. Essentially, when the CDD decides to issue bonds the first step is to identify a project. Before you is the engineer's report that identifies the project the CDD desires to undertake along with the cost of the project. The second step is the allocation of the cost of the project between the anticipated units in accordance with the anticipated development plan and that is what the assessment methodology does. It takes the cost of the project, grossed up by the bond issuance cost and describes how the district would levy assessments to repay bonds, which will pay for the cost of the project. The third item we will consider is the delegation resolution and this is the resolution that will authorize and identify the parameters of the bond issuance. This will identify exactly what authorization the underwriter has to market the bonds to try to get the best rate and other deal points that it can for the district, it includes the bond purchase agreement, disclosure agreement and the preliminary offering memorandum that is a description of the entire bond transaction. It includes a description of the district, the project, the developer as well as the assessments, it describes the indenture, which is a contract between the district and the trustee as to how the bond funds will be managed and spent.

A. Presentation of Supplemental Engineer's Report

Mr. Hadden stated everyone received a copy of the engineering report that explains what is going to be built, 139 lots and I broke out the roads and water and sewer, lift station, force main, all the impacts have been permitted, the wetland crossing with the gravity sewer to the lift station and the force main that goes under the creek. I spelled out what will be built, the roads will be turned over to the county just like the ones in Rolling Hills right now, the utilities will be owned and maintained by Clay County Utility Authority. We broke out individual cost items for roads and utilities and sidewalks and in the meeting we had on the 23rd you saw the bids that had come in and those figures I referenced in the report reflect the low bid from Vallencourt. I met with the contractor today, we had David Guy on the phone confirming the timeframe and costs and when they will be starting and that type of thing.

Ms. Jordan asked is the 10% contingency going to be adequate contingency?

Mr. Hadden responded I believe it will be.

Ms. Jordan asked what happens if that 10% is not adequate?

Mr. Hadden responded there is not enough bond money to pay for all the construction anyway so some of the costs will come from the landowner/developer and that would be a cost for them.

Ms. Jordan stated the CDD has to maintain that property at the end of the day and I want to make sure it is not shortchanged as far as what we are building out.

Mr. Hadden stated correct, all the costs are good, we have added enough contingency plus the developer's money should be adequate for anything that comes up.

Ms. Jordan asked is it going to match the rest of the community as far as quality and aesthetics?

Mr. Hadden responded yes.

Ms. Buchanan stated most of these improvements will not be maintained by the CDD because we anticipate that we will turn them over to Clay County or the utility.

Mr. Hadden stated the utility authority will maintain the water and sewer and the reuse system and the county will maintain the roads and drainage system.

Ms. Jordan stated we do have one park back there.

Ms. Buchanan stated and the stormwater system, the CDD will do the recreation and stormwater.

Mr. Church asked is there an update on the service road, the 318 extension in the back? Are they going to complete that so construction traffic goes that way?

Mr. Hadden responded the county won't have it completed by the time we start construction. It is basically the CDD's call if they want to bring construction traffic through there that is fine, if they want to bring them by the amenity center that is fine as well.

Mr. Church stated when Richmond was on their last phase there were a lot of issues going down Bradley Creek with dump trucks and making messes and nails and contractors, but at the same time if they use the access road in the back it is just a dirt pile.

Ms. Jordan stated that is the part of the previous minutes that are missing. We did discuss that and utilizing the left side of that road so it is not impacting the residents, that road backs up to their property by being 6 feet from your backyard but also not going down the main thoroughfare where I'm not sure their larger trucks could get through to begin with. Using that access road is probably the best thing, by using the left hand side of it so they are not impacting the residents that live back there.

Mr. Church stated I do agree but somehow the front of the neighborhood when it was built they put up that fencing in the back, that wasn't done by the residents that was done by the developer. I don't know why we can't continue that all the way down, most of the yards have that back fencing already but why can't we continue that or have the developer or somebody pay for that to continue that all the way back for all the other residents. Right now it ends at the park at the end of Hidden Meadows and from the park on the residents put up, most of the fencing is done but there are houses that don't have that, that are close to that road.

Mr. Hadden stated I know some residents have put up privacy fences along the back, I doubt the CDD wants to pay for that. If the residents put them up that would resolve the remainder of the problems. We can put up construction type fence to keep kids out of the area, to get the contractor to bring his vehicles through there. Luckily the dirt they are taking out of the pond is going to be kept onsite in the road and lot construction areas. As far as how the trucks get there and leave at the end of the day, we can bring them either way. They would fit through the roads because they are designed to fit fire trucks, but people park on the street and kids are playing and

bringing them in behind those lots is a safer route and the contractor said he is more than happy to come in that way if we so request.

Ms. Jordan stated you can have that conversation offline with David; my vote is to take them down the service road. As far as the fence, I don't think the CDD can finance that, if the contractor could put something up temporarily to safeguard the residents then I think they should.

On MOTION by Ms. Jordan seconded by Ms. Bock with all in favor the supplemental engineer's report was approved in substantial form.

B. Presentation of Preliminary Assessment Methodology

Mr. Oliver stated much like all the residents now pay debt service assessments on the first series of bonds that were issued to construct the original infrastructure, there will be bonds issued to fund the infrastructure of Phase A, which will consist of 139 lots to be platted in Phase A. Assessments will be levied on the undeveloped property. As lots are platted, assessments are to be allocated to each of those 139 lots. This report includes an executive summary, sections regarding the bonds, the assessment methodology, the assessment roll and the true-up mechanism. The purpose of this assessment methodology is for the allocation and levy of debt assessments on the benefitted properties, to secure repayment of the Series 2020 Bonds. The district is borrowing money by issuing bonds and the district will be paying back principal and interest to the bondholders by levying and collecting assessments on those lots. The next several pages gives details of Rolling Hills, the past bond issues and it brings us up to date regarding the development plan of 761 units. Section 2.2 details the 2020 bonds for those 139 units that are included on the map on the back of the engineer's report.

There are two issues: the 2020 A-1 Bonds with a principal amount of \$2.4 million and the 2020 A-2 Bonds with a principal amount of \$2.1 million. The collection of assessments securing the 2020 bonds, the par debt per unit of the series 2020 A-1 and A-2 Bonds will be collected with the A-1 bonds maturing after 30 years and the A-2 Bonds maturing in ten years. The A-2 bond per unit par debt will be paid off as the homebuilders buy the lots. The end user of that home will not be paying those assessments. The report discusses the benefit analysis in which it is determined that the benefits from the issuance of these bonds to build this infrastructure is greater than the debt that is allocated to each one of those 139 lots of single-family homes consisting of 53-foot and 60-foot lots. Table 2 is information taken from the engineer's report and shows the total

improvement costs of \$4.25 million, which is consistent with the bid that we got from Vallencourt. Table 3 shows the sources and uses of the bond moneys. There are three columns, one for the Series 2020 A-1 bonds, the second column is the 2020 A-2 bonds and the third is a combined column. This does not cover all the costs of construction, but this is what will be paid through assessments. Table 4 is the par debt and benefit per unit and this shows the benefit per lot and the total benefit per lot is roughly \$44,000 and the total par debt is about \$31,000. This documents significant positive difference between the benefit compared to the assessments that will be levied on each lot. Table 5 shows the assessments for the 139 units, with the net per unit assessments of \$1,194. That will grossed up 6% when collected on the assessment roll, with 2% to the tax collector as a service fee and 4% is for the early payment discount. Many property owners or their lenders pay property tax bills by November 30th to take advantage of the 4% discount. This will be the same for the eventual owners in this new section of 139 units. Table 5 is the assessment roll listing the landowner, Waltham Development Company.

Mr. von der Osten asked the existing bond debt on this property is that added into this bond offering?

Mr. Oliver stated I believe that is the 2015 A-3 and some of that is going to be paid off with the proceeds from the -2 bonds.

Ms. Zare stated that is correct, the 2015 A-3 debt will be defeased and will be paid in full with the payment of the -2 bonds.

On MOTION by Ms. Jordan seconded by Mr. Church with all in favor the preliminary assessment methodology was approved in substantial form.

C. Consideration of Delegation Resolution 2020-08

- 1. Supplemental Indenture**
- 2. Preliminary Limited Offering Memorandum**
- 3. Bond Purchase Agreement**
- 4. Continuing Disclosure Agreement**

Mr. Harb stated Resolution 2020-08 is what we call a delegated award resolution is presented today in order to approve various aspects of the proposed bonds, including forms of certain documents that are necessary in order to close on the bonds.

Within the resolution are the recitals on page 2 give a general overview of the bonds including that the bonds will be sold by negotiated sale, rather than competitive bid and the bonds will be purchased by MBS Capital Markets as underwriter pursuant to a bond purchase agreement.

Paragraph 2 entitled award on page 3 approves the form of that bond purchase agreement and delegates to the chairman the authority to execute it so long as the terms of the bond purchase agreement are within the parameters attached to the resolution as Schedule 1. Those parameters within which the chairman may approve the bond purchase agreement are as follows: maximum principal amount may not exceed \$5 million; maximum coupon rate may not exceed the maximum statutory rate; the underwriting discount may not exceed a maximum of 2%; the not to exceed maturity date may be no later than May 1, 2050. With regards to redemption, each series of the series 2020 Bonds shall be subject to redemption as set forth in the forms of their respective series of bonds, which are attached as forms to the supplemental indenture that is included as an exhibit to the resolution. Particularly the series 2020 A-1 bonds shall be subject to optional redemption no later than May 1, 2033 at par.

Paragraph 3 of the resolution provides for a negotiated sale of the bonds to the underwriter for the reasons indicated.

Paragraph 4 approves the form of the Fifth Supplemental Indenture and this paragraphs also ratifies the existing master indenture, which has been in place since November 2006 in addition to appointing U.S. Bank as the trustee, paying agent and bond registrar under the Fifth Supplemental Indenture for the series 2020 bonds.

Paragraph 5 sets forth the general terms of the bonds and approves the forms of bonds, which again are attached as exhibits to the supplemental indenture. This paragraph also authorizes the chairman and secretary to execute the bonds and to deliver them to the bond trustee for authentication at closing.

Paragraph 6 approves the form of the preliminary limited offering memorandum and authorizes the chairman to deem the preliminary limited offering memorandum "final" within the meaning of the security and exchange commission rule 15c2-12. This means that once the preliminary limited offering memorandum has been finalized amongst the finance team and we are ready to send it off to prospective investors in the bond market, prior to that point the chairman will execute what we call a rule 15c2-12 certificate, which basically states that the preliminary limited offering memorandum as of its current date is in final form except for what we call

permitted omissions, which are aspects of the bonds that won't be finalized and set until the underwriter has priced the bonds with investors in the market. Examples of things like that are the interest rate, the actual maturity dates, exact par amounts and things like that which are subject to market forces.

Paragraph 6 also approves the form of the continuing disclosure agreement.

Paragraph 7 provides that the board has complied with the sunshine laws with respect to the bonds and Paragraph 8 is a catchall paragraph that authorizes all board members and various other consultants retained by the district to take all actions and execute all other documents necessary in order to close on the bonds. This paragraph also provides that the vice chairman can step into the shoes of the chairman and that any assistant secretary can step into the shoes of the secretary and do anything authorized or required by those parties under the resolution.

Paragraph 9 provides direction to deposit the monies from the sale of the bonds into the applicable accounts as specified in the supplemental indenture.

Paragraph 10 authorizes the refunding of the district's outstanding capital improvement revenue refunding bonds series 2015 A-3 and the undertaking of the series 2020 project, which was described as part of the engineer's report. This paragraph also authorizes the execution by the chairman and secretary of any documents required with respect to the refunding of those series 2015 A-3 bonds and the undertaking of the series 2020 project.

Paragraph 11 approves all prior actions with respect to the proposed bond, paragraph 13 provides for severability and paragraph 14 provides for an effective date.

I will walk you through the documents that are to be approved in substantial form and are attached as exhibits to the resolution.

The bond purchase agreement is the agreement between the district and the underwriter that governs the actual sale of the bonds. It contains all the conditions that need to be satisfied in order to close the bond issue and when the underwriter and chairman eventually execute and deliver the bond purchase agreement it becomes a binding obligation on both parties and imposes upon the underwriter the obligation to purchase all the bonds issued by the district on the date of the closing.

The Fifth Supplemental Indenture, contains the terms, conditions and details of this particular issue of bonds. After the pricing we will fill in some of the pricing information, such as the interest rates and final amounts.

The preliminary limited offering memorandum is the securities law disclosure document relating to the bonds and this gets distributed in the bond market to potential investors prior to the sale of the bonds and sets forth a detailed description of the bond documents, the district, the development, the assessments, the construction project and the developer.

The continuing disclosure agreement is a document required under federal securities law and it requires that the district will provide certain ongoing financial information to the municipal securities rulemaking board. This is a lot like the SEC's periodic reporting requirements for publicly traded companies; those don't apply to a governmental entity like the district, so we operate under rule 15c2-12, which requires execution of that agreement.

That is a summary of all the documents attached as exhibits that you will be approving in substantial form.

Ms. Jordan asked would we give authorization for Rose to approve these and sign these documents, does she have the ability to change what we are agreeing to today, based on the bonds we are approving?

Mr. Harb stated part of our responsibility as bond counsel is to make sure that any documents we submit to this board for approval as part of the resolution are what we call in substantially final form, which means that for a big majority of the things it is all settled as far as the business points and the particulars. We are just really getting down to those permitted omissions, which have to do with interest rates and maturities and things like that. To an extent tweaks to these documents are allowed, but part of our obligation is to make sure that what is before you today is what you are going to end up with for the most part.

Ms. Jordan asked what is the range variance of the interest rates?

Mr. Harb responded all of that is market driven and Sete can speak to that but that goes back to the parameters I mentioned in the beginning of my remarks, which really set the maximum threshold that cannot be exceeded so if things end up anywhere under those parameters then the chairman does have the authority to go through with the transaction and execute all the documents.

On MOTION by Ms. Bock seconded by Ms. Jordan with all in favor Resolution 2020-08 was approved.
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Mr. Harb and Ms. Zare left the conference call at this time.

SIXTH ORDER OF BUSINESS**Matters Regarding Phase A Construction Project****A. Ratification of Agreement for Construction Services**

Mr. Oliver stated the agreement for construction services has not yet been finalized so there is not an agreement to ratify.

Ms. Buchanan stated essentially these construction agreements are standard forms that we use all the time, the only things that change are related to the specific project including the amount that is going to be paid, the liquidated damages and the schedule. In this instance the schedule is going to be 227 days for substantial completion and 30 days after that for final completion. If the project is not complete by substantial completion we would expect that there would be a liquidated damages charge of \$500 a day and we would expect that for now the lump sum price of the contract is \$4,014,520. I say for now because it is not uncommon for change orders to come back to the board depending on site conditions or other things the contractor may identify once he undertakes the work. The contract is going to have the standard clause for the Florida prompt payment act, meaning that we are going to withhold 10% of every pay application until the project reaches 50% then at that point we are able to reduce that retainage amount to 5%. The CDD at the end of the day has a certain amount of funds left in case we identify a claim against the contractor that work may not be done correctly. We have prompt payment obligations to meet as it relates to how quickly we pay the contractor so we are obligated to comply with those under Florida law. There will be a payment and performance bond in place on this contract for the full value of the contract so if a subcontractor or the contractor is not paid they are not able to put a lien on the property because it is a CDD project, but they can put a claim in against the bond. The district is protected by sovereign immunity under 768.28 and the district will make sure that the contractor has a specific amount of insurance for the work and that the district is named as an additional insured. I expect we will work with the chairman and contractor to finalize the contract between board meetings and bring back the final copy for ratification if the board is comfortable with that.

Mr. Church asked when they are told to do their insurance bond are they pulling a higher insurance in case something happens with the existing part of the development? I know a lot of times when you do insurance bonds they are just going to do it for what they are developing but if something happens on existing property, is their insurance bond going to cover that?

Ms. Buchanan stated two different things. The payment and performance bond will cover the project that is under construction, but they are required to have general liability insurance. If

the contractor's truck hit a monument sign then their general liability will cover that. We will have two types of coverage for two different events.

On MOTION by Ms. Jordan seconded by Mr. Church with all in favor the contract was approved insubstantial form with the final form to come back to the board for ratification.

B. Resolution Authorizing Direct Purchase, Resolution 2020-10

Ms. Buchanan stated next is the resolution authorizing direct purchase. This is something the CDD may or may not choose to implement but we wanted to make it available to the CDD. Essentially, because the CDD is a governmental entity it can sometimes avoid paying sales tax on large purchases of materials, but the contractor can make the purchase for us and it has to be the process set forth in the resolution to actually follow the department of financial services and department of revenue procedures for it. The district manager or another entity that is separately authorized by the board has the authority to issues purchase orders and then there are purchase orders to be fulfilled without paying sales tax. There is a process and if we do buy these products directly instead of having the contractor purchase them we would need to make sure the products are insured by builders risk so we would also need to make sure that there is a contract between either the engineer or manager and the district that authorizes them to be the purchasing agent. In this particular instance we have it set up so that the engineer would be the purchasing agent and the work authorization is attached as Exhibit A to the resolution. It essentially says that he will act as a purchasing agent and he will be compensated at the hourly rate for the work, which is already established in his engineering agreement.

Ms. Bock asked what would be the advantage of accepting that route? It sounds like a lot of trouble and more expense.

Ms. Buchanan stated it is. I don't know how much piping is going to cost, Keith has a better idea but if you have materials that are \$500,000 then that is a decent amount of money to save if it is a 7% reduction in cost.

Mr. Hadden stated you are going to have the concrete pipe for the storm system, curb inlets, water pipe, reuse pipe and sewer pipe and manholes. That is typically what you are going to purchase. Curbing is a labor thing, they don't really buy curb, you don't buy asphalt, but you

could buy the pipe directly from the supplier and have them deliver it to the site. It is a \$4 million contract the materials are going to be a million so 7% is \$70,000.

Ms. Buchanan stated you have a gut reaction on whether you do it. The other thing that is a problem is timing, you have to order it early enough but you have to store it onsite so it doesn't always work out to be a perfect solution, generally it is reserved for the really high dollar items that you can schedule and store correctly.

Mr. Hadden stated if you ask me to do this I'm going to buy it from the same people the contractor is going to buy it from and I'm going to have it delivered to the site and all it is doing is saving the sales tax.

Mr. Church stated we are paying you an hourly rate to do that.

Mr. Oliver stated it is going to come from the bond proceeds.

Mr. von der Osten asked does this allow the purchasing agent to approve change orders?

Ms. Buchanan responded the thought would be that these items that are already identified for pricing and schedule of values. If we initially estimated that it would require 30 shrubs to fill in a common area and then it ends up requiring 40, the purchasing agent would have the ability to move forward with the 40, the number of shrubs to do that. In theory it opens us up but in reality the only things that are identified in the schedule of values like that are going to be relatively small changes. If the board is comfortable with it we can put in a cap, provided that such increased costs are not more than 5% or \$2,000 or whatever you like.

Mr. Hadden stated I think someone else would have to okay it, such as Jim Oliver or the chairman.

Mr. Church asked is the pond going to be connected to the other ponds or is it separate?

Mr. Hadden stated it is a free-standing pond at the bottom of the hill and everything to the right side of the main road drains into and then it empties into the wetland. It is one of the very few out there that is not interconnected.

Mr. von der Osten stated on composite exhibit B, owner, is that purchasing agent or is that synonymous with purchasing agent?

Ms. Buchanan stated I would imagine it is the district, the district is the owner of the project.

Mr. von der Osten asked the purchasing requisition request, who does it go to, Keith?

Ms. Hadden stated it would probably go to Jim Oliver.

Ms. Buchanan stated the chairman generally signs as the authorized signer for the district.

Mr. von der Osten asked who is actually overseeing it for the district? Who is supervising the job?

Ms. Buchanan stated it is Keith.

Mr. von der Osten asked is there a separate agreement for that or is that part of our retainer agreement?

Ms. Buchanan stated Keith is going to submit a work authorization that will include authorization for that work.

Mr. von der Osten asked that will probably require quite a few site visits.

Mr. Hadden stated I will be there at least three times a week. We are hiring as part of the construction a separate third party CEI firm that will have an onsite inspector every moment the construction is occurring. There will be weekly reports.

Ms. Buchanan stated that is a county requirement.

Mr. Hadden stated yes. They have firms that are preselected and we have to hire one of those firms and they act as the eyes and ears for us and they report to the county.

Ms. Jordan stated when they are out here can you take them down the road with the sinkhole?

Mr. Hadden stated yes. I think we are on the third county engineer who has taken a look at that hole with me.

Mr. von der Osten stated maybe we can get a deal going with Vallencourt and the county to do that repair while they are mobilized out here.

On MOTION by Ms. Bock seconded by Mr. von der Osten with all in favor Resolution 2020-10 was approved.
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C. Temporary Construction & Access Easement Agreement

Ms. Buchanan stated the CDD doesn't own the underlying property under the improvements, which we are going to construct. We are going to put in place a temporary construction and access easement, which gives us the permission to use that property for the improvements. As soon as the improvements are complete we will have as-builts on record and we will convey the property, we will also make sure that the plat accurately reflects the placement of the improvements and the improvements that are supposed to go to the county will go to the

county and the improvements that are supposed to stay with the CDD will stay with the CDD. The easement stays in place until the final plat is approved, which would also include the dedication language that I just discussed with you. The one thing it does note is the CDD is going to have insurance, we do have insurance. We are also requiring our contractor to have insurance. The rest of it is general boilerplate.

On MOTION by Ms. Jordan seconded by Ms. Bock with all in favor the temporary construction and access easement agreement was approved.

D. Consideration of Construction Funding Agreement

Ms. Buchanan stated the last item relating to construction is a funding agreement. Any time the district enters into a contract with a vendor it is obligated to have a dedicated funding source to pay that contract. Because we anticipate that the construction contract is going to be paid with bond proceeds we do not currently have a funding source in place. We anticipate that the bonds will be issued in September, which is not that far away and by the time the contractor signs the contract, works its first pay cycle, issues the pay app, the CDD has time to make that payment, it is likely we will have bond proceeds in place. That is not saying that I have them in place at the time of signature so this funding agreement essentially allows the developer to agree to bridge the gap in case there is a cost in the contract that becomes due prior to the issuance of bonds the developer agrees to make that payment for us.

On MOTION by Ms. Bock seconded by Ms. Jordan with all in favor the construction funding agreement with Waltham Development Co. was approved.

SEVENTH ORDER OF BUSINESS

Public Hearing to Adopt the Revised Rules of Procedure, Resolution 2020-05

Ms. Buchanan stated the district's rules of procedure are a package of rules that our office puts together and provides to all of the CDDs we represent. It incorporates statutory changes in recent years as well as lessons learned to allow the district to have more clarity on the way to operate and function. The bigger changes this time around relate to how the district calculates costs relating to public records, it addresses the assembly and posting on the website of agenda

and meeting materials, it allows for certain changes to the district's solicitation procedures and makes some changes in connection with the internal controls to prevent fraud, waste and abuse. When we originally circulated these things it was at the beginning of the year, the hearing has to be advertised 28 and 29 days in advance, with COVID the notice requirements got wonky and we lined up with hearing with your budget date.

On MOTION by Ms. Jordan seconded by Mr. Church with all in favor the public hearing was opened.

There being no comments or questions from the public,

On MOTION by Ms. Bock seconded by Ms. Jordan with all in favor the public hearing was closed.

On MOTION by Ms. Jordan seconded by Ms. Bock with all in favor Resolution 2020-05 was approved.

EIGHTH ORDER OF BUSINESS

Consideration of Contract Renewals

A. Proposal from Riverside Management Services for Fiscal Year 2021

Mr. Oliver stated in the agenda package you will see the services they provide outlined in their proposal. In the pool, janitorial and lifeguard services there is no change in the proposed fee and there are slight increases for the amenity manager and operations manager.

Mr. Church asked is this a renewal of their contract?

Mr. Oliver responded yes from October 1st through September 30th.

Mr. Church asked can that be sent out to bid? Is that possible?

Mr. Oliver stated Yes. You can approve this proposal and still go out to bid at any time during the fiscal year. It is not tied to the budget process.

On MOTION by Ms. Jordan seconded by Ms. Bock with all in favor the proposal from Riverside Management Services for fiscal year 2021 was approved.

B. Yellowstone Landscaping

Mr. Oliver stated next is Yellowstone Landscaping and this is for renewal for FY 2021. We are completing the second year of a three-year contract. The contract renews automatically unless the vendor or District has a change to the scope or pricing. In that case, such a change must be requested in writing. Following the meeting we had in May, I had a conference call with Supervisor David Church who has a landscaping background and also with former operations manager, Chris Hall. We discussed the performance of Yellowstone and overall the performance has been good. At the meeting there was discussion of a common area that was near the lake near the amenity center that had not been mowed on a regular basis. There was clearly a communications breakdown between the operations manager and the landscape company and that came out during our discussions with David. Subsequent to our June 5 conference call, Chris had a discussion with Yellowstone and they agreed that areas needs to be maintained by the landscape company and they are taking that on now at no additional cost. Based on that information we delayed going out for bid for that. You can go to bid at any time during the fiscal year. You are going to have a resident controlled board after the November elections and that might be the best time to do that. Given our discussions with Supervisor Church, I recommend renewal of the contract and you can terminate that contract at any time.

Ms. Jordan stated it was me who asked you to get bids for the landscape contract because I believe any time a contract comes up for renewal we should be getting bids because to be fiscally responsible we should be making sure that we always have the best contract sitting in front of us and in order to do that we should be getting bids. I wasn't privy to the conversation you had with David, but I asked you to get bids.

Mr. Oliver stated I don't get bids based on the direction from any single supervisor, that is a board decision.

Ms. Jordan stated I'm doing it as a resident, I'm not doing it as a board member.

Mr. Church stated that was discussed at a board meeting, not renewal of a bid but what was done at the back pond was at a meeting; that was not a private conversation.

Ms. Jordan stated what I'm saying is at a meeting it was requested to get bids. I don't understand why, if it is requested to get bids and you are telling us that at any time during any year we can request to get bids, when we ask for it, it is not brought to the meeting. You are saying we can do it but it is not being done.

Mr. Oliver stated the board right now can direct me to get landscape maintenance bids.

Ms. Jordan stated I asked for it at the last meeting so I will ask for it again.

Mr. Oliver stated I will take that direction from the Board.

Mr. Church stated I definitely want to do bids for management for sure and I definitely want to get bids for landscape even though the past month they stepped it up, I just need them to be fair. I think we should send that out to bid for sure.

Ms. Jordan stated I'm asking for bids, all the bids.

Mr. Oliver stated we are going to have a special meeting on September 22nd and we will bring the landscape proposals to that meeting.

Mr. Church asked who took over Chris' position? I have no contact information, I just have the email saying Chris is no longer here. Who is the new contact person I should be speaking with, Freddie?

Mr. Szozda stated I'm the new operations manager. I have been in contact with Freddie and we will get all that situated.

Mr. Church stated I would like to meet you as soon as possible.

Mr. Szozda stated I will be on the property Thursday if you are available.

Mr. Church stated I will meet with you Thursday.

C. Lake Maintenance Proposals

Mr. Oliver stated the final proposal to be considered is the lake maintenance proposal and there are several in the agenda packet. The current provider is Lake Doctors, there are three other proposals, one is slightly lower than Lake Doctors, the other two are higher than Lake Doctors. Lowest price doesn't necessarily mean best service or best value.

Ms. Jordan asked do you have any experience with Florida Waterways, anybody out here have experience with Florida Waterways?

Mr. Oliver stated I do not.

Mr. Szozda stated I do not. I know Lake Doctors everywhere and there was a problem in the back pond, but that was due to someone dumping all their grass clipping in the pond. That wasn't algae; that was debris dumped in the pond.

Mr. Oca stated my personal opinion is those lakes are in very good shape and I do believe Lake Doctors bids are right in line.

Ms. Jordan stated I like his price point. I live on one of the lakes and I see debris that lives in the lake forever that is one of the reasons I asked for a bid because I do reside on a lake. David, what is your input?

Mr. Church stated the main lake I think looks wonderful, they must have been out recently and sprayed the water because there is no growth there anymore. The back lake needs some help. I think Lake Doctors does a decent job and I will walk with the guy who took Chris' place and show him my concerns on the back lake and also yours because they should be spraying about 12" off from the water so nothing grows and I noticed your pond is definitely not and the back pond is the same way; there is a lot of waterline growth that they need to take care of. I would stick with Lake Doctors; they know it and they are a reputable company.

Ms. Bock stated I agree.

Ms. Jordan stated if you can work with Freddie and Pat to look at the other two lakes and get them to where the front lake is then we stay with Lake Doctors and see where it goes for the next year.

Mr. Szozda stated we will definitely walk that lake and look at your concerns.

On MOTION by Ms. Jordan seconded by Mr. Church with all in favor the proposal from Lake Doctors was approved.

NINTH ORDER OF BUSINESS

Public Hearing Adopting the Budget for Fiscal Year 2021

Mr. Oliver gave an overview of the proposed fiscal year 2021 budget comprised of administrative, field operations and amenity center budgets. The net assessment for the 375 platted lots is \$930 and once that is grossed up for 2% collection fees and 4% early payment discount that is a gross amount of \$990, the same as it was for fiscal year 2020. The planned lots are assessed at a rate of 75% of the standard assessment, no one is living there, no one is using any of these facilities. As those 139 lots are platted in Phase A they will be fully assessed also and that will be reflected in the FY 2022 budget.

Ms. Jordan stated the pool attendants is \$35,000 and actual through current is \$1,260 projected in the next three months is \$25,000. There is no reason we will use \$25,000 in the next three months.

Mr. Oliver stated I agree.

Ms. Jordan stated I just want to make sure we maintain that in our reserves.

Mr. von der Osten asked is the \$990 general fund only? Does that include debt service?

Mr. Oliver stated no it doesn't, that is general fund only.

Mr. von der Osten asked what is that additional per lot?

Mr. Oliver responded for debt service around \$1,277.

The next one is the capital reserve fund budget and this year we had budgeted \$38,000 to go into the capital reserves and that will occur, but also any surpluses that were not used during this year's operating budget will flow to capital reserve also. For instance, Shannon brought up the lifeguard and pool attendants. If those funds are not used, they don't go away like you may see in the state or federal budget, they stay within the district and you can build your capital reserves with that. Clearly you are going to have some repairs and replacements in years to come including resurfacing of the pool.

The next several pages are the debt service funds and you will see the budget for the principal and interest payment and the amortization schedule for each fund.

On MOTION by Ms. Bock seconded by Mr. Church with all in favor the public hearing was opened.

There being no comments or questions from the public,

On MOTION by Ms. Bock seconded by Ms. Jordan with all in favor the public hearing was closed.

A. Consideration of Resolution 2020-06 Relating to the Annual Appropriations and Adopting the Budget for Fiscal Year 2021

Ms. Buchanan reviewed Resolution 2020-06 adopting the fiscal year 2021 budget and stated the blanks in section 2 will be filled in to match the budget you just reviewed.

Ms. Jordan asked in regard to the items we are getting bids on, we are frozen at the value amounts they are in. Is that what you are saying?

Mr. Oliver stated you can amend the budget after adoption. I think you have enough budget included; if you are looking for cost savings the number would only go down.

Ms. Buchanan stated you can amend line items it is just that the total amount can't change, but you can move things inside the budget.

On MOTION by Ms. Jordan seconded by Ms. Bock with all in favor Resolution 2020-06 was approved.

B. Consideration of Resolution 2020-07 Imposing Special Assessments and Certifying an Assessment Roll for Fiscal Year 2021

Ms. Buchanan stated Resolution 2020-07 is the actual assessment resolution that levies the annual operation and maintenance lien and it also certifies for collection the debt service lien that was previously levied by the district. In this particular district you still collect your assessments two different ways; the platted lots are collected via the tax roll so the district provides the information to the tax collector to be included on the tax bill. The direct bill assessments for the unplatted lands owned by the developer are directly billed, that means we send them invoices and request that they make payments pursuant to the schedule in the resolution. There are quarterly payments for the operation and maintenance in October, January, April and July and the debt service payments are anticipated to be paid in three increments, 35% in December, 35% in April and 30% in September. These payments line up with the district’s budgetary needs to make sure we have sufficient funds to cover our costs relating to the period when the tax collector money hasn’t come in yet and also sufficient to meet the district’s debt service requirements on the existing bonds.

On MOTION by Ms. Bock seconded by Ms. Jordan with all in favor Resolution 2020-07 was approved.

TENTH ORDER OF BUSINESS

Consideration of License Agreement with Clay High School Swim Team

Mr. Oliver stated next is consideration of a license agreement with Clay High School Swim Team. Clay High School has had a long-standing relationship with the district in conducting practices and meets at the district. A number of members of the team are residents of Rolling Hills. Obviously, things are a little bit different this year with COVID and working with Katie’s colleague, Michele Rigoni, an attorney at Hopping Green a proposed license agreement has been structured and there is some pretty robust language regarding requirements related to COVID. This is a draft agreement that will go to the school board for their attorney’s review and agreement.

Ms. Buchanan stated it is exactly the same form we previously executed with additional language in section 3 related to COVID, our goal is to ensure that no one sick comes to the facility, social distancing remains in place and that the swimmers do what they can to get in and out of the facilities without lingering.

Mr. Church asked can we mandate that someone on their staff do temperature checks?

Ms. Buchanan stated we can ask for it.

Ms. Jordan stated they don't have a lot of swim meets, but when they do we need to have something in here regarding parking. I know we only had it happen one time, but we need to have them bussed in or they can only park in designated parking spots. They parked in front of people's mailboxes, on lawns, on the grass and this is a residential community and we can't have that.

Ms. Buchanan stated the only meets are at the Cecil Field Aquatic Center, the practices are at home, but we can clarify it.

Mr. Oca stated that happened one time a year and a half ago and it happened because they scheduled all three local schools at the home meet so there were three high schools that were all close so everybody was able to drive to the facilities and she is aware of that and is not going to schedule like Middleburg and Ridgeview all in the same meet at the same time and that will eliminate a lot of the parking issues.

On MOTION by Ms. Bock seconded by Mr. Church with all in favor the license agreement with Clay High School Swim Team was approved in substantial form as amended with the suggested changes and Ms. Jordan was delegated authority to approve the final license agreement.

ELEVENTH ORDER OF BUSINESS

Presentation Regarding Tennis Programming

This item tabled.

TWELFTH ORDER OF BUSINESS

Other Business

There being none, the next item followed.

THIRTEENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

There being none, the next item followed.

B. Engineer

Mr. Church asked when will the project start?

Mr. Hadden stated right after Labor Day weekend, the first thing they do is put a silt fence in around the entire perimeter of the property so it will be a while before you start to see equipment in there. It will be October before you see much activity.

C. Manager – Discussion of Proposed Meeting Schedule for Fiscal Year 2021 and Consideration of Resolution 2020-09

On MOTION by Mr. Church seconded by Ms. Jordan with all in favor Resolution 2020-09 approving the fiscal year 2021 meeting schedule was approved reflecting the following meeting dates: October 13, 2020, December 8, 2020, February 9, 2021, April 12, 2021, June 8, 2021 and August 10, 2021.
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D. Operations/Amenity Manger - Report

Mr. Oca stated we got hit by lightning again and one of the panels for the card access system had to be replaced and that was done today, the access system was down for a day or so. The compressor for AC unit 1 went out and we had that replaced last week.

Mr. Szozda stated there is some sod areas that need to be repaired around the amenity center and by the dumpster on the other side and I got a bid for sod and I will forward that to Jim tomorrow.

Mr. Church stated there are four or five lights in the pool that are not working. In the family shared bathroom the card reader is dead and that could have been due to lightning. There is no light fixture whatsoever in there.

Mr. Oca stated that panel had to be repaired and they had to order the part for that. The light was malfunctioning and we took that down. We are waiting for the door to be fixed then we will install the new ballast for that light.

Mr. Church stated a couple things I noticed or have been told about was the pool deck looks like no one has blown that off in a long time. There has been a pile of weeds up against those drains. I don't know if that is something you do or the landscape company is supposed to blow that off when they are here.

Mr. Oca stated I will take a look at it.

Mr. Church stated I'm not sure if anybody is wiping down the railings, there was bubblegum stuck underneath them and garbage in the bathroom.

Mr. Oca stated we got that taken care of.

Mr. Oliver asked what is the deal with the lights in the pool not working?

Mr. Oca stated of the four lights in the pool, three are working, two were repaired and Blackcreek is coming in Monday to look at those again.

Mr. Church stated the wires are cut on the handicap chairs so they can't be functional.

Mr. Oca stated I didn't realize the wires were cut. I know we replaced the batteries and we hooked them up and they were working. I will take another look at them.

FOURTEENTH ORDER OF BUSINESS Supervisors Requests

Ms. Jordan stated Freddie and I have talked about the treadmills and they were getting those done soon but a resident wants us to look at real weights, whatever that means and I will get the details and give them to Freddie.

FIFTEENTH ORDER OF BUSINESS Audience Comments

Ms. Cormier stated when it comes to what Shannon addressed about the three proposals I remember being at the meeting and her asking that if there was anything we had to renew contract that they would bring in three bids. Would that have been the management company and the Yellowstone and Lake Doctors?

Mr. Oliver stated clearly that was done with lake proposals. Staff will still get landscape maintenance proposals for the special meeting on the 22nd.

Mr. Church stated on the landscape this is the first time I have seen the Yellowstone letter where they are going for a 45% increase and I didn't see it until the book is here. They can't continue to charge us the current amount.

Mr. Oliver asked a 45% increase?

Mr. Church stated in two years yes, they said their labor costs went from \$8.90 per hour to \$12.88 per hour. It says they cannot continue to deliver the current specifications at the current price and that letter I just saw today that is dated August 5, 2020.

Mr. Oliver stated they are talking about their internal labor costs, but if you go to the top paragraph of the second page, the requested contract increase is from \$72,621 to \$74,800, a minimal increase.

Mr. Oca stated it is about a 3% increase, which is standard.

Mr. Oliver stated it sounds like you have the opportunity if you are dissatisfied with the performance and if you get a company that offers better value, but do realize we have had some landscape challenges out there before this company.

Mr. Mattera asked when you do a contract and they are going to bid for three to five years. When you have a three-year contract does each year have a certain amount of increase?

Mr. Oliver responded typically they do. In this case, an increase is not contemplated in the contract, and the contract states any request for increase must be made in writing to the District.

Ms. Cormier stated one more thing about the amenity center. There have been a few occasions where we had marijuana in the bathrooms and my kids have found stuff down there at the pool. There is a huge need for security cameras down there so the illegal activities that are going on can be seen, can be stopped, can be eliminated. I sent an email about the pool and the lighting and Freddie let me know that the overhead lights are security lights. Could those be turned on so that pool is lit in a better way? Maybe between the security camera monitoring and the efficient lighting maybe some of the criminal activity and stuff that is happening that should not be happening in the dark could be eliminated. It is not safe for my kids to go to the pool when there are people there that are up to no good. There was talk about having security in the evening but nothing has been done. It has to be addressed.

Mr. Oca responded there is one light between the slide and the lap line, we can keep that on and just turn it off in the mornings.

Mr. Church stated you can't have cameras face bathroom doorways it is against the law.

Ms. Jordan asked can we look at the bids for extra cameras?

Mr. Oca stated we can.

Mr. Church stated the light used to be white and now it is yellow. You should tell them to swap that light out because it is not as bright as it used to be.

Mr. Oca stated I will talk to Dusty on Monday.

Ms. Jordan asked have we opened the splash pad with the COVID rules?

Mr. Oca responded it is open, yes.

Ms. Jordan asked is there anything holding us back from putting the furniture on the deck?

Mr. Oca stated we follow CDC guidelines, but it is up to the board if you want furniture out.

Ms. Buchanan stated he is right. At this point a lot of boards have taken different approaches with how they want to operate their facilities. It is still the lowest risk to not have furniture, that being said, if you want to put it out there and have signage or cleaning supplies available you can do it. I don't have a good answer on how COVID mitigation is evolving.

Ms. Jordan stated we can look at it next meeting, that is fine.

A resident asked are we allowed to bring guests?

Ms. Jordan stated no. I think we can put that on the agenda for the next meeting.

A resident stated there were families at the pool with guests and a monitor was letting them in.

Ms. Jordan stated that is something for Freddie to address with the monitor. We are not allowing guests because we only allow 60 people in the amenity center, we are leaving that for people who pay for that amenity center. We should not have guests at the amenity center.

Ms. Buchanan stated our agreement specifically says that parents, guests and other spectators aren't going to be allowed to use the facilities during practices and meets for as long as COVID continues. It is just going to be the team members.

Ms. Cormier asked is the pool going to be open on Mondays? It has never been closed before.

Mr. Church stated it is always supposed to be closed on Mondays, nobody followed the rule. Freddie has now put a timer on the access system not to allow anybody in on Mondays.

Ms. Jordan stated that is something we can add to the next meeting.

SIXTEENTH ORDER OF BUSINESS Financial Reports

A. Balance Sheet & Income Statement

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

B. Assessment Receipt Schedule

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

C. Check Register

On MOTION by Ms. Bock seconded by Ms. Jordan with all in favor the check registers were approved.

SEVENTEENTH ORDER OF BUSINESS **Next Meeting October 13, 2020 @ 6:00 p.m. at Rolling Hills Amenity Center, 3212 Bradley Creek Parkway, Green Cove Springs, Florida 32043**

Mr. Oliver stated there are two meetings on the horizon. The next regular meeting, which you approved earlier today is October 13th and that is the standard 6:00 p.m. meeting. We are also going to have a special meeting on September 22nd for the matters related to the upcoming bond issue. Once we get through the bond business, the Board can consider landscape maintenance proposals. Any other business I would like to push to the regular meeting on October 13th rather than pack that into the special meeting if that is okay with the board.

Ms. Jordan stated that is okay. The 22nd meeting will need to be an evening meeting.

Mr. Oliver stated our next meeting will be a special meeting with a limited agenda that will be September 22nd, two items, bond documents and landscape agreements. Our next regular meeting will be October 13 at 6:00 p.m.

On MOTION by Ms. Bock seconded by Ms. Jordan with all in favor the meeting adjourned at 8:09 p.m.

Secretary/Assistant Secretary

Chairman/Vice Chairman