

ROLLING HILLS
COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Rolling Hills Community Development District was held Tuesday, October 12, 2021 at 6:00 p.m. in the Rolling Hills Amenity Center, 3212 Bradley Creek Parkway, Green Cove Springs, Florida.

Present and constituting a quorum were:

Shannon Jordan	Chairperson
Rose Bock	Supervisor
John Miller	Supervisor

Also present were:

Marilee Giles	District Manager
Jim Oliver	GMS
Katie Buchanan	District Counsel
Michelle Rigoni	Hopping Green & Sams
Keith Hadden	District Engineer
Freddie Oca	Riverside Management
Brian Stephens	Riverside Management by telephone
Sete Zare	MBS Capital Markets, LLC by telephone
Sylvia Wilhelm	Nabors Giblin & Nickerson by telephone
Scott Blunck	Garden Street Communities Southeast, LLC

The following is a summary of the actions taken at the October 12, 2021 meeting. An audio copy of the proceedings can be obtained by contacting the District Manager.

FIRST ORDER OF BUSINESS

Roll Call

Ms. Giles called the meeting to order at 6:00 p.m. and called the roll.

SECOND ORDER OF BUSINESS

Audience Comments

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Organizational Matters

A. Appointment of New Supervisor to Fill the Unexpired Term of Office (11/22)

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Ms. Giles stated as a reminder Frank Matera resigned at the August 10th meeting and we received two resumes from Rolling Hills residents. The new supervisor will be appointed tonight by majority vote.

After discussion of both applicants, the board took the following action.

On MOTION by Ms. Jordan seconded by Mr. Miller with all in favor Nate Riggs was appointed to fill the unexpired term of office.

B. Oath of Office for Newly Appointed Supervisor

C. Election of Officers, Resolution 2022-01

Items B and C tabled.

FOURTH ORDER OF BUSINESS

Approval of the Minutes of the August 10, 2021 Meeting

On MOTION by Ms. Jordan seconded by Ms. Bock with all in favor the minutes of the August 10, 2021 meeting were approved as presented.

FIFTH ORDER OF BUSINESS

Series 2020 Project

A. Update Regarding Series 2020 Project

Mr. Hadden stated we had a scheduling issue and can't get some of the equipment for the lift station; the first phase was scheduled to be finished by the end of this calendar year and it will probably be March because the lift station won't be ready until the end of March. All the gravity sewer that is needed for Phase 1 is in, they are putting in storm now then they will have water and sewer and roads. They are scheduled to have the roads paved, down the trunk road and the first cul-de-sac in December. The overall project is still on schedule.

I talked to David Guy and before your next meeting we are going to make some changes. The Vallencourt invoices still have the original bid amounts. You were doing direct purchase of materials and we paid that and I want to make sure Vallencourt takes that money out of specific line items on their invoices. Vallencourt is only billing for labor.

Mr. Miller asked are rising fuel costs going to affect our costs?

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Mr. Hadden responded no.

Ms. Buchanan stated these projects are being paid for with bond proceeds and if your costs do increase it would be the responsibility of the developer in accordance with the completion agreement.

B. Ratification of Requisitions (49-53) (54-56)

On MOTION by Ms. Jordan seconded by Ms. Bock with all in favor requisitions 49-53 were ratified and requisition 54-56 were approved.

SIXTH ORDER OF BUSINESS

Series 2021 Project

A. Update Regarding Series 2021 Project

Mr. Blunck stated we closed October 1st, the plans have been resubmitted to St. Johns, ERP and back to Clay County Utility Authority. We are submitting back to Clay County on our development plans, preliminary plat and landscape plans tomorrow. We expect to get full permits by mid-November. Our intent is to deliver as much as we can on the service road and we can get access for most everything. We have a balanced site and don't have to haul dirt off so it is basically getting our grading equipment onsite.

B. Consideration of Qualifications for District Engineer Services

Mr. Oliver stated Keith Hadden has been, is now and will remain the district engineer. He has been with this district from the beginning and is the one who designed it. Phase 3B and 3C was designed by the Alliant Engineering and it makes sense for the person who is going to be managing the project to be familiar with the plans so that the contractors that come onsite perform their work in accordance with the plan. We went out with the RFQ process and received one response from Alliant Engineering, the engineer of record for that project and one from JBPro out of St. Augustine, I'm not familiar with them but we included in your agenda packets the qualifications for both firms.

On MOTION by Ms. Jordan seconded by Mr. Miller with all in favor Alliant Engineering was selected to be the engineer for Phases 3B and 3C.

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C. Consideration of Delegated Award Resolution 2022-02

Ms. Buchanan stated several meetings ago you had an assessment hearing that levied a master assessment for the new phase, Phase 3B and 3C. Part of that assessment hearing did include an engineering report, which hasn't been updated since that time and currently has an estimated construction cost of approximately \$7.7 million. This is the maximum amount but that will not necessarily be the amount of bonds that are issued. The type of improvements being contemplated for that are very similar to the other improvements previously constructed, which include water, sewer, roadway, transportation as well as stormwater and drainage and certain soft costs including professional fees.

The delegation resolution authorizes the CDD to prepare the offering statement, to have the underwriter utilize it to then start the steps necessary to issue bonds. The following documents will address some clean up items that we have to undertake in connection with the sale of the land from CBCP to Garden Street and the developer agreements are the belt and suspenders documents that are similar to what you previously approved with the prior bond issuance. We are taking all the steps necessary to issue bonds with the expectation that the next time you meet we will be pre-closing the bond issue.

Ms. Wilhelm stated Resolution 2022-02 is a delegated award resolution and essentially serves two purposes, the first is to delegate to the chairman of the board the authority to enter into a bond purchase agreement so long as the bond purchase agreement is within the parameters that we are going to approve and the second purpose of the resolution is to approve the forms of four documents that we need in order to market and price and close on the bonds which are the bond purchase agreement, the sixth supplemental indenture, the preliminary offering memorandum and continuing disclosure agreements.

The maximum principal amount of the bonds is not to exceed \$9.5 million in the aggregate for all series and it will be allocated between the two series based on market conditions at the time of pricing, the maximum interest rate is the maximum statutory rates, underwriting discount is a maximum of 2%, maturity date is May 1, 2053 and the redemptions provisions are as they are provided in the forms of the bond which is attached to the sixth supplemental indenture and the 2021A-1 Bonds will be subject to optional redemption no later than May 1, 2033.

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The documents attached to the resolution are being approved today in substantial form, they will be updated as we move along through this process of marketing, pricing and closing.

On MOTION by Ms. Jordan seconded by Ms. Bock with all in favor Resolution 2022-02 was approved in substantial form.

D. Document Transferring Responsibilities from CBCP to Garden Street

Ms. Buchanan stated when the initial bonds were issued that were refunded in 2015 there was debt assigned to the Phase 3B and 3C property and that debt is like a blanket and lies on that property parcel. What is happening is that since the CBCP sold the property to Garden Street they wanted to make sure that they didn't have any obligations remaining on that parcel. One of the obligations out there is the true-up agreement that is related to the number of units that are going to be on the parcel. The intent is to make sure that enough units are platted to adequately secure the bonds. The bonds are issued on an established number of units and we are talking about 247 units. If Garden Street only puts 240 units on the property the district would be short 7 units and wouldn't have enough money to pay the bonds. This agreement is an assignment from Common Bond to Garden Street to ensure that Garden Street now assumes that obligation to make sure that 247 units are platted.

I suggest you approve this in substantial form because I think Garden Street wants to review it.

On MOTION by Mr. Miller seconded by Ms. Jordan with all in favor the document transferring responsibilities from CBSP to Garden Street was approved in substantial form.

E. Developer Agreement

- 1. Collateral Assignment Agreement**
- 2. True Up Agreement**
- 3. Declaration of Consent**
- 4. Acquisition Agreement**
- 5. Completion Agreement**

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Ms. Buchanan stated these documents shore up the bond transaction and special assessments to make sure that the district has adequate remedies in case of a default or change in the plans. The collateral assignment ensures that if the landowner doesn't pay the special assessments and the district is forced to foreclose on the property this automatically assigns to the district all the entitlements and development rights that run with the property. The district is entitled by law to foreclose on the property if the assessments aren't paid but it doesn't guarantee that we get all the things that are on page 5 of the agreement, which are things like plans, declaration of covenants, architectural plans and permits, approvals, contracts with the engineers, architects and other vendors, all the rights that are necessary to actually develop the property that aren't attached to the dirt. Every time the property is sold to an end user it terminates so it won't impact a resident's ability to use the property, it just gets us through the development phase to make sure that if anything goes wrong and we have to take over the property we can provide for the development of the land and can pass it on to the next user.

Next is the true-up agreement. Our bonds are issued based on the assumption of a number of units and we are talking about 247 units. If for some reason that number is changed then this provides for what happens. If only 240 units are developed instead of 247 the landowner will be obligated to true-up that by writing us a check for the assessments tied to those missing 7 units. It is also recorded and runs with the land and it is going to be an obligation that stays on the property and any subsequent purchaser will also pick it up. It provides that every time there is a plat recorded we get to see the plat and do the true-up analysis to make sure they are on track.

Next is the declaration of consent and this is signed by the developer and acknowledges that the district was properly created, that the assessments were properly levied and that they consent to the jurisdiction of the district. We make sure that we acknowledge this upfront so that in the event of default and we have to litigate over the special assessments, the landowner can't come back and say you did something wrong.

The acquisition agreement relates to how the district is going to take title to work product, improvements, and real property. We anticipate the district is going to bid out the work on behalf of the landowner. We will be the owner of that contract from the beginning to the end, but it is possible that there may be some additional contracts the developer does independently. As an example, a special contract for construction of a sign or a special landscape installation contract that wasn't included in the contract we bid out they are going to want to convey that work to us

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and this document sets forth the protocol and process for how that conveyance works. The district is also going to be required to accept the title to the underlying property for any improvements it may own. The land will be acquired at the cost of the landowner and lastly it covers things like engineering plans and specifications that the developer may have commissioned that we as the ultimate owner and operator of the improvements would need to have.

The last agreement is a completion agreement. The district will only have a finite amount of money and once that amount of money is exhausted the district is not going to levy any further special assessments on the project. This agreement obligates the developer to complete the project externally and convey it to the district or fund the completion of any improvements that are under contract with the district. If we have a construction contract that ends up costing more than the bond proceeds, the developer will provide that funding to the district to complete the contract.

On MOTION by Ms. Jordan seconded by Mr. Miller with all in favor all the above listed agreements were approved in substantial form.

Ms. Buchanan stated there is an item not on the agenda. Garden Street has requested that the district actually bid out the project with the understanding that the district is the safer mechanism, we have sovereign immunity, able to save money by direct purchase without taxes, all the costs of the bidding and construction would be eligible for payment from bond proceeds. Based on the developer's request I would like to ask the board to authorize a request for proposal. It will run 30-days and have proposals will come back in time for the meeting we will have to do the pre-closing and we will have a better understanding of how much it is going to cost.

On MOTION by Ms. Jordan seconded by Ms. Bock with all in favor staff was authorized to issue an RFP for the Phase 3B and 3C project.

Ms. Buchanan stated the one thing we talked about is whether the district wants to establish a construction committee or whether you are going to be comfortable having the developer evaluate the bids independently and bring a recommendation to the board for you to discuss and consider.

Ms. Jordan stated I think the developer is best suited for that.

Ms. Buchanan stated it will ultimately be your decision but their insight would be helpful.

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It was the consensus of the board to have the developer evaluate the bids and bring a recommendation to the next board meeting.

SEVENTH ORDER OF BUSINESS Ratification of Water Management Agreement with The Lake Doctors

Ms. Giles stated this is a renewal of the agreement with Lake Doctors for FY 2022. It has been executed and we are asking the board to ratify.

On MOTION by Ms. Jordan seconded by Ms. Bock with all in favor the agreement with the Lake Doctors was ratified.

EIGHTH ORDER OF BUSINESS Other Business

There being none, the next item followed.

NINTH ORDER OF BUSINESS Staff Reports

A. Attorney

There being none, the next item followed.

B. Engineer

Mr. Hadden stated sometimes we have easements that run down a property line and those easements could be conveyed to Clay County, Clay County Utility Authority or the CDD. Typically, an easement is for either access to an underground utility, for a sidewalk or for access to a lake for maintenance. The land below the easement is still owned by those landowners, it is not a tract, it is not owned by the CDD; it is owned by the underlying lot owners. Just because there is an easement people can't walk down that easement to fish, it is not their property. I was asked could a landowner put a fence across the easement and the answer is yes with the understanding that the utility authority, the county or the CDD may in the future need to remove that fence and would not be required to replace the fence.

Ms. Jordan stated along Sandridge and Woodbridge there is an easement and residents, children and non-residents are crossing on some people's property very close to their homes. I asked today what can be done because whatever they put there these kids just move.

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Ms. Buchanan stated Keith's interpretation is correct, you can put a fence and if it interferes with the easement holder's use of the property then you put it up at your own risk.

Ms. Bock stated you will probably need ARB approval from the HOA.

Ms. Buchanan stated the only other issue is that the fence could potentially damage something underground such as a pipe.

Mr. Hadden stated typically, you are going to have at least 40" of cover over anything that is the ground and a fence post would not go that deep.

Ms. Bock stated I suggest that you post something on the website that says this is private property and you are trespassing if you go on there and keep repeating that. We have done this in St. Johns Golf because people have walked between two houses and started fishing in somebody's backyard.

Ms. Giles stated you could have the resident submit something to the HOA board and the HOA could submit it to the CDD so that there is something in writing and on the record saying it was approved by the HOA, it was approved by the CDD.

Mr. Oliver stated we could get in touch with the HOA management company and say we still want residents to apply through the HOA and as you look at the application and the associated documents if it impacts any CDD easements or properties, contact us so we can consider it. It may be that the HOA disapproves before it even gets to the CDD.

C. Manager

Mr. Oliver stated we will probably have a meeting in November.

Ms. Buchanan stated I agree.

Ms. Giles stated thank you for your consideration of the iPads. GMS did buy the iPads at no cost to the district. I hope the board likes them, I do think it is going to be a cost savings to the district. We are not Federal Expressing packages and we aren't printing packages. If there is a board member who is not comfortable with the iPad let me know and I can give training on how to use the iPad or print one agenda package if I need to.

D. Operations/Amenity Manger

1. Report

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Mr. Stephens stated the upstairs section of the clubhouse with the exception of the fitness center has been repainted. The new street signs that the county provided as well as stop signs have all been installed and we are going to reach out to the county and request additional signage to replace some of the faded, damaged, weathered stop signs as well as street signs. The damaged “no parking” signs that are on the west end of Bradley Creek Parkway were all repaired and all of the signposts were repainted. The worn and damaged wood that is off the bridge leading to Woodbridge has been replaced.

2. Monthly Quality Inspection Report

Mr. Stephens stated in the agenda package is an example of the punch list that I did with Tree Amigos for last month and I will be doing a monthly landscape inspection and these will be included in the agenda package to give you an idea of the things I have asked for whether it be quotes for future projects, ideas to give to the board or maintenance type items that need to be taken care of. There are quite a few quotes that I have asked for and have given them a couple months to put together, primarily going into this time of year I don’t recommend doing any new planting with the potential for cold weather, freeze damage and even a quote now in the spring those numbers would not be applicable. In the Laurel Springs there is CDD owned property that looks like it hasn’t been maintained and they are going to start maintaining. Due to the height of it they are not going to use their regular finish mowers, they will bring in a bushhog to knock it down the first time then it will be maintained as part of their regular maintenance.

Mr. Oca gave an overview of the August/September report, copy of which was included in the agenda package.

TENTH ORDER OF BUSINESS

Supervisors Requests

Ms. Jordan stated I rode round the community with Freddie and compiled a check list. Do we know when mulch is going in?

Mr. Stephens stated that is typically done in the spring and the reason to wait that long is because of the leaf drop.

ELEVENTH ORDER OF BUSINESS

Audience Comments

A resident stated I wanted to say thanks for the tennis and pickle ball classes.

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Ms. Cormier stated we really do enjoy having the programs out there and I feel this will help as you have students in high school and different clubs that have a tennis program. You are teaching the next generation at a young level. Over the years we will see a payoff.

There are only a couple water fountains that work. There has been some vandalism done to some items that Jimmy left out there for people to use.

The area in the Woodbridge Crossing part in the back, has very low hanging branches and they need to be trimmed.

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

THIRTEENTH ORDER OF BUSINESS Next Meeting Scheduled for December 14, 2021 @ 6:00 p.m. at Rolling Hills Amenity Center

Ms. Giles stated the next meeting is December 14, 2021 at 6:00 p.m. unless we schedule a special meeting in November, which we likely will. Once we lock down that date we will send an email out to coordinate that with each board member.

On MOTION by Ms. Jordan seconded by Mr. Miller with all in favor the meeting adjourned at 7:20 p.m.

DocuSigned by:
Marilee Giles
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Secretary/Assistant Secretary

DocuSigned by:
Jim B
85131D1FE04E4CB...
Chairman/Vice Chairman