

**MINUTES OF MEETING
RIVERWOOD
COMMUNITY DEVELOPMENT DISTRICT**

The continued meeting of the Board of Supervisors of the Riverwood Community Development District held on Tuesday, February 13, 2018 at 2:00 p.m. was reconvened on Tuesday, February 20, 2018 at 12:00 p.m. to conduct a workshop before the regular meeting at 2:00 p.m. at the Riverwood Activity Center, 4250 Riverwood Drive, Port Charlotte, Florida.

Present and constituting a quorum were:

Rita Anderson	Chairperson
Richard Knaub	Vice Chairperson
Jim Martone	Assistant Secretary
Dolly Syrek	Assistant Secretary
Michael Spillane	Assistant Secretary

Also present were:

Robert Koncar	District Manager
Scott Rudacille	District Counsel
Brad McKnight	Project Coordinator
Susan MacPherson	Operations
Jerry Hahn	Operations
Wendell Gaertner (via telephone)	Financial Advisor, PRAG
Camille Evans (via telephone)	Greenberg Traurig
Residents	

The following is a summary of the minutes and actions taken at the Board Meeting on February 20, 2018 meeting.

FIRST ORDER OF BUSINESS

Call to Order and Roll Call

- Ms. Anderson called the meeting to order and Mr. Koncar called the roll.
- Mr. Koncar noted questions arose in the past week regarding Mr. McKnight's time. He noted when Molly Meadows left, Mr. McKnight started doing Field Management Reports for Heritage Oak Park CDD. He did so according to the original agreement between us that he would do them only after hours and on weekends, without time away from Riverwood. It takes two hours to do the review and then he goes to the meeting usually lasting about 30 to 45 minutes.

- Mr. McKnight will no longer be doing that. Someone else will be.
- The District will be credited for 5 hours over the last 5 months which was retroactive for when Ms. Meadows left. The bigger issue for Mr. Koncar was Mr. McKnight's time, what he does, when he does it and how his time is spent.
- In that regard, he, the Chairperson and Mr. Rudacille will review the current contract and bring back a discussion at a workshop with the Board and discuss the specifics of the contract, what his time will be spent on and what he is doing.
- Mr. McKnight will begin breaking down his time spent at Riverwood. Within the next 30 days we will have a good idea where his time is spent.
- Mr. Knaub noted since having our workshop last January, he still has concerns. We still get the old catalog every month on our tablets. He wanted to receive something in a newer format.
- Mr. Koncar noted there is a new program covering several areas, called a Financial Dashboard which he will discuss with the Finance Team.
- Ms. Anderson noted we are conducting a continued meeting for the financial group to work on this report.
- The Board thought the Avid program was a big help.

SECOND ORDER OF BUSINESS

**Approval of the February 20, 2018
Agenda**

On MOTION by Mr. Knaub seconded by Ms. Syrek with all in favor the February 20, 2018 agenda was approved.

THIRD ORDER OF BUSINESS

Audience Comments on Agenda Items

- Mr. Dave is unhappy because his Beach Club dues were not being refunded since he sold his house.
- In order to change the rules, a public hearing will have to take place, which may take three months to complete.
- Mr. Denny Knaub commented on construction of Building A and replacement of sheeting on the roof.

- Mr. McKnight instructed the contractors to take before pictures and after pictures of any replacement plywood or any further damage they see on the tresses. They have not seen any underlying damage.
- Mr. Walt Powers recently checked the CDD website of the different committees and requested the committee members to update the minutes. In some instances, they are more than a year in arrears and have not been updated.
- Supervisors noted they will post the committee meetings.
- Mr. Myhrberg commented on Dashboard Reports. He suggested if you do a Dashboard Report, start putting data in it to help do your job.
- Supervisors will take into consideration suggestions made for Dashboard Reports.

FOURTH ORDER OF BUSINESS

Approval of Consent Agenda

- A. Approval of Minutes of the January 16, 2018 Meeting**
- B. Acceptance of:**
 - i. Financial Statements**
 - ii. Reserve Fund Report**
 - iii. Investment Report**

On MOTION by Mr. Knaub seconded by Ms. Syrek with all in favor the consent agenda was approved.

FIFTH ORDER OF BUSINESS

Operations Report

- Mr. Hahn reviewed the Operations Report for the month of January.
- Low pressure was 58 and average pressure was 66.
- There were no odor complaints.

SIXTH ORDER OF BUSINESS

Manager's Report

- A. Waiver of Conflict of Interest**
- Mr. Koncar reviewed the Waiver of Conflict of Interest provided by Mr. Warren Bloom of Greenberg Traurig, District Bond Counselor. The Board needs to approve the acknowledgement from them that they do business with Valley National Bank, who will be working on our loan.
- Ms. Camille Evans, an attorney at Greenberg Traurig, called in to answer any questions the Board may have.

On MOTION by Ms. Anderson seconded by Mr. Knaub with all in favor the Waiver of Conflict of Interest was approved.

B. Discussion on Loan

- Mr. Gaertner noted he is looking for guidance from the Board so when they come back next month they will have accurate numbers for the final loan reflecting the Board's desire for the financing.
- Notices to residents were sent out about the maximum financing. We went very conservative on that and put in the maximum amounts at all levels. He thinks the actual will be lower. At the public hearing, they will bring the loan documents and final numbers for Board consideration.
- He talked about assessments already done and taking available funds and applying it to cover the interest payment that would be due in November, which is before the new assessment kicks in.
- Whatever is left, use it over the next three years to create a ramp up in payments so the residents are not making the full payments on the new Activity Center before it is complete, but that they would be making lower payments and over a period of three years, it would reach the maximum.
- The Board was in agreement.
- Mr. Koncar noted the way these bonds are repaid, there is an interest only payment November 1st and then you pay interest and principal on May 1st. The problem is if you do not have sufficient fund balance forward from the previous year, you are not going to have the money for payment because you do not start getting your assessments until December.
- Mr. Gaertner noted the fact that you did this assessment and collected it during this fiscal year, gives us money to make the November payment that we otherwise would have had to borrow for.
- Mr. Koncar noted when the Board approved the Authorization Letter for the Chairperson to sign, it was at \$7,500,000. The Board authorized the District Manager to go to the bank and borrow. We cannot get any more money than what you approved.
- Mr. Koncar asked Mr. Gaertner about the numbers in the resident letters being higher than they should be.

- Mr. Gaertner addressed the issue noting it took a while to get the full set of documents related to the 2007 bonds, but Bond Counselor, Ms. Evans, did get them from the Trustee three weeks ago. Buried in the documents is a prepayment penalty which now would total about \$40,000 to pay off the 2007 loan. He contacted SunTrust Bank about this.
- The Board requested Mr. Gaertner send a breakdown of all the numbers.
- Mr. Koncar suggested meeting with the Board prior to the public hearing on March 20, 2018 to review the numbers associated with the proposed loan of \$7,500,000.
- The Board will hold a continued meeting on Thursday, March 1st, 2018 at 2:00 p.m.

Let the record reflect Mr. Gaertner left the meeting at this time.

SEVENTH ORDER OF BUSINESS

Attorney's Report

There being no report, the next item followed.

EIGHTH ORDER OF BUSINESS

Old Business

A. Traffic Light Update

- Mr. McKnight updated the Board on the traffic light installation. He received an email today from the primary contractor who noted they are moving forward with asphalt installation. They are setting up a pre-signal inspection next week. When the inspection passes, the signal will be placed into Flash. Then the striping will be performed.
- Expectations are all should be operable by the first week of March.
- The District Engineer is supposed to be inspecting everything. He will certify the pedestrian signals. Then the District has to perform an as-built survey.

B. Activities Center #1 Re-Roof Project Update

- Mr. McKnight noted as of yesterday the roofing contractor, Crown Roofing, began the re-roofing project for Activities Center #1. Last week an email blast was sent to residents letting them know the timeline. At no time will the interior of the Activities Center be closed. For three days, the pool area will be closed for the safety of residents and guests.

C. Activities Center Campus Construction Update

- Ms. Syrek noted last Thursday was the first of three council meetings for the NOPC and the DRI to be renewed. It was held in Ft. Myers. She and Mr. Rudacille met there. They

received a glowing assessment and approval from Charlotte County. The next meeting is in mid-March. The last meeting will be at the end of March. Then they will receive approval for NOPC.

NINTH ORDER OF BUSINESS

New Business

A. Activities Center #2 HVAC Proposals

- Mr. McKnight noted in the agenda package is information on proposals for the mechanical and electrical engineering plans for the Activities Center #2 HVAC.
- He reviewed three proposals for the mechanical equipment from Grande Aire Services, Florida Comfort Air Conditioning and Putnam Mechanical.
- Putnam Mechanical submitted a proposal at a cost of \$148,800. Mr. McKnight recommended going with Putnam Mechanical.
- On the electrical side, Mr. McKnight sent out RFPs and received three responses including Mr. Jeff Masters of Empire Electrical. He recommends going with Empire Electrical at \$21,950.
- Total cost for both mechanical and electrical comes to \$187,825.00 with the 10% contingency.
- Mr. Rudacille asked whether the Board wants to see a contract before giving approval.

Ms. Anderson MOVED to have the Board authorize staff to develop a contract with Empire Electrical for electrical services at the Activities Center #2 and Mr. Knaub seconded the motion.

- The Board emphasized the need for the contract to be presented at the March 1st continued meeting.

On VOICE vote with all in favor the prior motion passed.

B. Storage Containers WWTP & Maintenance Area

- Mr. McKnight contacted a firm that sells storage container units. There will be a need with the Activities Center #1 to store a lot of equipment.
- He received a proposal from My Mini Casa for one storage container in the amount of \$2,608.16.
- The Board agreed to purchase two containers, but start with only one.

Mr. Knaub MOVED to purchase from My Mini Casa, LLC, two containers, starting with the purchase of only one, at a cost for each in an amount not-to-exceed \$2,700 and Mr. Martone seconded the motion.

- Discussion ensued on the above motion.

On VOICE vote with all in favor the prior motion passed.

C. Security Services Proposals

- The Supervisors ranked the three finalists for security services, Weiser Security Services, Allied Universal and Diamond Investigations & Security.
 - Supervisor Anderson selected Weiser, Allied and Diamond
 - Mr. Knaub selected Weiser, Diamond and Allied
 - Ms. Syrek selected Weiser, Allied and Diamond
 - Mr. Martone selected Weiser, Allied and Diamond
 - Mr. Spillane selected Weiser, Allied and Diamond.
- All Supervisors agreed they liked Weiser the most.
- Mr. Knaub can notify Weiser that they were chosen.
- Mr. Rudacille will need to negotiate a contract with Weiser with a start date of April 1, 2018. It will be presented at the continued meeting.
- Mr. Knaub will try to continue to resolve the issue with the bar codes.

TENTH ORDER OF BUSINESS

Committee Reports

A. Sewer Committee

- Mr. Martone updated on the work order status on the lift station repairs.
- They finally received a generator proposal.
- They received a bid in the amount of \$234,056 for a 300 kilowatt Caterpillar with a 4,600 diesel tank which will give 7 operating days.
- In order for the sewer plant to maintain its permit, we must have a working generator.
- This bid is only good for 10 days.

On MOTION by Mr. Martone seconded by Mr. Knaub with all in favor purchasing the generator from Ring Power for the sewer plant in an amount not to exceed \$280,000 including contingency was approved.

- Mr. Martone has been working with Eric, the Golf Course Superintendent on getting control set up in order to accept reclaimed water. It is in our contract that we have with SWFWMD that they need to be using reclaimed water for the golf course. They need to be taking it out of our ponds. We had that going until the golf course had a lightning strike on their controls.
- For the golf course to keep going, they installed a new control system in order not to lose time. The control system did not work with our pumping system from the reclaimed pond, so they were not using any reclaimed water. In their Department of Environmental Protection SWFWMD permits, they are required to use some reclaimed water. They have an expert working on it.
- Mr. Martone noted in September a woman from the DEP did an audit of the plant. Ms. MacPherson came to the District this morning and noted it is the longest she has ever seen. Most items have already been corrected. There is one item that needs attention.
- Back in 2015 we changed our monitoring wells from four to three. CPH did the work for us, but never sent in the information and the data must be sent back to the DEP.
- Mr. Martone will get in contact with CPH as soon as possible.

B. Water/Utility Billing Committee

- Mr. Knaub noted there is a new utility billing system Inframark will be implementing. It will be April-May timeframe when it begins.
- He is trying to get the report from CCU on their new transfer pump station, which will reduce the water pressure based on their hydraulic model by 10-20 psi.
- He will follow up on this to see if anything was received from CCU.
- He noted they may have to install a booster pump which may have 60 psi.
- He will find out the cost for that.

C. Financial Advisory Committee

- Ms. Anderson noted they are reviewing all insurance policies and individual policies.
- They found with the Beach Club, they did not have hurricane, wind or flood insurance.

- For about \$6,500 per year they could get that insurance.
- They are getting the original price for flood insurance that Centex had on the Beach Club.
They are going to extend the policy.

On MOTION by Ms. Anderson seconded by Mr. Knaub with all in favor purchasing additional insurance for hurricane, wind and flood for the Beach Club in an amount not-to-exceed \$6,500 was approved.

- The Committee continued their last meeting to March 6, 2018 at 10:00 a.m.

D. Strategic Planning Committee

- Ms. Syrek noted the committee discussed learning the serving software.
- At the meeting, they spoke at length about construction.
- If needed, the committee could conduct a survey.

E. Environmental Committee

- Mr. Spillane noted no meeting took place this month because there was no quorum.
- He noted no work has been started on the Preserves because it has been too wet.
However, the spray program will start in March.

F. Activity Advisory Committee

- Ms. Anderson noted they have a new person on the Committee, Ms. Sandy Whiteside.

On MOTION by Ms. Anderson seconded by Mr. Knaub with all in favor, Sandy Whiteside was appointed to the Activity Advisory Committee.

G. Beach Club Committee

- Ms. Syrek noted a proposal was brought before the Committee for the purchase of chairs.
- They want to purchase ten sand chairs, ten regular chairs and twenty chaise lounges.
These chairs will replace some of the chairs there now.

On MOTION by Mr. Spillane seconded by Ms. Syrek with all in favor purchasing new chairs for the Beach Club in an amount not-to-exceed \$7,500 was approved.

- Ms. Syrek asked when rules can be amended. She discussed a refund for Beach Club dues for a resident selling his home.
- A discussion on Beach Club membership rules ensued, including renters and guests.
- It was felt if a refund is given to this resident, it will set a precedent.
- Mr. Rudacille noted because we are not messing with the fees, for advertising purposes, we will advertise that we are making changes to the Beach Club rules and we do not have to get that specific.
- A public hearing will be conducted in April and will be advertised as such.

On MOTION by Mr. Martone seconded by Mr. Knaub with all in favor approval given to refund Beach Club dues for the resident selling his home.

H. Dog Park Committee

There being no committee meeting, there is no report.

ELEVENTH ORDER OF BUSINESS

Supervisor Comments

- Mr. Spillane noted he is disheartened at the way these numbers are coming out for this \$7,500,000. This is four months that we have been talking about this. These numbers have been flying all over the roof.
- The remainder of the Board felt more or less the same way.

TWELFTH ORDER OF BUSINESS

Audience Comments

- Mr. Ted McDermott wanted to know who hired that finance gentleman. He was informed that Fishkind and PRAG were recommended by the District Manager. He also wanted to know why the traffic signals and turn lanes were not done on a timelier basis. He complained about the contractor.
- Mr. Don Myhrberg commented on \$7,500,000 proposed loan and on security bidders.
- Mr. Walt Powers noted in the bidding for security, the RCA submitted a bid. They do not have a License Class B that could run a security company. The only reason they were doing it before is because an employee of an entity can work as a security guard. If they are bidding from the outside, they have to have their own Class B License.

THIRTEENTH ORDER OF BUSINESS

Continuation

There being no further business,

On MOTION by Mr. Spillane seconded by Mr. Knaub with all in favor the meeting was continued to March 1, 2018 at 2:00 p.m.



Robert Koncar
Secretary



Rita Anderson
Chairperson