

**MINUTES OF MEETING  
RYALS CREEK  
COMMUNITY DEVELOPMENT DISTRICT**

The Ryals Creek Community Development District Board of Supervisors held a Regular Meeting on October 5, 2021 at 9:30 a.m., at the office of England-Thims & Miller, Inc., located at 14775 Old St. Augustine Road, Jacksonville, Florida 32258.

**Present were:**

A. Chester (Chip) Skinner, III	Chair
J. Malcolm Jones, III	Vice Chair
Christopher J. Eyrick	Assistant Secretary
Clayton (Riley) Skinner	Assistant Secretary
David (Davis) Godfrey Skinner, Jr.	Assistant Secretary

**Also present, were:**

Craig Wrathell (via telephone)	District Manager
Kristen Suit	Wrathell, Hunt and Associates, LLC
Katie Buchanan (via telephone)	District Counsel
Jason Crews	District Engineer
Jason Hall	England-Thims & Miller, Inc. (ETM)
Jason Ellis	England-Thims & Miller, Inc. (ETM)
Kami Corbett (via telephone)	Hill Ward Henderson

**FIRST ORDER OF BUSINESS**

**Call to Order/Roll Call**

Ms. Suit called the meeting to order at 9:31 a.m. All Supervisors were present, in person.

**SECOND ORDER OF BUSINESS**

**Public Comments**

No members of the public spoke.

**THIRD ORDER OF BUSINESS**

**Presentation/Consideration of Engineer's Report/Memo**

Mr. Crews presented the Memorandum used to outline the Methodology for the Operations and Maintenance (O&M) budget based on net developable acreage for the overall Ryals Creek development area. He presented an exhibit identifying the parcels that could eventually be split into smaller pieces later, the assigned acreages to those parcels and their pro rata percentage to the net developable area. The future Right-of-Way (ROW) for the road, pond tracts and wetland conservation areas were excluded from those percentages.

The consensus was that the total was 248.42 acres. Mr. Wrathell asked for confirmation that the 248.42 net developable acres includes the annexation of the Fuqua property that is underway. Mr. Crews replied affirmatively and stated that, when updated, the CDD's total boundaries would encompass approximately 494 acres. Also included is the Town Center parcel, formerly the Fuqua parcel, and what was referred to as Parcel 1.

Mr. Wrathell reviewed the parcels currently contemplated for inclusion in Phase 1 as outlined in the Memo, totaling 139.69 acres, which would be part of the discussion about the O&M Methodology. Mr. Crews confirmed that the list of parcels is correct. Mr. Chip Skinner stated that all the property east of Gum Swamp is included in Phase 1.

Mr. Crews stated that those areas were included in the current budget; Staff is working on the next phase to move forward with the Phase 2 budget. Mr. Wrathell stated the intent was to spread the administrative costs across the 248.42 net developable acres. The O&M specific costs would be cost-split with the Boggy Branch CDD; the remaining Ryals Creek CDD portion would be spread over the 139.69 acres on a per net developable acre basis as described in the O&M Methodology. Discussion ensued regarding the fluctuating pro rata percentages for Phase 1 parcels until Phase 2 comes online.

Mr. Wrathell noted the hope was that increasing O&M costs and the increase in assessable acreage would not result in a dramatic increase when Phase 2 is added. The Engineer's Report, budget and Methodology assumes the annexation of the additional property as previously discussed. Mr. Chip Skinner asked that the property be referred to as the Town Center property going forward, as it is referred to on the map, and not the Fuqua property.

**On MOTION by Mr. Riley Skinner and seconded by Mr. Jones with all in favor, the Memorandum regarding the Engineer's Report, was accepted.**

**Ms. Corbett joined the meeting at 9:43 a.m.**

#### **FOURTH ORDER OF BUSINESS**

#### **Presentation/Consideration of Operations and Maintenance Special Assessment Methodology Report**

Mr. Wrathell presented the Operations and Maintenance Special Assessment Methodology Report dated September 30, 2021 and the Appendix Tables and noted the pertinent data in each section. He discussed the anticipated increase of the CDD's boundaries to approximately 494 acres, the Development Program and the decision to calculate O&M assessments on a net developable acre basis.

Mr. Wrathell stated, as discussed earlier in the Engineer's Report and assuming the annexation of the Town Center property occurs as planned, the 13 parcels would comprise the net developable acreage of approximately 248.42 acres. The administrative assessment would be applied over 248.42 acres, while the O&M assessment would be allocated across the eight parcels in the Phase 1 Development area of approximately 139 acres.

Mr. Wrathell discussed the Cost Share Agreement between Ryals Creek CDD and Boggy Branch CDD for shared field operations costs and noted it was very specific. The Interlocal Agreement included a map indicating which areas are subject to shared costs. Each CDD's percentage of the cost share, the Interlocal Agreement, budget and accompanying Tables were discussed. Mr. Wrathell noted line item name and other name corrections to be made in Table 1.

Discussion ensued regarding the Adopted Fiscal Year 2022 budget, O&M expenses and the potential need to issue assessment credits following lot closings during the fiscal year. Mr. Wrathell stated that Estoppel letters are generally produced for closings and O&M would typically be prorated for the year.

Discussion ensued regarding where on-roll assessments would be reflected in the budget.

Mr. Wrathell stated a column would be added to include the Property Appraiser and Tax Collector Fees on a per acre basis.

**On MOTION by Mr. Eyrick and seconded by Mr. Jones, with all in favor, the Operations and Maintenance Special Assessment Methodology Report, in substantial form, was approved.**

- **Consideration of Resolution 2022-02, Relating to the Amendment of the Annual Budget for the Fiscal Year Beginning October 1, 2021, and Ending September 30, 2022 This item, previously the Sixth Order of Business, was presented out of order.**

Mr. Wrathell presented the Amended Annual Budget for the Fiscal Year Beginning October 1, 2021, and Ending September 30, 2022. Discussion ensued regarding the need for a funding arrangement with the Master Developer and off-roll assessments for properties sold.

Ms. Buchanan suggested adopting the Amended Budget after the Assessment Hearing.

Discussion ensued regarding the anticipated sale of Parcels 9 and 10. Mr. Wrathell stated Parcels 9 and 10 would be included in the budget with prorated off-roll assessments for those parcels on the next version of the budget to be presented in November; this may be adjusted accordingly. There were no questions regarding the proposed amended budget. This item was deferred to the November meeting.

**FIFTH ORDER OF BUSINESS**

**Consideration of Resolution 2022-01, Declaring Special Assessments to Fund the Adopted Budgets Pursuant to Chapters 170, 190, and 197, Florida Statutes; Setting Public Hearings; Addressing Publication; Addressing Severability; and Providing an Effective Date**

Mr. Wrathell stated the Mailed Notices regarding assessments would include the Property Appraiser and Tax Collector fees.

Ms. Suit presented Resolution 2022-01 and read the title.

The Public Hearings would be held on November 16, 2021 and the November Regular Meeting would be rescheduled for the same date.

**On MOTION by Mr. Riley Skinner and seconded by Mr. Eyrick, with all in favor, Resolution 2022-01, Declaring Special Assessments to Fund the Adopted Budgets Pursuant to Chapters 170, 190, and 197, Florida Statutes; Setting Public Hearings for November 16, 2021 at 9:30 a.m., at the office of England-Thims & Miller, Inc., located at 14775 Old St. Augustine Road, Jacksonville, Florida 32258; Addressing Publication; Addressing Severability; and Providing an Effective Date, was adopted.**

**SIXTH ORDER OF BUSINESS**

**Consideration of Resolution 2022-02, Relating to the Amendment of the Annual Budget for the Fiscal Year Beginning October 1, 2021, and Ending September 30, 2022**

This item was presented following the Fourth Order of Business and was deferred to the November 16, 2021 meeting.

**SEVENTH ORDER OF BUSINESS**

**Update: Construction Draws *(for informational purposes)***

This item was presented following the Eighth Order of Business.

**EIGHTH ORDER OF BUSINESS**

**Consideration of Boundary Amendment Funding Agreement Between Ryals Creek Community Development District and Sawmill Timber, LLC (Fuqua Property)**

Ms. Buchanan presented the redline version of the Seller’s Funding Agreement, which was distributed prior to the meeting. The Landowner requested that the CDD alter the Funding Agreement to eliminate the option that the CDD reimburse the Landowner from future bond proceeds because they wanted to provide potential purchasers with assurances that the CDD Board will not decide in the future to issue bonds that would then fund the improvements already underway with the Vallencourt contract and that are being funded by Construction

Funding Agreements with Sawmill Timber. This is not detrimental to the CDD in any way; it does however limit the Landowner's options for being repaid in the sense that it removes one potential funding source of repayment. She had no advice against the Amendment as it was being done at the Landowner's request. The revisions remove references to the future issuance of bonds and add waiver language such that the Landowner agrees not to request that the CDD issue bonds to fund the project in the future. The next step would be for the Landowner to review the language; they would work independently to ensure that the language is acceptable, potentially consulting with their buyer at that time. Most other issues relating to the Purchase and Sale Agreement between the Landowner and the Buyer would happen outside of the CDD's attention. Approval of the Amendment in substantial form was requested and delegating authority to the Chair to work with Staff to finalize this concept.

Mr. Chip Skinner stated a buyer expressed concern that they would be subject to decisions by this Board, after construction is completed or during construction, to issue bonds that would then require the buyer to be party to a CDD assessment to repay those bonds. The reason that bonds would be issued would be so the Landowner, Sawmill Timber, could get reimbursed for the cost of the road through the bond issuance; by removing the CDD's ability to reimburse them through the issuance of bonds, the need to issue bonds would be nullified. The Landowner may still be reimbursed through the sale of Transportation Regional Incentive Program (TRIP) credits but this discussion was specifically about bond proceeds. While the Agreement allowed for the issuance of bonds, the Board never planned to issue bonds. The consensus was the redline revisions to the document were acceptable.

**On MOTION by Mr. Riley Skinner and seconded by Mr. Davis Skinner, with all in favor, the Boundary Amendment Funding Agreement Between Ryals Creek Community Development District and Sawmill Timber, LLC, in substantial form, and authorizing the Chair to work with Staff to negotiate the form of Agreement to execute, were approved.**

- **Update: Construction Draws (*for informational purposes*)**  
**This item, previously the Seventh Order of Business, was presented out of order.**

Mr. Wrathell stated that Staff was recently informed that ICI’s funding draw schedule from the \$5.6 million Construction Draw Account was subject to a 35 to 65-day funding delay for reimbursements. For instance, an invoice submitted on September 15<sup>th</sup> would not be funded by ICI until November 5<sup>th</sup>, which creates a funding issue for Contractors. On a subsequently scheduled call with the Chair, the District Engineer and District Counsel, it was decided that, despite the Board’s previous decision, due to cash flow issues the CDD would initially draw from the \$6.4 million fund to pay Requisitions on a more immediate basis; draw requests would then be submitted to ICI for reimbursement of all expenses except Engineering.

Mr. Chip Skinner discussed the original expectation that funding would be on a more frequent basis and within 15 days of the request and expressed his opinion that this seemed to be the best remedy. Ms. Buchanan stated, while the Funding Agreement between ICI and the District governs the 15-day payment period, ICI decided they cannot meet that schedule. Mr. Wrathell stated no action is necessary; this was for the Board’s information. Mr. Chip Skinner stated this would be a topic of discussion during a call with ICI later today.

Ms. Buchanan stated that funding requests totaling a large amount were submitted and ICI confirmed they were on track to pay them on November 5, 2021. Ms. Suit reviewed the amounts for Construction Draws One through Five. Mr. Chip Skinner stated the total was nearly \$2 million. Mr. Wrathell stated the \$1.4 million Construction Draw was meant to reimburse the account to provide liquidity. Mr. Chip Skinner believed the \$5.6 million account should be exhausted before the \$6.4 million account.

Mr. Wrathell described the processes for Engineering related pay requests, Requisitions and Funding Requests. He stated that Management would process the Funding Requests and attach the Engineer’s initial Requisition to draw funds from the \$6.4 million account.

**NINTH ORDER OF BUSINESS**

**Update: Construction Account Activity**

This item was discussed during the Seventh Order of Business.

**TENTH ORDER OF BUSINESS**

**Acceptance of Unaudited Financial Statements as of August 31, 2021**

Mr. Wrathell presented the Unaudited Financial Statements as of August 31, 2021.

**On MOTION by Mr. Jones and seconded by Mr. Riley Skinner, with all in favor, the Unaudited Financial Statements as of August 31, 2021, were accepted.**

**ELEVENTH ORDER OF BUSINESS**

**Approval of August 31, 2021 Public Hearing and Regular Meeting Minutes**

Ms. Suit presented the August 31, 2021 Public Hearing and Regular Meeting Minutes.

**On MOTION by Mr. Eyrick and seconded by Mr. Jones, with all in favor, the August 31, 2021 Public Hearing and Regular Meeting Minutes, as presented, were approved.**

**TWELFTH ORDER OF BUSINESS**

**Staff Reports**

**A. District Counsel: *Hopping Green & Sams, P.A.***

There was nothing further to report.

**B. District Engineer: *England, Thims & Miller, Inc.***

Mr. Crews presented two Change Orders to be signed and approved:

➤ Change Orders 5 and 6: There was no increase in dollars; there was only an increase in construction time for the Phase 1A and 1B contracts. The new date for substantial completion for Phase 1A, mostly due to material shortages, was March 5, 2022. The new date for completion of Phase 1B was September 14, 2022.

➤ Change Order 7: There were plan changes for Phases 1A and 1B, landscape and irrigation changes, pond relocation and associated pipework was adjusted; there were changes to the lift station that was originally approved. Everything removed was accounted for and itemized. The total increase was \$553,591 and credits came to \$115,000. Plan changes in 1A were \$13,465. Plan changes in 1B were a deduction of \$115,971. The lift station was \$656,097. The total increase to the contract was \$553,591.27. Mr. Jason Ellis was included in several roundtable meetings held to verify that everything was correct; Change Order 7 does not include earthwork changes, which would be submitted on a separate Change Order. There was



a need to review the removal of the pond, which resulted in a reduction in the amount of fill; less of a credit would be granted. That Change Order would be presented at the next meeting.

Mr. Chip Skinner asked if the unit cost being added is the same unit cost that was credited. Mr. Crews replied affirmatively. Mr. Chip Skinner asked what the note under the line “contract time to be extended 90 days” referred to. Mr. Crews stated he believed the 90 days were built into the dates noted and thought the verbiage was included in error. He would ask Vallencourt to ask for the verbiage to be corrected before execution.

Discussion ensued regarding the project, factors related to timing, the scheduling and the enforceability of force majeure clauses.

**C. District Manager: *Wrathell, Hunt and Associates, LLC***

- **NEXT MEETING DATE: November 2, 2021 at 9:30 a.m.**
  - **QUORUM CHECK**

Ms. Suit stated the Landowners’ Election would be held on November 2, 2021; if a proxy is provided, she or Mr. Wrathell could attend on behalf of the Landowner. The Regular Meeting scheduled for November 2, 2021 was being rescheduled to November 16, 2021 and would include the Public Hearing and the Budget Amendment.

**THIRTEENTH ORDER OF BUSINESS**

**Board Members’ Comments/Requests**

There were no Board Members’ comments or requests.

**FOURTEENTH ORDER OF BUSINESS**

**Public Comments**

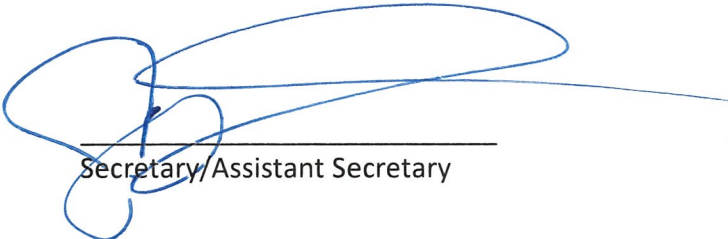
No members of the public spoke.

**FIFTEENTH ORDER OF BUSINESS**

**Adjournment**

There being nothing further to discuss, the meeting adjourned.

<p><b>On MOTION by Mr. Eyrick and seconded by Mr. Jones, with all in favor, the meeting adjourned at 10:42 a.m.</b></p>
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Secretary/Assistant Secretary



Chair/Vice Chair