

**MINUTES OF MEETING  
SOUTHERN HILLS PLANTATION I  
COMMUNITY DEVELOPMENT DISTRICT**

The Board of Supervisors of the Southern Hills Plantation I Community Development District held a Regular Meeting on September 11, 2023 at 10:00 a.m., at the Southern Hills Plantation Clubhouse, located at 4200 Summit View Drive, Brooksville, Florida 34601.

**Present at the meeting were:**

John McCoskrie	Chair
Brian McCaffrey	Vice Chair
Margaret Bloomquist	Assistant Secretary
Richard Pakan	Assistant Secretary

**Also present were:**

Chuck Adams	District Manager
Jennifer Kilinski	District Counsel
Joe Calamari	District Engineer
Ellen Johnson	Developer Representative
Bruce Noble	Developer Representative

**FIRST ORDER OF BUSINESS**

**Call to Order/Roll Call**

Mr. Adams called the meeting to order at 10:08 a.m. Supervisors McCoskrie, McCaffrey, Pakan and Bloomquist were present. Supervisor Romero was not present.

▪ **Discussion: Homesite Erosion Entering Roadways and Drainage Inlets**

**This item, previously the Fourth Order of Business, was presented out of order.**

Mr. McCoskrie stated the agenda will be reorganized as he asked Ms. Johnson to participate in the discussion of homesite erosion. He met with Ms. Johnson last Thursday to see if there is a homeowner or Developer initiative to help with this. Ms. Johnson provided a document that includes builder criteria, findings and recommendations, including silt fences. He stated Ms. Johnson initially recommended working with the Building Inspectors and Code Enforcement and now he wonders if the CDD's private roadways are an issue. He asked if it might be easier to amend the builder rules so that the CDD has greater control and

enforcement, versus relying on Building Inspectors or Code Enforcement. He stated the CDD is trying to find the easiest means of addressing maintenance during summer when the rains wash dirt into the storm drains, creating peninsulas and adding turbidity in the ponds.

Regarding whether the City has some responsibility, Mr. Calamari doubted the City is involved with compliance, beyond permitting the lots for development and requiring installation of silt fencing. The City is small and many subdivisions have similar issues; every community under construction has some sort of erosion.

Discussion ensued regarding the need to install a “sock” in front of the grate, sock-related obstruction of truck traffic and the need to clean the socks out weekly.

It was noted that the grate nearest the site is full.

Mr. Noble stated this is a State permit issue. When the contractor files a Notice of Intent (NOI), they receive a National Pollutant Discharge Elimination System (NPDES) permit from the Florida Department of Environmental Protection (FDEP). Weekly inspections are required and 24-hour rain event inspections are also required to comply with Best Management Practices (BMPs) to maintain sediment on the construction site. In this case, there is a lot of sediment. Contractors have many ways of stopping soil migration from construction sites but, due to the significant grade change, unacceptable erosion is occurring. He recommended writing letters to the contractors and advising them that fines will be levied if not cleaned up in a week and that notifications will be sent to the FDEP, etc. He recommended contacting the builder responsible for the affected lots. He noted that socks are only so effective because residents might remove them. He cautioned that homes below grade could be flooded. Each contractor is responsible for their own lot; he did not observe many silt fences. Cleanup is essential to prevent sediment from entering the storm drains, stormwater ponds and pipes.

Ms. Johnson stated the security deposit is strictly for damages to the top of storm drain inlets, etc. Mr. McCoskrie stated the HOA is already collecting a \$3,000 security deposit and the HOA has a fining mechanism in place for damage to concrete curbs. The CDD might want the Developer to consider requiring the installation of a sock on the gutter, in addition to silt fencing, and instituting a fining mechanism against those who allow sand to migrate from

construction sites. Mr. McCoskrie voiced his opinion that some changes to the builder rules might be needed.

Ms. Johnson stated her guidelines come from the HOA documents. Currently, Developer representatives drive through the community two to three times per week inspecting construction sites and, when issues are identified, the builders are notified immediately. Pictures are sent and the builders are generally given one week to correct the issue before a violation letter is sent by the HOA. She stated that issues are usually addressed within one week. She noted that, on Friday September 8, 2023, the CDD received 3" of rain in two hours.

Mr. McCoskrie stated the Board is reasonable and understands the timing but the Board wants the ability to implement fines and address issues with builders directly.

Discussion ensued regarding the Documents and Covenants and the HOA's ability to enforce fines for violations.

Ms. Johnson reiterated issues are generally corrected promptly and noted that some locations have repeatedly been washed out and cleaned up. It was noted that the owner and the builder are the same in some cases but they are not in some cases.

Mr. McCoskrie will email the HOA to request an item be added to the agenda.

Mr. Adams presented a draft map for reference and revisions.

Referring to the map, Mr. McCoskrie discussed another drainage issue related to a stream that begins at the driving range and runs to Holes 9 and 3 and behind several homes, to a culvert with a concrete spillway and to a slanted culvert before emptying into Summit View. He recalled that \$90,000 was spent less than two years ago to clean the 48" pipes yet there is now 2'6" of sand in a 4' opening. Earlier this summer, Steadfast was paid \$550 to dig the sand out of the east and west sides. He suggested doing it again as it flushed a significant amount of sand out. He asked Mr. Calamari who is responsible for the stream and how best to address recurring problems.

Mr. Calamari stated he must check the plats; it is a jurisdictional wetland in which no heavy equipment is permitted. He described the geography in the area and noted it is a naturally occurring stream that meanders during every significant rainfall; sand migrates with

the stream, which cannot be rerouted into a pond and cannot be widened or deepened. The only area that can be worked on is the one that was done two years ago.

Mr. McCoskrie recommended the CDD hire a backhoe two or three times a year to clean out the east and west sides, perhaps in May, July and October.

Discussion ensued regarding the sump on each side and ongoing cleanout efforts, as sand from the culverts goes into the ponds.

Mr. McCoskrie suggested contacting Steadfast now to schedule service.

▪ **Discussion: Amounts Due from Developer**

**This item was an addition to the agenda.**

Mr. McCoskrie recalled Board discussion at the last meeting about the \$170,000 “Due from the Developer” amount. He distributed copies of correspondence and stated he was advised that \$152,000 was from 2011 and 2012. He reviewed the correspondence and stated a response from Mr. Szymonowicz is pending. He asked Mr. Jay Gaines for an explanation regarding a series of journal entries and advised him that he wants to know who owes the CDD and the amount so it can be collected.

Mr. McCoskrie stated his goal is to review the financials, find out who owes the CDD money and either collect it, sue the debtor or write it off. Mr. Adams stated, as he reviews Mr. McCoskrie’s spreadsheet, it seems that some of the owed amounts appear to be prior to 2015 and as far back as 2011 and 2012. He believes the Developer entity that owed that might have changed due to the reorganization following bankruptcy. He will research it but it might need to be written off.

▪ **Discussion: Bonds**

**This item was an addition to the agenda.**

Mr. McCoskrie stated, since the last meeting, Ms. Kilinski was in touch with the bondholders, through Goldman Sachs, the bondholders’ Trustee U.S. Bank and the Trustee’s Counsel Greenberg Traurig, in an effort to obtain guidance from the Trustee as to how to allocate for the 48 escheated lots as it pertains to the Amortization schedule. Ms. Kilinski followed up several times and received no response. He suggested calling or a sending a

certified letter and speculated that formal documentation might be needed to indicate that the CDD Board made formal inquiry to obtain instruction about how to treat this.

Mr. McCoskrie stated he reviewed the audited Debt Service Schedules for the Series A-1 and A-2 bonds, from 2019, 2021 and 2022, and recalled discussion with Mr. Szymonowicz to advise that the Debt Service amounts were adjusted, as evidenced by the change in the yearly principal amounts due being adjusted by \$35,000 for the A-2 and by \$20,000 for the A-1. He noted that, in the next year, there were no adjustments to the A-2 debt service schedule for 11/1/2021 but they made \$15,000 in adjustments to various principal payments. For 11/1/2022, there were \$400,000 in adjustments made to principal amounts, compared to 2019.

Mr. McCoskrie stated the question raised last time was who will make those changes to the debt service payments. Mr. Adams stated District Management will make those changes based on prepayments that might be received or payoffs; funds flow through District Management and adjustments are made to the schedule. Making an adjustment based on the escheated lots has been discussed with the bondholder and the Trustees. They need to make the adjustment because the CDD has not received the funds to take them off the schedule.

Mr. McCoskrie stated his understanding that there are two ways to make changes, either escheat lots with the Trustee or with prepayments; he does not think \$400,000 in prepayments were received. Mr. Adams stated that is likely a Developer transaction.

Ms. Kilinski stated she left several messages with Trustee's Counsel and received no response. She will call again to see if there is a better way to make contact. She has several CDDs in default and speculated that it might be a low priority at this time.

Discussion ensued regarding the CDD's fiduciary responsibility to collect and remit funds, amortization schedule shortfalls, access to debt service reserve, previous instances in which the Series A-2 bonds nearly defaulted, repayment of the Series A-1 bond principal payments, etc.

Mr. Pakan asked if it is a matter of law that those bonds are canceled. Ms. Kilinski stated the assessments related to the repayment are canceled; the bonds will be written down.

Discussion ensued regarding transactions and possible actions. She stated, if they use debt service reserve to pay themselves a principal payment that is not otherwise due, there

might be a breach of the Indenture. The Trustee has a fiduciary obligation to the bondholders, as it does to the CDD, to ensure that payments made are used to repay debt. District Management, as the Dissemination Agent, noticed the bondholders and the Trustee about the obligation to make sure that a True-Up occurs. If they do not provide a new amortization schedule, it does not necessarily mean that True-Up did not occur. They are not sending demands to pay assessments that are due.

Discussion ensued regarding processes and eventual default.

Ms. Kilinski stated Staff can push for written confirmation that, if there is a default, they were on notice that they could have saved those lots and they chose not to.

Mr. McCoskrie suggested sending a certified letter so the CDD has it for its records.

**SECOND ORDER OF BUSINESS**

**Public Comments (Agenda Items)**

There were no public comments.

**THIRD ORDER OF BUSINESS**

**Discussion: Steadfast Environmental, LLC  
Waterway Inspection Report – August  
2023**

The Steadfast Environmental, LLC Waterway Inspection Report was included for informational purposes.

Mr. McCoskrie noted that the Report only includes a portion of the ponds for which Steadfast is responsible and there are others which he would like addressed. He reviewed the Report, noting that the three lakes were treated with SePRO products.

Discussion ensued regarding improvement in the three lakes and the need to apply multiple treatments. It was noted that rain will have a positive effect and the products are very stable. Installation of grass carp in L-17 was discussed and it was noted that the treatments will not affect fish and aeration is not needed.

Mr. McCoskrie expressed concern that some littoral plants might break off in L-8AA. He opined that L-8BB, L-8CC, 10-BB look good but, in his opinion, L-10CC needs attention.

Mr. McCoskrie stated Steadfast provided estimates for work to be done in the winter; he will email copies to Mr. Adams. He requested a list of which banks are mowed and which are not. Mr. Adams requested a copy and stated he will include the information on the map.

Mr. McCoskrie stated the HOA terminated ASI and now utilizes Steadfast. He noted the need to ensure that each entity is billed appropriately. Mr. McCaffrey stated two separate crews will be utilized to facilitate, in that regard.

**FOURTH ORDER OF BUSINESS**

**Discussion: Homesite Erosion Entering Roadways and Drainage Inlets**

This item was addressed following the First Order of Business.

**FIFTH ORDER OF BUSINESS**

**Acceptance of Unaudited Financial Statements as of June 30, 2023**

Mr. McCoskrie expressed concern about the Wells Fargo account, which is in excess of \$250,000. Mr. Adams noted that, in addition to FDIC insurance, government accounts are required to be collateralized. He will present additional options for investing excess operating funds. He discussed the need for liquidity and stated the options he will present are favorable.

Mr. McCoskrie noted that the \$170,000 was written off and, with the assistance of Mr. Szymonowicz, it will be determined who owes the CDD. He noted the financials apply to 12-month periods.

Discussion ensued regarding amounts due from CDD II and CDD III, funds that will be included on next year's budget and funds included in the current financials, as part of the settlement obligation.

Mr. Adams stated the financials were adjusted to match how funds are budgeted to provide a better picture of the expenses, rather than netting expenses and revenue.

Discussion ensued regarding billing and repairs to the holiday lighting.

Mr. McCoskrie reiterated his support for ongoing maintenance previously discussed and performing culvert cleaning three or four times a year.

Discussion ensued regarding the current level of blockage and maintaining the blockage level at a level low enough that rains can effectively wash the sand out.

Mr. McCoskrie stated, in researching the amount due from CDD III, Accounting advised that, “regarding Southern Hills III shared cost revenue, Southern Hills has in fact collected \$28,140 from Southern Hills III related to fiscal year 2023. As we have done in previous years, we have continued to reflect expenses at net amount, which in turn reflects revenue at zero, to fall in line with the Fiscal Year 2023 budget. We will go ahead and book a journal entry to gross up the expenses and recognize revenue.”

The financials were accepted.

**SIXTH ORDER OF BUSINESS**

**Approval of August 14, 2023 Public Hearing and Regular Meeting Minutes**

Mr. McCoskrie asked how the minutes are transcribed. Mr. Adams stated the Transcription Department transcribes from the audio file. Mr. McCoskrie suggested that, to assist the transcriptionists, speakers state their names when speaking.

The following changes were made:

Line 44: Change “CDD I” to “Steadfast”

Line 50: Change “Butners” to “Buckners”

Lines 154: Change “opposition” to “position”

**On MOTION by Ms. Bloomquist and seconded by Mr. McCoskrie, with all in favor, the August 14, 2023 Public Hearing and Regular Meeting Minutes, as amended, were approved.**

**SEVENTH ORDER OF BUSINESS**

**Other Business**

Mr. McCoskrie discussed the need to follow up with the HOA expeditiously regarding the dirt in the street rather than pursuing outside options. He observed dump truck depressions on the City road exiting the community and voiced his opinion that asphalt will be needed soon.

Discussion ensued regarding replacement of the pavers at the front entrance.



Ms. Bloomquist will serve as the point of contact with the City Council.

**EIGHTH ORDER OF BUSINESS**

**Staff Reports**

- A. **District Counsel: Kilinski|Van Wyk PLLC**
- B. **District Engineer: Coastal Engineering Associates, Inc.**
- C. **District Manager: Wrathell, Hunt and Associates, LLC**

There were no District Counsel, District Engineer or District Manager reports.

- **NEXT MEETING DATE: October 2, 2023 at 10:00 AM**
  - **QUORUM CHECK**

**NINTH ORDER OF BUSINESS**

**Supervisors' Requests**

There were no Supervisors' requests.

**TENTH ORDER OF BUSINESS**

**Adjournment**

**On MOTION by Mr. McCoskrie and seconded by Mr. McCaffrey, with all in favor, the meeting adjourned at 11:21 a.m.**

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

  
Secretary/Assistant Secretary

  
Chair/Vice Chair