

**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 July 8, 2024 at 10:00 a.m., at the Southern Hills Plantation Clubhouse, located at 4200 Summit View Drive, Brooksville, Florida 34601.

Present were:

John McCoskrie
Brian McCaffrey
Richard Pakan
George Ostensen
Margaret Bloomquist

Chair
Vice Chair
Assistant Secretary
Assistant Secretary
Assistant Secretary

Also present:

Chuck Adams
Grace Kobitter
Marissa Stonebreaker
Eugene Tomashosky

District Manager
District Counsel
Auditor
Resident

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Adams called the meeting to order at 10:00 a.m. All Supervisors were present.

SECOND ORDER OF BUSINESS

Public Comments (Agenda Items)

There were no public comments.

THIRD ORDER OF BUSINESS

Presentation of Audited Financial Report for the Fiscal Year Ended September 30, 2023, Prepared by Berger, Toombs, Elam, Gaines and Frank *(to potentially be provided under separate cover)*

This item was deferred to the next meeting.

FOURTH ORDER OF BUSINESS

Consideration of Resolution 2024-05, Hereby Accepting the Audited Annual Financial Report for the Fiscal Year Ended September 30, 2023

This item was deferred to the next meeting.

FIFTH ORDER OF BUSINESS**Update/Discussion/Consideration:
Steadfast Environmental, LLC Items****A. Waterway Inspection Report - July 2024**

Mr. McCoskrie stated that the Clubhouse will be closed next month for golf course aerification so it will be necessary to secure another location for the August meeting. Mr. Adams will secure a room at the sales center as a first option.

Mr. McCoskrie stated he reviewed the Waterway Inspection Report and noted the ponds with recurring algae blooms and a few ponds that were mis-labeled.

Discussion ensued regarding the inspection report, the reason some of the ponds are unhealthy, how best to resolve the algae problems, the littoral shelf, restocking the ponds with carp, the City, golf course wells, reverting back to utilizing copper sulfate to treat the ponds, a \$28,000 proposal to pull vegetation from Lake 8A-A that was tabled, scheduling a workshop to discuss the ponds and inviting aquatics experts to the next meeting.

Ms. Bloomquist opined that the CDD is fighting a losing battle with nature.

Mr. McCoskrie recalled evaluating pond samples; the samples that looked the best, from a chemical standpoint, were the worst looking ponds and the samples that looked the worst, from a chemical standpoint, were the best-looking ponds in the community.

Mr. McCoskrie will contact and invite representatives from the City to the next meeting.

SIXTH ORDER OF BUSINESS**Continued Review/Discussion: Proposed
Fiscal Year 2025 Budget**

Mr. McCoskrie stated he reviewed the proposed Fiscal Year 2025 budget and minutes from the last meeting and voiced his opinion that the interest income is still not reflected and a few adjustments must be made in the expenditures. Mr. Adams stated adjustments were made to the budget at the last meeting and, since then, Accounting updated the pre-payments and not use the updated version. He noted the following changes that were made at the last meeting:

Added \$20,000 to "Interest and miscellaneous"

Increased "Lake/pond bank maintenance" from \$20,000 to \$45,000

Reduced surplus fund down to \$46,900

Mr. Adams stated that the assessment for the 80' lots should be \$280.93 instead of \$297.

Discussion ensued regarding the surplus fund balance amount against the annual budget, errors in the "Unplatted Units Off-Roll", the single-family 80' assessments for Fiscal Year 2024 and projected for Fiscal Year 2025, keeping assessments flat and stabilizing the budget.

Per Mr. McCoskrie, Mr. Adams will adjust the budget to include the changes from the last meeting.

- **Acceptance of Unaudited Financial Statements as of May 31, 2024**

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

Asked if CDD II made the \$20,000 payment, Mr. Adams replied no.

Mr. McCoskrie recalled that the Board previously agreed to send a letter and charge interest if the funds were not received by the end of June. Mr. Adams will verify with Accounting and, if the funds were not received, he will draft and send a letter with a revised bill, including interest as of a specific date.

Discussion ensued regarding principal and interest payments that were due on May 1, 2024, the Trustee and bondholder, the amounts in the Bank United ICS and money market accounts, the amount in the Wells Fargo account and the cash balances.

Mr. Adams will contact Bank United and have them shift \$45,000 from the money market to the ICS account.

On MOTION by Mr. McCoskrie and seconded by Mr. Pakan, with all in favor, the Unaudited Financial Statements as of May 31, 2024, were accepted.
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SEVENTH ORDER OF BUSINESS

Discussion: Report on Depressions Adjacent to 4991 Southern Vally Loop

Mr. Adams stated the Report on Depressions Adjacent to 4991 Southern Vally Loop is fairly-typical of what he noted at other locations, primarily in Pasco County. The Report is very detailed and provided a scope for the remediation. He asked for approval to obtain proposals from contractors, per the scope of work in the report and present them at the next meeting.

Mr. Ostensen stated, regarding the proposed remediation, he looked up the average bid prices and the prices range from \$70,000 to \$127,000, without mobilization. He voiced his

opinion that there is an error in the specifications and read the following sentences from Page 404 of the Report:

“#3. Maximum grout quantity of 5 cubic yards per 5’ interval. A maximum quantity of approximately 50 cubic yards of grout must be placed throughout any given grout pipe.”

Mr. Ostensen stated the estimated depth of these is between 15 and 25; that is 3 intervals and 5 intervals, and this would have to be much deeper than 25’ to get 50 yards in the pipe; in his opinion, that this is an enormous repair for a very small hole.

Mr. McCoskrie explained that there are two depressions; one in the pond and the other is located up on the hill where the vegetation is trimmed.

Discussion ensued regarding the two depressions, repair/remediation costs and which company produced the Report, if there is an urgency to act quickly and the Southwest Florida Water Management District (SWFWMD).

Mr. Adams will confer with contractors, make sure there are no typographical errors, obtain proposals and report his findings at the next meeting.

EIGHTH ORDER OF BUSINESS**Acceptance of Unaudited Financial
Statements as of May 31, 2024**

This item was addressed following the Sixth Order of Business.

- **Discussion: Amortization Schedule**

Mr. McCoskrie asked for an update on Staff’s discussions with the Trustee for the bondholders for direction on the escheatment issue and adjusting the Amortization Schedule.

Ms. Kilinski reported the following:

- Staff performed a bond review one year ago on how this process works and posted all required disclosures on the MSRB website, which is a repository for all municipal entities in the United States, so that bondholders are aware of the processes and status of escheatment potentiality for all of the CDD’s lots.
- There were recent conversations about the next fiscal year and Staff sought feedback on what the bondholders want them to do, in relation to quarterly reports that the CDD is required to produce financial disclosure agreement obligations.
- Staff recently received direction from the Trustee, acting on behalf of the bondholders, to certify for collection of the installments for the 48 lots that were escheated for the County and City for this coming Fiscal Year.

- As far as the CDD's role in the debt assessment collections, the Operation & Maintenance (O&M) collections that secure the budget are absolutely under the control of the CDD. However, for the debt assessment, the CDD serves as a collection agent for the bondholders.
- The CDD was asked to certify for collection the last 10 installments of debt; not to certify for collection past due installments from the last four years when the County owned the property or when tax certificates did not sell. The CDD was asked to certify the last 10 years of those installments.
- Regarding whether this will change the budget, Ms. Kilinski stated the assessment roll, produced by District Management's office, will have a debt installment, so the on-roll assessment amounts in the assessment schedule will show the debt that would be due for the last ten years.
- Staff has asked them to provide coverage for the CDD for which they have not consented. This is not a clear law in Florida; it is uncommon, unprecedented and is a bit of a grey area. However, the CDD is the collection agent and has documents in the Trust Indenture that state that it takes direction from the bondholders; the funds do not belong to the CDD and, if the bondholders are requesting the CDD to certify lots for collection, it should comply, especially since there is no financial impact to the CDD.
- Ms. Kilinski recommended that the CDD certify the assessments on an ongoing basis for collection and not take an adverse position to the bondholder. She asked if mailed and published notices explaining the situation should be sent to the 48 lot owners in advance of the budget public hearing in August.

The Board and Staff discussed the Trustee's direction to certify the collection of installments for the 48 lots, why the lots were not re-assessed in 2021, the grey area, the creation of a new Amortization Schedule, the County, a breakdown of the True-up, accessing the reserve account, debt assessment data in the purchase and sales agreements, non-ad valorem assessments, language in the Trust Indenture and the Florida Statutes regarding re-certifying assessments. The consensus was that a letter is helpful and Staff should draft and send mailed notices to the 48 lot owners. Per Ms. Kilinski's request, Mr. Pakan will coordinate with District Counsel's office regarding the letter.

Mr. Adams presented the June 10, 2024 Regular Meeting Minutes.

The following changes were made:

Line 147: Change "\$25,000" to "\$545,000"

Line 148: Insert a period after "Schedules" and delete "there is a difference of \$5,000 in years 2020, 2030, 2032, 2033, 2034 and 2035."

On MOTION by Mr. McCoskrie and seconded by Mr. Ostensen, with all in favor, the June 10, 2024 Regular Meeting Minutes, as amended, were approved.

TENTH ORDER OF BUSINESS

Other Business

- **Resignation of Brian McCaffrey from Seat 4 and Consideration of Appointment to Fill Seat 4**

This item was an addition to the agenda.

Mr. McCaffrey resigned from the Board.

On MOTION by Mr. McCroskie and seconded by Ms. Bloomquist, with all in favor, the resignation of Brian McCaffrey from Seat 4, was accepted.

Mr. McCoskrie nominated Mr. Eugene Tomashosky to fill Seat 4. No other nominations were made.

Ms. Bloomquist voiced her concerns about transparency and asked how best to notify residents of Board vacancies. Mr. Adams stated the Master Association is typically asked to send an e-blast or place the vacancy in the bulletin.

Mr. Tomashosky introduced himself and stated he is a retired commercial contractor, is familiar with pond management and previously served on various non-profit Boards and organizations.

On MOTION by Mr. McCroskie and seconded by Mr. Ostensen, with all in favor, the appointment of Mr. Eugene Tomashosky to Seat 4, was approved.

- **Administration of the Oath of Office to Mr. Tomashosky**

This item was an addition to the agenda.

Mr. Adams, a Notary of the State of Florida and duly authorized, administered the Oath of Office to Mr. Eugene Tomashosky and provided the new Supervisor's packet.

Mr. McCoskrie presented the results of the "7.3.24 Report" and stated that there are 311 completed houses, 97 houses under construction and 62 houses under review. He anticipates that the CDD will have 400 completed houses by the end of 2024.

Discussion ensued regarding a resident who wants the CDD to remove dead pine trees behind her home, the conservation easement, beetles and possible damage to nearby homes.

Ms. Bloomquist stated she followed up with the City regarding roadway and sidewalk repairs and will call Richard later today. She was referred to a contractor for the concrete shaving. It was noted that it is the City's responsibility to repair the sidewalk.

ELEVENTH 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 Staff reports.

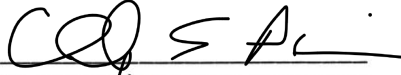
- **NEXT MEETING DATE: August 12, 2024 at 10:00 AM [FY2025 Budget Adoption Hearing]**
 - **QUORUM CHECK**

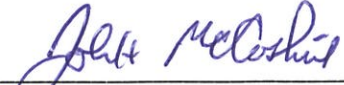
TWELFTH ORDER OF BUSINESS**Supervisors' Requests**

There were no Supervisors' requests.

THIRTEENTH ORDER OF BUSINESS**Adjournment**

On MOTION by Mr. McCoskrie and seconded by Mr. Ostensen, with all in favor, the meeting adjourned at 11:31 a.m.


Secretary/Assistant Secretary


Chair/Vice Chair