

**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 January 12, 2026 at 10:00 a.m., at the Southern Hills Plantation Clubhouse, 4200 Summit View Drive, Brooksville, Florida 34601.

**Present:**

John McCoskrie  
Richard Pakan  
Margaret Bloomquist  
Eugene Tomashosky  
George Ostensen

Chair  
Vice Chair  
Assistant Secretary  
Assistant Secretary  
Assistant Secretary

**Also present:**

Chuck Adams  
Grace Rinaldi  
Jennifer Kilinski (via telephone)  
Maritza Stonebraker (via telephone)  
Alex Kurth (via telephone)  
John Meeks  
Kevin Hiller

District Manager  
District Counsel  
Kilinski | Van Wyk PLLC  
Berger, Toombs, Elam, Gaines & Frank  
Premier Lakes, Inc. (Premier)  
Waterzway Work Boats  
Steadfast

**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)**

No members of the public spoke.

**THIRD ORDER OF BUSINESS**

**Presentation of Audited Annual Financial Report for the Fiscal Year Ended September**

**30, 2024, Prepared by Berger, Toombs, Elam, Gaines & Frank**

Ms. Stonebraker presented the Audited Financial Report for the Fiscal Year Ended September 30, 2024 and noted the pertinent information. The Opinion Letter, on Page 1, reflected an unmodified opinion; it was a clean audit, and the Financial Statements were materially correct. Regarding the Statement of Net Position, on Page 10, Mr. McCoskrie asked how the fact that one of the bond payers has not made payments in four years is addressed. Ms. Stonebraker stated that does not affect the opinion of the financial statements, which are still materially correct; however, some required findings related to that will be reported in the Management Letter. Mr. Pagan asked how a current asset is defined. Ms. Stonebraker stated that current assets are available to be spent within the next year. Mr. Pagan asked why the amount "Due from developer" is listed under current assets when it has not been collected in four years. Ms. Stonebraker stated that, ideally, it would be collected. "Due from developer" is a standard line item for a current asset. There could be a "Doubtful collection" if that is the Board's preferred treatment of it; the likelihood of collection is a question for District Management.

Mr. McCoskrie stated that Note C on Page 25, which reads, "Three of the voting members of the Board of Supervisors are employed by the Developer or a related entity." has not been true for several years. Ms. Stonebraker stated that will be corrected.

Discussion ensued regarding Note G pertaining to the escheated property and payments not made by one Landowner.

Ms. Rinaldi suggested the phrasing revisions related to Note G, which were sent over for the Fiscal Year 2023 audit, be incorporated into the audit. She will email those revisions to Ms. Stonebraker and the Board.

Ms. Stonebraker stated the Management Letter, on Page 30, reflects no findings in relation to Internal Control Over Financial Reporting. The Management Letter, on Page 33, reflected a 2018 finding, which stated that the District's reserve balance fell below the required amount, and the balance had not been restored to the reserve fund by year end. The Management Letter, on Page 33, reflected a 2021 finding, which stated that the Developer did not pay the 2022 debt service assessment and the May 2022 principal payment was not made.

Mr. McCoskrie asked if the amount of the required 2018 reserve balance is known. Ms. Rinaldi stated that, as of September 30, 2024, that balance was supposed to be \$530,735.

The Board had no further questions.

**A. Consideration of Resolution 2026-05, Hereby Accepting the Audited Financial Report for the Fiscal Year Ended September 30, 2024**

**On MOTION by Mr. McCoskrie and seconded by Mr. Pakan, with all in favor, Resolution 2026-05, Hereby Accepting the Audited Financial Report for the Fiscal Year Ended September 30, 2024, as amended, was adopted.**

**FOURTH ORDER OF BUSINESS**

**Update/Discussion/Consideration: Premier Lakes, Inc. Items**

**• Lake Maintenance Reports – December 2025**

Mr. Kurth presented the Lake Maintenance Reports and highlighted the following:

- Treatments have focused on algae this month.
- Very good reduction was noted in all lakes due to cooler weather and increased use of boat treatments, particularly on Lake L-8AA and L-8BB. Both of the most recent boat treatments applied on December 19, 2025 were very effective in clearing up algae.
- Algae was more prevalent on Lake L-8AA due to decaying submersed vegetation. After the last treatment, none remained and only a small amount of algae remained after the last boat treatment, so it is expected that good control will be achieved.
- A new algae bloom was observed on about 10% of Lake L-8CC; treatment was applied and good results have been observed.
- Technicians continue to treat the submersed vegetation on Lake L-200AA with SONAR® herbicide, with good results; it is expected to be cleared up before the next meeting.
- Shoreline weeds are very minimal; routine maintenance is being performed.

Mr. McCoskrie noted that the lakes look very good.

**Mr. Kurth left the meeting.**

Mr. Hiller, of Steadfast, reported the following:

➤ It is likely that newly reported leaking spots are occurring due to the degradation of the glue, given that the irrigation main lines were installed over 20 years ago. When leaks are repaired, heavy duty couplers are installed to address the problem.

➤ The flowers in the front that were frozen will be removed on Wednesday, and grasses will be cut back. Freeze damage is expected, as temperatures will be in the high twenties and low thirties this week. Grass will yellow and browned areas will not be addressed until after the freezes are over, as dead areas serve to protect vegetation beneath it. Protected areas under trees will likely be protected from frost.

Discussion ensued regarding the need to paint the sign.

**Mr. Hiller left the meeting.**

Mr. McCoskrie introduced John Meeks, of Waterzway Work Boats, who performed lake management work in the CDD in 2021, and most recently on behalf of the Developer when part of the littoral shelf broke off in Lake 8-CC. He and Mr. Meeks inspected the ponds together recently on a 29° morning.

Mr. Meeks introduced his company and provided an initial quote. He stated that his company performs work for the Florida Fish and Wildlife Commission (FWC) and works with many lake companies, including Superior, and he has the required \$1 million insurance coverage. He discussed his company's treatment and debris removal capabilities, the tendency for the CDD to have outbreaks of heavy hydrilla and algae, and the benefits offered by his equipment and solution, which supplements spray treatments with grass carp.

Mr. Meeks discussed fish kills, pond flip, algae treatments, vegetation removal services, references, customer service and how his firm can supplement the work done by Superior and collaborate with the FWC to treat issues. In response to a Board Member's question, Mr. Meeks stated that, while aeration can help marine life, overuse of bubblers can contribute to issues with algae.

Discussion ensued regarding the presentation, multitude of lake management companies, and the current issues experienced in the lakes.

The consensus was to ask Mr. Kurth if additional grass carp are needed. The Board will consider engaging Mr. Meeks should manual harvesting be needed in the future.

**FIFTH ORDER OF BUSINESS**

**Continued Discussion/Update: Conveyance of Pond 5ii**

Mr. McCoskrie recalled that sediment was removed and stakes were cleared from the pond. He asked if Mr. Calamari received documents indicating that they still intend to convey the pond.

The Board and Staff discussed the condition of the pond, appearance of muddiness at the bottom where excavation was to be done, the pond's messy appearance, reduced water level and the potential for weeds and vegetation.

Ms. Rinaldi stated that, if the Board still has concerns, Mr. Calamari and his team should inspect the areas before conveyance of the pond. The Board can give that direction.

Discussion ensued regarding the condition of other ponds.

Ms. Rinaldi stated that she researched the pond across from Pond 5-II and found that the deed for that pond was executed in 2019; the CDD is the current owner of Pond 5-HH.

It was noted that Pond 5-II will be inspected in the spring. It was suggested that Mr. Kurth be asked about the poor appearance of the pond. A Board Member expressed concern that the CDD might accept the pond and spend a great deal of money improving its appearance. It was noted that construction is occurring in the area and that the area has grown in recent years.

Mr. McCoskrie will ask Mr. Calamari and Mr. Kurth to inspect the pond and advise regarding ecology and aesthetics.

The Board took no action on this matter.

**SIXTH ORDER OF BUSINESS**

**Update: Boulevard Mainline Irrigation Line Replacement Project**

The Boulevard Mainline Irrigation Line Replacement Planning Report dated September 2025 was included for informational purposes.

Mr. Ostensen stated that Andrew resigned and is no longer engaged with the project, so he will meet with Mr. Knierim to obtain contact information for other contractors in order to get up-to-date pricing. Mr. McCoskrie stated that Cameron, the Assistant, ended up at T.P.C.

Mr. Ostensen will work to confirm updated costs for the work to be done. It was noted that the investigation is ongoing.

**Ms. Kilinski joined the meeting via telephone.**

Asked about the irrigation systems on the Boulevard, Mr. Ostensen stated there was another break in the 3” mainline near the entrance. Workers opened it up, drained it, and repaired it. It is being left open for a few more days to make sure there are no leaks and then it will be closed. If it is observed to be open, that means that it is being worked on.

Asked if there were any other irrigation issues, Mr. Ostensen replied that everything is okay for the moment but voiced concerns that further repairs will be necessary based off the mapping and connections. The project will cost \$150,000. He asked if there are sufficient funds in the budget to make the repairs in Fiscal Year 2026. Mr. McCoskrie stated the project will likely be included in the Fiscal Year 2027 budget.

Discussion ensued regarding reserve funds, the best time of year to complete the project, the scope of work, project length, and deteriorating roadways.

**SEVENTH ORDER OF BUSINESS**

**Continued Discussion/Update: Trustee Response to District Revised Amortization Schedule Removing Escheated Parcels**

Ms. Kilinski stated that Trustee’s Counsel is working on a written direction letter to the CDD which articulates the bondholder’s position on the CDD’s request as of the last two and a half years or so. She stated that a productive conversation occurred; options were discussed with the Trustee regarding the CDD’s position with the Debt Service Reserve Fund and the CDD’s fulfillment of its obligations under the indenture by providing an updated amortization schedule. The Trustee advised that, due to the amount in the Debt Service Reserve Fund and the maturity date of the bonds, there is enough money in the Debt Service Reserve Fund for them to essentially be made whole despite the escheatment. Right now, the Municipal Securities Rulemaking Board (MSRB) website is not showing an event to default yet, because there are sufficient Debt Service Reserves. MBS Capital Markets (MBS), the predecessor to the Underwriter, also confirmed that there is no demonstration that this is an event to default situation and that the Debt Service Reserve is sufficient to make the bondholders whole. The

Trustee advised that the minority holder is satisfied with not doing anything, in large part because adequate funds exist to continue to pay principal or interest.

Ms. Kilinski stated the CDD would like to receive written direction on exactly what the holders intend to do and do not intend to do. MBS was consulted regarding the opportunities for restructuring or refinancing the bonds; most bond issuances have 10-year call protection, which prevents refunding the bonds without bondholder consent within the first 10 years. That protection expired many years ago; the bonds were restructured in 2011 and, in order to refinance the bonds there must be an agreement between the CDD and the holders about the amount of principal bonds outstanding and the amortization schedule, which presents a stalemate. She stated that, while the current rate of 5.8% on the bonds is higher than the current rates in similar circumstances, the prior bond escheatment activity presents a challenge and an agreement regarding the amortization schedule would still be needed.

Ms. Kilinski recommended waiting on bondholder direction and continuing to talk with the Trustee to see if a restructuring plan, which could incorporate their agreement to a true-up or some other set of circumstances that results in a cleanup, can be drafted and presented in February or March. If that is not achieved, the CDD still has the option of pursuing some sort of enforcement action with litigation counsel. She noted that conversations have been more productive since contacting litigation counsel.

Mr. Pagan stated he reviewed the documents and files. He believes that a negotiated settlement makes more sense than litigation and noted the issue of the cancellation of a debt versus the cancellation of a lien and stated that enough evidence will be needed to substantiate the CDD's position.

Discussion ensued regarding cancellation of the debt, whether the debt is actually cancelled, and the Board's feeling that reserves should be used to pay cancelled debt.

Ms. Kilinski stated that implicit in their conversations with the Trustee, including in writing, the Trustee articulated that they have no intent on directing the CDD to reassess these properties. She believes that two high level legal questions to research are whether escheatment on its own essentially operates to cancel debt; and if a default occurs and the bondholders have not been paid for those funds, that gives the Trustee the right to access the debt service reserve

for all intents and purposes, up to the amount of the escheatment. She noted the complexity and nuances of the issue and stated the indenture does not speak to that, but Staff can research that and advise the Board.

Mr. McCoskrie asked if it comes down to the difference between a default and a cancelled debt. Ms. Kilinski replied affirmatively. The consensus was to hold off on engaging litigation counsel, despite authorization to do so at the last meeting.

Discussion ensued regarding whether expert opinions can be relied upon, unwillingness on the part of experts to opine on such an issue and the need to research the issue of the Trust Indenture.

Mr. McCoskrie stated that, in the next 30 days or so, Staff will continue to research these issues, remain engaged with bondholders' counsel, and hold off on engaging a litigation attorney. Asked if there is still an opportunity to continue the needed dialogue, Ms. Kilinski stated that the CDD's position that using Debt Service Reserve in this instance is not contemplated in the Indenture and that good faith response to a two-and-a-half-year-old amortization schedule is needed.

Discussion ensued regarding the amortization schedules in use, whether the most recent schedule is currently in use and whether the CDD is receiving any of the benefit of prepayments off the amortization schedule.

Mr. Pakan stated that his amortization schedule does not agree.

Mr. Kilinski will forward the amortization schedule to Mr. Pakan.

Discussion ensued regarding whether for the Trustee Counsel's requirement of re-levying of the lien is permissible and disclosures related to bondholder risk.

Mr. McCoskrie recalled that the CDD is not doing that because no insurance company will indemnify the Board for the risk of reassessing. Ms. Kilinski replied concurred.

**Ms. Kilinski left the meeting.**

**EIGHTH ORDER OF BUSINESS**

**Discussion/Consideration/Ratification:  
Performance Measures/Standards &  
Annual Reporting Form [October 1, 2025 -  
September 30, 2026]**

- A. **October 1, 2024 - September 30, 2025**
- B. **October 1, 2025 - September 30, 2026**

Mr. Adams stated these items were addressed at the last meeting.

**NINTH ORDER OF BUSINESS**

**Acceptance of Unaudited Financial Statements as of November 30, 2025**

Mr. Adams responded to questions regarding billing and commingling of the tax collector and property appraiser fees.

Mr. Pakan discussed the need for a year-over-year analysis of the Debt Service Reserve Account from October 2024 to current, and noted that the Trustee might need to revise it to its proper amount. Mr. Adams will research the issue.

Discussion ensued regarding "Due from Developer" amounts.

**On MOTION by Mr. McCoskrie and seconded by Mr. Pakan, with all in favor, the Unaudited Financial Statements as of November 30, 2025, were accepted.**

**TENTH ORDER OF BUSINESS**

**Approval of December 8, 2025 Regular Meeting Minutes**

The following changes were made:

Line 23: Change "Spikowicz" to "Stegle"

Line 65: Change "Mitchell" to "McCoskrie"

Line 244: Change "16" to "6"

Line 255: Change "storm fund" to "CDD's duties and responsibilities"

**On MOTION by Mr. McCoskrie and seconded by Mr. Pakan, with all in favor, the December 8, 2025 Regular Meeting Minutes, as amended, were approved.**

**ELEVENTH ORDER OF BUSINESS**

**Other Business**

Mr. McCoskrie stated a letter was sent to Ms. Westin's attorney. Ms. Rinaldi stated that no response was received; the only recent response was a public records request regarding the

corrective Twelfth Amendment. Any responsive records have been provided, and the HOA's Attorney advised that the Amendment was submitted for recording.

It was noted that the Amendment was resubmitted.

Mr. McCoskrie stated that, when he surveyed the ponds with Mr. Meeks, he observed the need for the dry ponds to be bushhogged, as has been done during dry season in recent years. He presented Steadfast's proposal for bushhogging Ponds 12-AA, 12-CC, 11-AA, 7-AA, 50-CC, 5-EE, 150-BB, 160-AA, 161-AA, 180-BB, and L-200 AA, at a cost of \$2,000 per day, for three days.

**On MOTION by Mr. Ostensen and seconded by Mr. Tomahosky, with all in favor, the Steadfast proposal for bushhogging eleven ponds, in the amount of \$6,000, was approved.**

Mr. McCoskrie stated that, from time to time, uncovered drainage structures are identified. He displayed photos of an open area observed at a junction box in the woods and stated that Steadfast is working to procure a suitable cover. It was noted that there was no damage to the box. The expense should be under \$1,000 and be within the District Manager's spending authority. The hazardous area has been marked for safety.

Mr. Ostensen stated that the decorations were taken down and Jeb was hoping to repair the GFCIs on Monday but the repair was delayed. Since the trunks will not be wrapped, he advised Jeb that the lights are out on seven of the twelve oaks. Several small pergola lights and two lights on either side of the sign are also out; pricing for the repair of a total of 13 lights will be received this week. Work will be authorized, provided it is under the threshold.

Ms. Bloomquist stated she emailed to ask the City for a timeline for resurfacing the bad section of roadway that has potholes where the patches failed.

Mr. McCoskrie voiced his opinion that the deceleration lane entering the CDD from US-41 is in bad shape. It was noted that the State is responsible for that road. Mr. Ostensen will call a representative.

Discussion ensued regarding irrigation at Pond 5-HH and the sale of the pond. Ms. Rinaldi will ask Mr. Calamari if he has any relevant information.

No members of the public spoke.

**THIRTEENTH ORDER OF BUSINESS**

**Staff Reports**

**A. District Counsel: Kilinski | Van Wyk PLLC**

**B. District Engineer: Coastal Engineering Associates, Inc.**

There were no District Counsel or District Engineer reports.

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

- **NEXT MEETING DATE: February 9, 2026 at 10:00 AM [Adoption of Amended and Restated Rules of Procedure]**
  - **QUORUM CHECK**

**FOURTEENTH ORDER OF BUSINESS**

**Supervisors' Requests**

There were no Supervisors' requests.

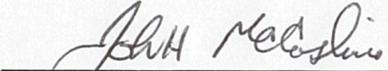
**FIFTEENTH ORDER OF BUSINESS**

**Adjournment**

**On MOTION by Mr. McCoskrie and seconded by Mr. Tomahosky, with all in favor, the meeting adjourned at 11:29 a.m.**

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

  
Secretary/Assistant Secretary

  
Chair/Vice Chair