

MINUTES OF MEETING  
SIX MILE CREEK COMMUNITY DEVELOPMENT DISTRICT

The regular meeting of the Board of Supervisors of the Six Mile Creek Community Development District was held on Tuesday, July 20, 2016 at 2:00 p.m. at the Offices of Governmental Management Services, 475 West Town Place, Suite 114, St. Augustine, Florida 32092.

Present and constituting a quorum were:

Chris Kuhn	Chairman
Chris O'Bannon	Supervisor
Rose Bock	Supervisor
Mike Veazey	Supervisor

Also present were:

Jim Oliver	District Manager
Wes Haber	District Counsel
Scott Wild	District Engineer

**FIRST ORDER OF BUSINESS**

**Call to Order**

Mr. Oliver called the meeting to order at 2:00 p.m.

**SECOND ORDER OF BUSINESS**

**Audience Comments**

There were no audience members in attendance.

**THIRD ORDER OF BUSINESS**

**Approval of Minutes of the June 15, 2016 Meeting**

Mr. Oliver stated included in your agenda package is a copy of the minutes of the June 15, 2016 meeting. Are there any additions, corrections or deletions?

On MOTION by Mr. Kuhn seconded by Mr. O'Bannon with all in favor the Minutes of the June 15, 2016 Meeting were approved.
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**FOURTH ORDER OF BUSINESS**

**Consideration of Resolution 2016-13, Rescheduling the Public Hearing to Adopt the Budget for Fiscal Year 2017**

Mr. Oliver stated we had originally scheduled the budget hearing to be held in August and with that budget hearing, we have to have mailed notice to the residents and published notices. They would include what the proposed assessment rates would be. We haven't yet determined what those are going to be. We want to push the public hearing back. We have to have this done by September 15<sup>th</sup> to get the assessment roll into the County.

Mr. Kuhn stated we could change it to be held on September 13<sup>th</sup> at 2:00 p.m.

On MOTION by Mr. Kuhn seconded by Ms. Bock with all in favor Resolution 2016-13 Rescheduling the Public Hearing to Adopt the Budget for Fiscal Year 2017 to be held on Tuesday, September 13, 2016 at 2:00 p.m. at the Offices of GMS, 475 West Town Place, Suite 114, St. Augustine, Florida 32092 was approved.

**FIFTH ORDER OF BUSINESS**

**Acceptance of Fiscal Year 2015 Audit Report**

Mr. Oliver stated a copy of the audit report is included in your agenda package. You will see in the opinion page says that the financial statements included in the report represent fair and all material respects, the financial position of the activities in each major fund. Over the next several pages you will see management's discussion and analysis and the financial statements for the year then ended on September 30, 2015. On page 24 is the report on internal controls. In the third paragraph it states, "During our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses." You will see a statement from Grau & Associates on page 26. This is the auditors report on compliance that he has to provide to the auditor general. It says, "In our opinion, the District complied in all material respects with the requirements that were stated in Section 218.415 of Florida Statutes." The next section is the management letter that is required to be provided to the auditor general. The purpose of the letter is to provide current year findings and recommendations, the status of prior year findings and recommendations and then there are a number of items they have to discuss compliance with. There is a finding you will see from 2015-01 and that is tied to the previous bonds, which have been in default previously. You will see a response that was provided, where steps were taken to alleviate the deteriorating financial condition by issuing the Series 2015 bonds. These audits go to the auditor general. They will give them to the General Legislative Audit Committee and when they see things like this it will generate a letter to the District and we will respond. There are some prior year findings. These are tied to the same bond issue that was

associated with the Series 2011 audit. The next item is the compliance with provisions of the audit general. In section six it states, " In connection with our audit, we determined the District has met one or more of the financial emergency conditions described in 218.503(1), Florida Statutes. These are tied directly to the bond matters that were discussed in the previous findings. This has already been provided to the auditor general. We had a June 30<sup>th</sup> deadline to provide it.

On MOTION by Mr. Kuhn seconded by Mr. O'Bannon with all in favor the Fiscal Year 2015 Audit Report was accepted.

**SIXTH ORDER OF BUSINESS****Discussion of Fiscal Year 2017 Budget**

Mr. Oliver stated there have been no changes to the budget, since you last saw it. We will expect that the amenity center will be open in late August. The major change you will see in this year's budget are the new line items that were not budgeted for fiscal year 2016. This will generate almost \$325,000 worth of costs of operating and maintaining the amenity center. The public hearing will be on September 13<sup>th</sup>.

**SEVENTH ORDER OF BUSINESS****Consideration of Maintenance Agreement with DR Horton for Landscape and Irrigation Improvements**

Mr. Haber stated this is an agreement between the District and DR Horton. DR Horton has certain real property they own within the District that they are developing. DR Horton would like for the District to install certain landscape and irrigation improvements on parcels within the area that they are developing. If the District had its preference it would wait until the site is fully developed, so that way we are not at risk with construction vehicles damaging the landscape or irrigation improvements. DR Horton has requested that the District install the landscape and irrigation improvements sooner than the District would usually do. In exchange for the District agreeing to do that, Horton has agreed to enter into this agreement with the District that essentially says that as long as the District begins the installation of the landscape and irrigation improvements within 60 days of execution of this agreement that if there were any damage to either the landscape or irrigation improvements and such damage is not caused by the District or the District's contractors then DR Horton would repair such damage at its own cost and return the improvements to the same or better condition that they were in prior to the damage taking place. I have drafted this. It is going to be subject to input by Horton.

On MOTION by Mr. Veazey seconded by Ms. Bock with all in favor the Maintenance Agreement with DR Horton for Landscape and Irrigation Improvements was approved in substantial form with Chair to negotiate the final terms.

**EIGHTH ORDER OF BUSINESS                      Consideration of Construction Matters**

Mr. Haber stated I think we gave the board some background at the last meeting with respect to the construction defect issue we are working on with Florida Roads and other contractors. We issued the work change directive pursuant to which Florida Roads is fixing the defective work. We have not come to an agreement with Florida Roads as it relates to the responsibility of who is going to pay for the costs associated with fixing the defect. It would be actual costs plus any staff time to deal with it. We received a letter from a lawyer from Florida Roads. They are taking the position that Florida Roads had no responsibility for the defect and indicating that they will supplement their claim as required by the agreement. We haven't seen any actual support for their position that they don't have any responsibility. It is still the District's position that the District holds no responsibility whatsoever as it relates to the defect. My office has begun preparing support for the District's claim. Ultimately all of these documents end up with the engineer, who has the role of being the final arbiter on the matter. After receiving documents from both sides, they make a final decision. The work change directive was for \$150,000. Is it looking like that number is probably a good one?

Mr. Wild responded it is probably going to be closer to \$200,000.

Mr. Kuhn stated and that is probably \$200,000 in hard costs.

Mr. Wild stated that is correct.

Mr. Haber stated our office has been working with Chris in review and submission of any of the claims documents.

**NINTH ORDER OF BUSINESS                      Matters Related to Amenity Center Opening**

**A. Amenity Center Policies and Rates**

Mr. Haber stated because the amenity center was funded with bond funds, which are public funds, we need to have a user fee for the use of the facility. Jim is passing out a resolution that sets a public hearing to adopt a user fee. I spoke to Jim prior to the meeting and based on similiarly situated Districts I think he thought \$2,200 is probably in the park. This fee is for anyone who is not a resident of the District. If they want to use the facilities then they can pay

the fee to the District and take advantage of using the facilities as though they are a resident. You don't have to make a final decision today but I think the amount you put in here, you will want to be your top amount that you would charge and then when you hold your public hearing, you can adjust it downward. The amount is something we are going to want to include in the public notice. As an exhibit to the resolution is the suspension and termination policy. It is not required by Florida Law that you adopt this by rule but because it is taking away a right of an owner within the facility and as a result, we think it adds some strength to the rule if you adopt it at a public hearing. This is a draft of the recommended language for the rule and that is also to be adopted at the public hearing.

On MOTION by Mr. Kuhn seconded by Ms. Bock with all in favor Resolution 2016-15 Setting the Proposed Nonresident Rate Fee of \$5,000 & Public Hearing Set for September 13, 2016 at 2:00 p.m. at the Offices of GMS, 475 West Town Place, Suite 114, St. Augustine, Florida 32092 was approved.

Mr. Haber stated there is a distinction between rules and policies. Rules need to be adopted at a public hearing. Policies are just how the facilities are operated. They can be approved without having a public hearing. I will have draft policies for your August meeting for the board to put in place.

**B. Staffing/Services Related to Operations and Maintenance of Facilities**

Mr. Kuhn stated we do need to solicit some proposals for the scopes of work. I was going to look at continuing this meeting. I think between now and the September meeting, we may need to meet three or four times. We have some scopes of work that need to be signed. We have some fitness equipment that needs to be installed. I would ask that we solicit proposals for the operation of the facility.

**TENTH ORDER OF BUSINESS**

**Other Business**

There being none, the next item followed.

**ELEVENTH ORDER OF BUSINESS**

**Staff Reports**

**A. Attorney**

There being none, the next item followed.

**B. Engineer**

**1. Ratification of Requisition 27  
Bon Series: 2016A and 2016B**

Mr. Wild stated Requisition 27 is for Scherer Construction. They had failed to send this pay request to us, so after a month or two they wondered why they were not getting paid. They did some research and finally got it to us. In the interest of getting them paid promptly, we went ahead and had the Chair execute it. It is in the amount of \$225,272.75 on the A bond account and \$207,944.08 in the B bond account.

On MOTION by Mr. Kuhn seconded by Mr. O'Bannon with all in favor Requisition No. 27 was ratified.

**2. Consideration of Requisitions 28-38**

Mr. Wild stated I have handed out a revised requisition summary as compared to the one in the agenda package. These total \$319,999.90 for the A bond fund and \$295,384.52 for the B bond fund. The total of requisitions to be approved is \$1,048,601.25.

On MOTION by Mr. Kuhn seconded by Mr. Veazey with all in favor Requisition Nos. 28 through 38 were approved.

**3. Consideration of Work Authorization No. 20, Amendment No. 1**

Mr. Wild stated included in your agenda package is amendment no. 1 to work authorization no. 20, which is the phase five construction document preparation. The scope of phase five has increased to add 35 additional lots and approximately 1,400 linear feet of road to phase five. The total amount is \$46,750.

On MOTION by Mr. Kuhn seconded by Ms. Bock with all in favor Work Authorization No. 20, Amendment No. 1 was approved.

Mr. Wild stated now we will go back to the handout I gave you. We got a design from FPL for the Trailmark Phase 4A phase of the development. It is primarily relocating existing infrastructure. We got a proposal from Atkins Electric for \$13,200 and one from First Coast Electric for \$5,485.

On MOTION by Mr. Kuhn seconded by Mr. O'Bannon with all in favor the Proposal from First Coast Electric for Phase 4A was approved.

Mr. Wild stated the next page is similar with two proposals from two electric companies. This is for phase 4B. We got one proposal for \$93,305 from Atkins Electric and one for \$72,983 from First Coast Electric. The plan at this price was based upon a preliminary plan that FPL released. We have subsequently gotten their final plan, which doesn't appear to deviate too much from this plan. I wouldn't expect these amounts to change much but they are subject to change once we get the final pricing.

On MOTION by Mr. Kuhn seconded by Mr. Veazey with all in favor the Proposal from First Coast Electric for Phase 4B was approved.

Mr. Wild stated this last page is for Ellis & Associates to go out in the field and observe the test pits and bore holes.

On MOTION by Mr. Kuhn seconded by Mr. O'Bannon with all in favor the Proposal from Ellis & Associates was approved.

**C. Manager – Discussion of Meeting Dates for Fiscal Year 2017 and Selection of a Landowners Meeting Date, Resolution 2016-14**

Mr. Oliver stated we have a proposed meeting schedule in your agenda package, which is based off of the schedule you have now.

On MOTION by Mr. Kuhn seconded by Mr. O'Bannon with all in favor the Meeting Schedule for Fiscal Year 2017 was approved.

Mr. Oliver stated we need to have a landowner's election in 2016. You have a copy of the resolution in your agenda package, as well as some documents that show the instructions for the landowner's election.

On MOTION by Mr. Kuhn seconded by Mr. O'Bannon with all in favor Resolution 2016-14 Setting the Landowners Meeting to be held on November 16, 2016 at 2:00 p.m. at the Offices of GMS, 475 West Town Place, Suite 114, St. Augustine, Florida 32092 was approved.

**D. Field Services**

There being none, the next item followed.

**TWELFTH ORDER OF BUSINESS      Supervisors' Requests and Audience Comments**

There being none, the next item followed.

**THIRTEENTH ORDER OF BUSINESS      Financial Statements as of June 30, 2016**

Mr. Oliver stated included in your agenda package is a copy of the financial statements as of June 30, 2016.

**FOURTEENTH ORDER OF BUSINESS      Consideration of Funding Request FY16-#16**

On MOTION by Mr. Kuhn seconded by Mr. O'Bannon with all in favor the Funding Request FY16-#16 was approved.

**FIFTEENTH ORDER OF BUSINESS      Consideration of Funding Request FY16-#17**

On MOTION by Mr. Kuhn seconded by Mr. O'Bannon with all in favor the Funding Request FY16-#17 was approved.

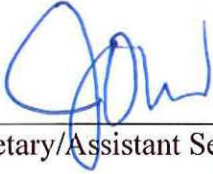
**SIXTEENTH ORDER OF BUSINESS      Next Scheduled Meeting – Wednesday, August 17, 2016 @ 2:00 p.m. at the Offices of GMS**

Mr. Kuhn stated I would suggest continuing this meeting to August 9<sup>th</sup> and then change the August 17<sup>th</sup> meeting to August 23<sup>rd</sup> at 1:00 p.m.

On MOTION by Ms. Bock seconded by Mr. Kuhn with all in favor the Meeting was Continued to August 9, 2016 at 2:00 p.m. at the Offices of GMS, 475 West Town Place, Suite 114, St. Augustine, Florida 32092 & Changing the August 17, 2016 meeting date to be held on August 23, 2016 at 1:00 p.m. at the Offices of GMS.



**SEVENTEENTH ORDER OF BUSINESS    Adjournment**



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Secretary/Assistant Secretary



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Chairman/Vice Chairman