

TURNBULL CREEK
COMMUNITY DEVELOPMENT DISTRICT

A meeting of the Board of Supervisors of the Turnbull Creek Community Development District was held Tuesday, March 10, 2015 at 6:00 p.m. at the Murabella Amenity Center, 101 Positano Avenue, St. Augustine, Florida.

Present and constituting a quorum were:

Aage G. Schroder, III	Chairman
Kathleen Venezia	Vice Chairperson
Joseph Quinto	Supervisor
Brian J. Wing	Supervisor
Chuck Labanowski	Supervisor

Also Present were:

David deNagy	District Manager
Mike Eckert	District Counsel
Preston Doub	District Engineer
Stephen Dupries	England Thims & Miller
Buckley Williams	England Thims & Miller
Rhonda Mossing	MBS Capital Markets LLC
Bob Gang	Greenberg Traurig
Buckley Williams	England Thims & Miller

The following is a summary of the minutes and actions taken at the March 10, 2015 meeting. A copy of the proceedings can be obtained by contacting the District Manager.

FIRST ORDER OF BUSINESS

Roll Call

Mr. deNagy called the meeting to order at 6:00 p.m.

SECOND ORDER OF BUSINESS

Audience Comments

There being none, the next item followed.

THIRD ORDER OF BUSINESS

Presentation of Terms of Bond Sale

Mr. Eckert stated in the assessment resolutions you have been provided we did include the terms of the bond sale as attachments to them. The terms of the bonds are within the

parameters that the board set forth when you adopted the delegated award resolution at your last meeting. Rhonda Mossing is here and available to answer any questions. As you have seen from the flurry of paperwork it was a fairly complicated bond transaction and as in most bond closings there were changes to the documents being made up until this afternoon.

Mr. Schroder asked was the market volatility chart provided for another agenda item?

Ms. Mossing stated I asked Dave to provide you with this just to show you what the market did during the period of time when we started this process until we ended it when we priced last week so that you could see what we were up against when we were working on the refunding. The market was at an all time low when we started the process and in a little over a one month period from the time we started until we finished pricing last week the market had moved away from us 30 basis points, which made it very complicated for us when we entered the bond market. The day after we entered the bond market it shot up 14 basis points because of the employment numbers that came out on Friday. Interest rates going up is good for the economy it is bad for the bond market. We were able to meet all the parameters that we estimated when we started the process and we actually did a little bit better and Mike will be able to show you on the charts he has put together that on the bonds and mailed notices that went out and the estimates that we provided you and the residents we actually met all the parameters and did a little bit better on the annual assessments and the savings in all cases across the board. The average interest rate on your A Bonds, which is the refunding series between the senior and subordinate debt came in at 4.19%. The B Series, which is on the pond bank reconstruction is a little higher at 4.45% because the maturity on that one goes out another ten years.

Mr. Schroder stated the interest rate on the 2005 Bond was 5.8% so we did substantially better.

Ms. Mossing stated the total savings over the life of the 2015A bonds for the refunding is \$2,477,000 so that is how much the board is saving by doing this refunding over the remaining life of the bonds.

Mr. Schroder stated I want to thank you we appreciate that.

FOURTH ORDER OF BUSINESS

Public Hearing to Consider Imposition of Special Assessments and Adoption of Assessment Roll

A. Consideration of 2015A Assessment Resolution 2015-10

On MOTION by Mr. Wing seconded by Mr. Labanowski with all in favor the public hearing was opened.

Mr. Eckert stated we are going to have two public hearings because they are two separate assessment liens. For purposes of opening the public hearing I would like that to be dealing with the refunding bond. Under Florida Law there are two criteria that the board must meet in order to levy a special assessment, the lands that are subject to the assessment must receive a benefit from the assessment program and the obligation to pay must be reasonably apportioned among the land that gets that benefit. One, you have a benefit and two, you have to fairly allocate it to the land that actually gets the benefit. In this particular case with the refunding of the bonds every lot is treated the same that secures the 2005 Bonds; it is the same scenario you have for the 2005 Bonds. We haven't changed the methodology; it is consistent with what you have done before. There are certain requirements we need to go through in this public hearing. I'm going to have some questions, we are going to have an opportunity for members of the public to ask questions or express concerns that they have and the board members will also have an opportunity to express concerns and ask questions. We have included in the resolution that has been circulated the methodology, which ties to the actual terms of the bonds that we sold and on this one the revised annual payment for somebody in the 2005 assessment area would be \$1,451.69 that is a lower assessment payment for those folks by about \$119. Their principal has been increased up to \$18,436.32 but that is in part due to the fact that we had to finance some of the costs of issuance. We are within the parameters of what you approved but I want to make sure if anyone has any questions on the increase in principal or the lowering of the annual assessment that we talk about that first to make sure everybody understands what we are doing and then we will go into the hearing.

Mr. Schroder asked what was the increase in principal?

Mr. deNagy responded it went from \$17,904.49 to \$18,436.32 it was an increase of \$531.83 per lot.

Mr. Eckert stated first of all I will just ask if there are any questions from the board on the methodology for Dave. There being none, Mr. Eckert asked in your professional opinion are the special assessments reasonably apportioned among the lands subject to the special assessments?

Mr. deNagy responded yes.

Mr. Eckert asked in your professional opinion is it reasonable, proper and just to assess the cost of the refunding against the lands in the district in accordance with the methodology, which results in the special assessments set forth on the final assessment roll?

Mr. deNagy responded yes.

Mr. Eckert asked is it your opinion that the special benefits the lands will receive as set forth in the final assessment roll will be equal to or in excess of the maximum special assessments when allocated as set forth in the methodology?

Mr. deNagy responded yes.

Mr. Eckert asked is it your opinion that it is in the best interests of the district that the maximum special assessments be paid and collected in accordance with the methodology and the district's assessment resolutions?

Mr. deNagy responded yes.

Mr. Eckert stated at this point in time it would be appropriate to invite the public to comment on the 2005 refunding assessments. You can also ask questions, we can try to answer them and this just relates to the people who live in the 2005 assessment area whose bonds are being refinanced.

Mr. Longstreth stated I read that this particular bond refinancing will take affect in the year 2016 taxes not 2015.

Mr. Eckert stated no, we will start collecting the new amounts when you see your November tax bill in 2015 that will be the bill for the payments that are due up until April 1, 2016. That is probably what the confusion is but your November 2015 tax bill will have this new lower amount on it.

Mr. Carter asked this refinancing is strictly for the remaining years on the bond, correct?

Mr. Eckert responded correct, we are not extending the term that we had originally. We had a 30 year term, we are 10 years in, we are refinancing and the new bonds have a 20 year term.

At this point in time does the board wish to make any adjustments to the assessments based on any of the public comment they heard today? There being none, we will go on to consideration of the resolution.

Mr. Eckert read Resolution 2015-10 by title into the record, copy of which is attached hereto and made a part hereof then briefly described each section of the resolution.

On MOTION by Mr. Wing seconded by Mr. Labanowski with all in favor Resolution 2015-10 was approved.

On MOTION by Mr. Schroder seconded by Ms. Venezia with all in favor the public hearing was closed.

B. Consideration of 2015B Assessment Resolution 2015-11

On MOTION by Mr. Wing seconded by Mr. Labanowski with all in favor the public hearing was opened.

Mr. Eckert stated these are the bonds dealing with phase 1 of the pond bank reconstruction. We included in our notice for each lot within the entire district that is all 959 units within the district the principal would be \$1,334.72 that is unchanged based on the terms of the bonds that were sold. However, the annual amount did go down slightly. The annual amount that will be assessed is \$88.08 on a gross funding basis. That was not significantly different than what we estimated but a hair lower.

Are there any questions for Dave in relation to these assessments?

There being none, Mr. Eckert continued, because this is a new project we are not just doing a refinancing I did want Preston to confirm for the board that the engineer's report that was used to sell these bonds is the same one that he provided last to the board.

Mr. Doub stated yes.

Mr. Eckert asked based on your experience are the cost estimates in your engineer's report reasonable and proper?

Mr. Doub responded yes.

Mr. Eckert asked do you have any reason to believe the project cannot be carried out by the district?

Mr. Doub responded no.

Mr. Eckert stated you have the same two criteria a special assessment needs to meet. Dave has provided his report to you, you have seen it in several forms the most recent one has

the actual terms of the bonds. Dave, I will ask in your professional opinion do the lands subject to the assessments receive special benefits from the district's pond bank reconstruction project?

Mr. deNagy responded yes.

Mr. Eckert asked in your professional opinion are the special assessments reasonably apportioned among the lands subject to the special assessments?

Mr. deNagy responded yes.

Mr. Eckert asked in your professional opinion is it reasonable, proper and just to assess the cost of the capital improvement program against the lands in the district in accordance with your methodology, which results in the special assessments set forth on the final assessment roll?

Mr. deNagy responded yes.

Mr. Eckert asked is it your opinion that the special benefits the lands will receive as set forth in the final assessment roll will be equal to or in excess of the maximum special assessments thereon when allocated as set forth in the methodology?

Mr. deNagy responded yes.

Mr. Eckert asked is it also your opinion that it is in the best interests of the district that the maximum special assessments be paid and collected in accordance with the methodology and the district's assessment resolution?

Mr. deNagy responded yes.

Mr. Eckert stated at this point in time if there are any members of the public that have any questions or comments related to the assessments for the Phase 1 pond bank reconstruction project now would be an appropriate time to ask those questions or provide those comments.

Mr. Smith asked why are we paying for the pond bank reconstruction? What was determined to be the issue, was it the development of the project, the site or something else?

Mr. Eckert stated let's address what the problem is first. The actual cause I don't think has been pinpointed exactly why we have that issue. Let's listen the nature of the problem first and that might help explain some things.

Mr. Doub stated it is primarily a geotechnical issue and we have had a geotechnical engineer investigate it and do a report of their findings. Basically, they found pockets of material that doesn't drain very well and what happens is it builds up a hydrostatic groundwater pressure behind it and then over a period of time it slips and fails. What we are going to do is go in and

remove that and put in an underdrain system to capture that groundwater to pull it away from going into the pond banks.

Mr. Smith asked we have no idea why that material is in there?

Mr. Doub responded no.

Mr. Schroder stated if you look at some of the undeveloped areas, we have pine flat woods, agriculture, cypress ponds and it was cleared and leveled and ponds were created and those ponds were filled in and so forth. Then after decades of being farmed the land was purchased and developed. The only way you could have really known what was under the ground was to do an extremely large number of soil borings and so forth. What we have is in some spots we have undesirable material and we are dealing with that. We are all concerned about that and it is something we had not anticipated but we have to fix it. We can't let the ponds continue to fail.

Mr. Eckert asked does the board wish to make any adjustments to the assessments based on the public comment you heard today? Hearing none, unless the board has any questions for staff we will consider the resolution.

Mr. Eckert read Resolution 2015-11 by title, copy of which is attached hereto and made a part here, then briefly described each section of the resolution.

On MOTION by Mr. Labanowski seconded by Ms. Venezia with all in favor Resolution 2015-11 was approved.

On MOTION by Mr. Wing seconded by Mr. Labanowski with all in favor the public hearing was closed.

C. Consideration of Notices of Assessments

Mr. Eckert stated there are two notices that your staff will record in the official records of St. Johns County to put potential purchasers on notice that we have levied the 2015A assessments for the refinancing and we have levied the 2015B assessments for the pond bank reconstruction. When somebody goes to purchase a home here that will show up in their chain of title so that they are on notice that we have those assessments outstanding. Typically when people see that they will contact Dave's office and request an estoppel letter to say how much is

actually owed as of the date that they are buying their property. We would like authorization from the board to record those two notices.

On MOTION by Mr. Labanowski seconded by Ms. Venezia with all in favor staff was authorized to record in the public records the two notices of assessments.

FIFTH ORDER OF BUSINESS

Consideration of Construction Contract

Mr. deNagy stated I handed out a redline version of the pond bank reconstruction agreement.

Mr. Doub stated this is the contract that we saw as part of the RFP process and we went through it very carefully section by section when you originally looked at and approved it. Now that we are entering into a contract with the contractor and have a contract amount filled in and we added language to require the contractor to coordinate his schedule with us for approval prior to working in an area. That keeps us informed as to where he is going first, where he is going second and we have to sign off on that before we release him into areas.

Mr. Eckert stated there weren't a lot of significant changes from what the board approved in the RFP package as a form of contract. There were just a couple of operational type issues.

Mr. Doub stated under section 17.2 we just added a sentence at the end, which we wanted option 4 for the contractor to provide a one-year maintenance bond and since we took that option with him we added language saying he has to provide that to us.

On MOTION by Mr. Labanowski seconded by Mr. Schroder with all in favor the construction contract for the pond bank reconstruction with Besch and Smith was approved with the changes that have been indicated and subject to a successful closing of the bonds on March 12, 2015.

SIXTH ORDER OF BUSINESS

Other Business

Mr. Eckert stated in connection with the bond sale there is a new requirement that the district adopt post bond issuance procedures to make sure that we are retaining the records that the IRS requires us to retain and that we are actually signing the documents that need to be signed in connection with the bond closing. I passed that out to the board and I'm asking the

board to approve it and designate your secretary as the responsible person for making sure that happens. Basically it is saying we are going to do what we are already required to do under all the other documents we signed. It is all the stuff we are already doing with our other bonds.

Mr. Wing asked who will the responsible person be?

Mr. Eckert responded I'm suggesting the secretary, which is Dave.

On MOTION by Mr. Wing seconded by Ms. Venezia with all in favor the post issuance compliance and remedial action procedures were approved with the secretary of the board being the responsible party for ensuring compliance.

Mr. deNagy stated there are two requisitions, one for the A Bond and one for the B Bond. We incurred some costs already out of our general fund and/or our capital reserve fund. This is reimbursing the district from the bond funds, those costs that we have identified that apply to either one of those bonds.

Mr. Doub stated for the 2015A-2 Bond it is requisition no. 1 in the amount of \$10,868.94 and for the 2015B-2 Bonds requisition no. 1 in the amount of \$82,445.41 and that would be subject to when we have bond funds.

Mr. Eckert stated those are invoices that you have already approved that have been paid and you are going to have an influx of about \$92,000 going back into your general fund. It covers what has been paid by the district; it does not cover all the costs of issuance that are yet to be paid but all of that will be paid out of bond proceeds not out of your O&M account.

On MOTION by Mr. Labanowski seconded by Ms. Venezia with all in favor Requisition no. 1 for the 2015A Series Bonds in the amount of \$10,868.94 was approved subject to bond funds being available.

On MOTION by Mr. Labanowski seconded by Mr. Schroder with all in favor requisition no. 1 for the Series 2015B Bonds in the amount of \$82,445.41 was approved subject to bond funds being available.

Mr. Doub stated I have some discussion items going forward with the project and some business items and I would like to do the business items first. At the last board meeting the board asked us to bring back a work authorization for construction engineering and inspection services. Buckley Williams is with us tonight and he and I worked on that together.

Mr. Williams stated you have a work authorization that is not numbered until the bond proceeds are available then it will be numbered at that time. We had a chance to look at the budgeted amount of proceeds available for this work and came up with a scope and fee that was reasonable and appropriate but importantly it was daily, although periodic in nature because of working with the contractor as he develops his schedule for the work. It includes the important aspects of the project that the board has mentioned to the district engineer which includes daily site visits, understanding of ingress and egress, therefore we came up with the scope that has the three major elements, the preconstruction, construction and the closeout process. Some clarification of services not included then the basis of the estimate that was included in the bond proceeds at \$75,000. This is an hourly budget and we have budgeted for this effort a six day work week and there is a possibility the contractor may not work six days a week and we would apply our services commensurate to the level of the progress of the work.

Mr. Labanowski stated I understand we are going to have a project manager we are not familiar with, Jeff. Where does he fall in this hourly rate?

Mr. Williams stated he would be under the inspection services and the project management, Preston Doub in that role and our professional engineer Stephen Dupries as the engineer. The CEI inspection Jeff Brooks who is familiar with the site a very seasoned inspection representative for us. He will be the person who will be in charge of being here daily and working with any staff the board asks us to work with, which is contemplated in the scope.

On MOTION by Mr. Schroder seconded by Mr. Labanowski with four in favor and Mr. Wing voting no, the work authorization for construction engineering inspection with ETM was approved.

Mr. Doub stated the geotechnical services will be provided by Meskel & Associates as a sub-consultant to us. We have taken their proposal and created a work authorization bringing them under us and there is a little bit on top of that for administrative costs that would be added to that.

On MOTION by Mr. Labanowski seconded by Ms. Venezia with all in favor the work authorization for Meskel and Associates for geotechnical services as a sub-consultant of ETM was approved.

Mr. deNagy stated we had talked about having a public hearing on March 24th to consider the amenity policy changes with regard to community use. We didn't get the notice published for that public hearing in order to change rates. We can still change policies as we see fit for the community use on March 24th but we need to defer the rates we are talking about changing to a public hearing to be held at our April 28th meeting.

Mr. Schroder asked should we defer the policies at the same time?

Mr. deNagy stated I recommend we take up the policies at the March 24th meeting and take action on that.

On MOTION by Mr. Wing seconded by Mr. Labanowski with all in favor staff was authorized to notice a public hearing to consider a change in the rates for the amenity center for April 28, 2015.

SEVENTH ORDER OF BUSINESS

Supervisor's Requests and Audience Comments

Ms. Venezia stated I have prepared an example of a project plan to be used not only for the pond bank reconstruction project but possibly future projects. The San Marino project has been going on for some time and we rarely know what is going on unless it is brought up at a meeting. This may be something we want to utilize going forward so that board members can see a project is going on, it started way back when and it is still in progress so we can see everything in front of us.

Mr. Schroder asked is this something you want us to review and at some point in the future maybe take action on?

Ms. Venezia responded yes.

Mr. Doub stated we will have regular meetings with the contractor and have agendas and follow-up items and we can put that together and try to get it in the agenda packages before the board meetings so you have the information.

Mr. Schroder stated we need to talk about how we communicate with the residents. It is important that we go out there and walk the property line and easement and look at each lot and say this is what we are going to have to have done prior to the contractor working and the contractor is scheduled to be in this area between this date and this date and you need to have your fence relocated two weeks ahead. It is a lot of work I don't think we can give a general time, we need to go out there and look and see what fence is there and based on this drawing if there are trees or hardscape or irrigation and say this is what we think you need to do. I'm willing to take an area and do that I don't know if other board members will volunteer to do that.

Mr. Labanowski stated I will do the same thing.

Ms. Venezia stated I can cover one area.

Mr. Doub stated maybe you assign areas to fit their schedule. If there are three board members willing to do it then one take 1A, 1B and 1C or something like that.

Mr. Eckert stated if you are going to have a supervisor do that role they should be dealing with where the contractor is working at that point in time and have one person doing it. If they are going to be working on 1A, 1B and 1C all at the same time I would not have three board members communicating with the residents because they are not going to know what the other residents are saying and you need that one person because then a neighbor is going to say that another supervisor told me this. It needs to be one person. If you want to alternate phases once you moved on to a totally different phase then that is when you would switch it out.

Mr. deNagy stated initially we are going to get what areas have fences from the contractor so we will be able to send mailed notices out.

Mr. Schroder stated I am going to be assigned an area and I'm going to walk it and look at every lot in advance so I will have a feel for what I will tell each lot owner and then we would have to meet with them and if they are out there we can kill two birds with one stone I guess. In our experience in walking the pond banks a few people come out of their houses and ask what is going on.

Mr. Doub stated I can see two letters, one where we are working on the lot and if the guy has a fence we know he has to take it down so that would be one type of letter we would send. We could pick those lots by this plan. The second letter would be the contractor is going to be working on the pond bank outside of your lot, however, if we run into a problem we will notify

you further if we need you to remove your improvements. We can put those together and send them to the right people.

Mr. deNagy stated in that letter there would be a contact person.

Mr. Doub stated I think we need to set a date in there that we need them to have it done and if they don't do it by that date then we have to talk to them or see what's going on or decide if we are going to take enforcement action. We have to give them a date certain on A, B, and C. I don't want to give the contractor notice to proceed until I know it looks like we are going to get them all moved.

Mr. Eckert stated I agree with Preston's approach, make sure the work site is clear, notice to proceed then you are just going to have to stay on top of it for the next six months.

Mr. Quinto stated some residents may get angry and say who are you to tell me what to do.

Mr. Doub stated the letter is going to tell them what they need to do. As a courtesy the board member is going to come by and talk to them about it.

Mr. Labanowski asked have we identified the lots that have to be repaired by the homeowner yet before the contractor can go in there?

Mr. Doub stated we aren't really going to know that and we talked through that with him but until he sets grade stakes for that top of bank we don't know if that homeowner is high or low or exactly where we stand.

Mr. Schroder stated we probably need to assign areas.

Ms. Venezia stated I will take 1A, B and C.

Mr. Labanowski stated I will take area 2 and 4 and 5.

Mr. Schroder stated I will take 3.

Mr. Longstreth stated I have a question related to the next set of events for the issuance of the bonds and collection of the money from the bonds. When will the bonds go on sale, what is the prognosis for the bonds selling, is there a plan B if not all the bonds sell?

Mr. Eckert stated the bonds are under contract and have been sold and the closing on the bonds is set for Thursday, so all the bonds were sold within the parameters that the board approved. The money will be wired on the 12th at 10 a.m. there is a telephone call with all the professionals who are involved, bond counsel, underwriter's counsel, our office and everybody says we are officially signed off you can release the documents. In anticipation of that we had a

pre-closing today at 4:00 p.m. where documents were signed and held in escrow until such time as we release them on Thursday.

A resident asked if we have to remove a fence that is at our cost and have it put back in along with the irrigation as well?

Mr. Eckert stated that is correct. I think the irrigation is the contractor's requirement under our contract with them.

Mr. Doub stated it is in his contract but if the contractor is working on a road out here and he needs to work around existing utilities he calls for locations and as-builts. He is looking for as much help as he can get from the homeowners to help him identify where the system is at and maybe flagging heads and that type of stuff to help him out a little bit with that.

A resident stated I move in last year and I know where they pop up but have no idea where the lines are.

Mr. Doub stated what would help him in that case is if you would go out and turn it on and flag or paint or something to mark where the irrigations heads are.

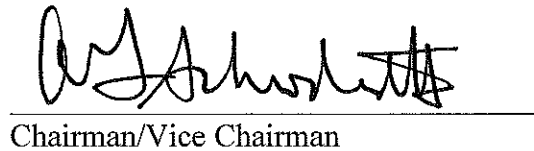
EIGHTH ORDER OF BUSINESS

Next Scheduled Meeting – March 24, 2015 at 6:00 p.m. at the Murabella Amenity Center

Mr. deNagy stated our next scheduled meeting is March 24, 2015 at 6:00 p.m.

On MOTION by Mr. Quinto seconded by Mr. Schroder with all in favor the meeting adjourned at 7:48 p.m.


Secretary/Assistant Secretary


Chairman/Vice Chairman