
MINUTES OF MEETING

Each person who decides to appeal any decision made by the Board with respect to any matter considered at the meeting is advised that the person may need to ensure that a verbatim record of the proceedings is made, including the testimony and evidence upon which such appeal is to be based.

**MAGNOLIA CREEK
COMMUNITY DEVELOPMENT DISTRICT**

The regular meeting of the Board of Supervisors of the Magnolia Creek Community Development District was held on **Thursday, August 13, 2015 at 2:30 p.m. (CDT)** at the Walton County Coastal Branch Library, located at 437 Greenway Trail, Santa Rosa Beach, FL 32459.

Present and constituting a quorum:

Tom Hidell	Board Supervisor, Chair
Dale "Chip" Jones	Board Supervisor, Vice Chair
David Jae	Board Supervisor, Assistant Secretary <i>(via speakerphone)</i>
Billy McConnell	Board Supervisor, Assistant Secretary
Adam Lerner	Board Supervisor, Assistant Secretary

Also present were:

Debra Anderson	District Manager, Rizzetta & Company, Inc.
Carl Eldred	District Counsel, Hopping Green & Sams, P.A.
Rick Moore	District Engineer, Moore Bass Consulting <i>(via speakerphone)</i>

Audience

FIRST ORDER OF BUSINESS Call to Order

Ms. Anderson called the meeting to order and read roll call confirming a quorum for the meeting.

SECOND ORDER OF BUSINESS Audience Comments

Discussion was held regarding the purview of the District and the mission of the Board. Mr. Jones explained how the Special Purpose Entity works and the purpose of the Special Purpose Entity. Discussion ensued on progress that has been made, the current status of the District and some direction that may be pursued in the future. There was also discussion regarding a notice of claim with respect to mineral rights which had been received by landowners.

THIRD ORDER OF BUSINESS

**Consideration of Minutes of the Board
of Supervisors' Meeting Held on
May 14, 2015**

Mr. Hidell stated the minutes should read exclusion of Supervisors' email, rather than inclusion of Supervisors' email.

On a Motion by Mr. Jones, seconded by Mr. Hidell, with all in favor, the Board of Supervisors approved the revised Minutes of the Board of Supervisors' Meeting held on May 14, 2015, for the Magnolia Creek Community Development District.

FOURTH ORDER OF BUSINESS

**Ratification of Operation and
Maintenance Expenditures for April
through June 2015**

On a Motion by Mr. Hidell, seconded by Mr. McConnell, with all in favor, the Board of Supervisors ratified the Operation and Maintenance Expenditures for April 2015 (\$5,572.62), May 2015 (\$5,332.22) and June 2015 (\$7,917.15), for the Magnolia Creek Community Development District.

FIFTH ORDER OF BUSINESS

**Public Hearing on Fiscal Year 2015/2016
Final Budget**

On a Motion by Mr. Jones, seconded by Mr. Lerner, with all in favor, the Board of Supervisors opened the Public Hearing on Fiscal Year 2015/2016 Final Budget, for the Magnolia Creek Community Development District.

Ms. Anderson stated that the final budget had been reduced from the proposed budget presented to the Board at their May 14, 2015 meeting and she detailed these reductions. Mr. Eldred stated that the reduction in the final budget will allow the assessments to remain unchanged for Fiscal Year 2015/2016, rather than be increased, as had previously been noticed to the landowners. Ms. Anderson stated that the Operation and Maintenance Budget totals \$126,475.00 and the Debt Services budget \$76,208.85, net of any Walton County collection costs.

On a Motion by Mr. Jones, seconded by Mr. Hidell, with all in favor, the Board of Supervisors closed the Public Hearing on Fiscal Year 2015/2016 Final Budget, for the Magnolia Creek Community Development District.

SIXTH ORDER OF BUSINESS

**Consideration of Resolution 2015-05,
Approving Fiscal Year 2015/2016 Final
Budget**

Ms. Anderson stated that this resolution formally adopts the budget as presented to the Board.

On a Motion by Mr. Jones, seconded by Mr. Lerner, with all in favor, the Board of Supervisors adopted Resolution 2015-05, Approving Fiscal Year 2015/2016 Final Budget, for the Magnolia Creek Community Development District.

SEVENTH ORDER OF BUSINESS

**Public Hearing on Levy of Operation and
Maintenance Assessments**

On a Motion by Mr. Lerner, seconded by Mr. Hidell, with all in favor, the Board of Supervisors opened the Public Hearing on Levy of Operation and Maintenance Assessments, for the Magnolia Creek Community Development District.

Ms. Anderson recited the operation and maintenance and debt services assessment portions for each parcel unit type.

On a Motion by Mr. McConnell, seconded by Mr. Hidell, with all in favor, the Board of Supervisors closed the Public Hearing on Levy of Operation and Maintenance Assessments, for the Magnolia Creek Community Development District.

EIGHTH ORDER OF BUSINESS

**Consideration of Resolution 2015-06,
Approving Levy of Non-Ad Valorem
Assessments**

Mr. Eldred stated that this resolution imposes the assessments necessary to support the budget that was just adopted and imposes the assessment liens and certifies the assessments for collection.

On a Motion by Mr. Jones, seconded by Mr. Hidell, with all in favor, the Board of Supervisors adopted Resolution 2015-06, Approving Levy of Non-Ad Valorem Assessments, for the Magnolia Creek Community Development District.

NINTH ORDER OF BUSINESS

**Consideration of Resolution 2015-07,
Setting the Meeting Schedule for Fiscal
Year 2015/2016**

Ms. Anderson stated that traditionally the Board has met on the second Thursday of each month at 2:30 p.m. Discussion ensued and it was decided to schedule monthly meetings on the second Thursday of each month, with the exception of holding no meeting in the month of November, at 2:00 p.m. (central time) at the Walton County Coastal Branch Library, located at 437 Greenway Trail, Santa Rosa Beach, FL 32459.

On a Motion by Mr. Jones, seconded by Mr. Hidell, with all in favor, the Board of Supervisors approved Resolution 2015-07, Setting the Meeting Schedule for Fiscal Year 2015/2016 on the second Thursday of each month, with the exception of holding no meeting in the month of November, at 2:00 p.m. (central time) at the Walton County Coastal Branch Library, located at 437 Greenway Trail, Santa Rosa Beach, FL 32459, for the Magnolia Creek Community Development District.

TENTH ORDER OF BUSINESS

**Consideration of Dissemination Agent
Proposal**

Ms. Anderson stated that the District was presented a proposal by Lerner Reporting Services to provide dissemination services for the District, which are required on a quarterly basis by the SEC and also by the Trust Indenture. She stated there is also an addendum proposal from DAC (Digital Assurance Certification, LLC), the company currently providing this service. Mr. Jones stated that DAC is behind in the required reporting and have not filed a report in approximately five years. Ms. Anderson stated that Rizzetta & Co. also performs this service. It was decided to obtain a proposal from Rizzetta & Co. as well as a formal proposal from DAC and review these three proposals at the next meeting.

ELEVENTH ORDER OF BUSINESS

**Ratification of Fiscal Year 2013/2014
Financial Audit**

Ms. Anderson stated that the audit had been submitted to the state prior to the deadline and has been reviewed by District Counsel. Mr. Eldred stated that there are some adverse findings which are to be expected, given the situation of the District. He stated that District management had responded to those findings and there will also be a response required to the Joint Legislative Auditing Committee review which will be prepared by District Counsel and provided to the Board for review.

On a Motion by Mr. Jones, seconded by Mr. Hidell, with all in favor, the Board of Supervisors, ratified the acceptance and transmission to the County of the Fiscal Year 2013/2014 Financial Audit, for the Magnolia Creek Community Development District.

TWELFTH ORDER OF BUSINESS

**Discussion Regarding Notice of Claim
with Respect to Mineral Rights**

Mr. Eldred stated that there is no required response by the District at this time. He stated there has been no further action taken to effectuate the claim. Mr. Eldred stated that a title search could be requested and District Counsel could review those findings, should the Board desire. A brief discussion ensued.

On a Motion by Mr. Hidell, seconded by Mr. McConnell, with all in favor, the Board of Supervisors, authorized District Counsel to work with the Special Purpose Entity (Magnolia Creek Holdings, LLC) to determine a plan to clarify the potential mineral rights claim, for the Magnolia Creek Community Development District.

THIRTEENTH ORDER OF BUSINESS

Staff Reports

- A. District Counsel had nothing further to report.
- B. District Engineer had no report.
- C. District Manager
Ms. Anderson stated that the next regularly scheduled meeting is set for September 10, 2015 at the usual location.

FOURTEENTH ORDER OF BUSINESS

**Supervisor Requests and Audience
Comments**


Mr. Jones stated that, through foreclosure, the Special Purpose Entity took title to a parcel of land that includes the lake, which is part of the master stormwater system. Mr. Jones inquired of District Counsel if the lake should be deeded to the District, as opposed to being held by the Special Purpose Entity so that it becomes public land and the District has control of it.

On a Motion by Mr. Hidell, seconded by Mr. McConnell, with all in favor, the Board of Supervisors, authorized District Counsel to work with Mr. Jones and the Special Purpose Entity (Magnolia Creek Holdings, LLC) to evaluate potential conveyance of the lake to the District, for the Magnolia Creek Community Development District.

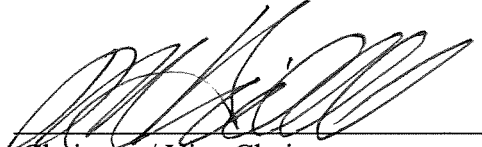
FIFTEENTH ORDER OF BUSINESS

Adjournment

On a Motion by Mr. Jones, seconded by Mr. McConnell, with all in favor, the Board of Supervisors adjourned the meeting at 3:28 p.m. CDT, for the Magnolia Creek Community Development District.



Secretary/Assistant Secretary



Chairman/ Vice Chairman