

**MINUTES OF MEETING
SUNSHINE WATER CONTROL DISTRICT**

A Regular Meeting of the Sunshine Water Control District's Board of Supervisors was held on **Wednesday, October 9, 2013, at 6:30 p.m.**, at the **LaQuinta Inn, Coral Springs, 3701 N. University Drive, Coral Springs, Florida 33065.**

Present at the meeting were:

Joe Morera	President
Emily Heafy	Vice President
Daniel Prudhomme	Secretary

Also present were:

Craig Wrathell	District Manager
Doug Paton	Wrathell, Hunt and Associates, LLC
Howard McGaffney	Wrathell, Hunt and Associates, LLC
Bill Capko	District Counsel
Tom Donahue	District Engineer
Cory Selchan	Field Superintendent
John McKune	McKune & Associates
Jorge Valdez	Lanzo Construction
Ryan Spradlin	Lanzo Construction
Jackie Martel	Corporate Benefit Advisors
Dean Hitsos	Corporate Benefit Advisors
David Hulett	Resident
Gary Runge	Resident

FIRST ORDER OF BUSINESS

Call to Order

Mr. Morera called the meeting to order at 6:30 p.m.

SECOND ORDER OF BUSINESS

Roll Call

Mr. Wrathell called the roll and noted, for the record, that all Supervisors were present, in person.

THIRD ORDER OF BUSINESS

Pledge of Allegiance

All present recited the Pledge of Allegiance.

FOURTH ORDER OF BUSINESS

Public Comments [3-Minute Time Limit]
(Comments should be made from the microphone to ensure recording. Please state your name prior to speaking.)

Mr. Gary Runge, a resident, asked when the District's contract with Wrathell, Hunt and Associates, LLC comes due, the duration of the contract and "how" the District does business with Management's firm.

Mr. Wrathell indicated that his firm's contract with the District is structured such that compensation is determined, annually, via the budget; the Board has the discretion, at any time, to terminate Management's services with, or without, cause.

Mr. Runge asked if the contract has an end date or covers a period of time. Mr. Wrathell replied no. Mr. Runge asked if the District Engineer and District Counsel's contracts are similar. It was confirmed that those contracts are similar.

Mr. Runge hopes that, at the next meeting, the Board will consider the exemptions for wildlife habitats item that he brought to them, place it on the agenda, accept comments and put the matter to a vote of the Commissioners. He stated that he will not "go away" on this issue; he wants people to vote and wants to know where people stand, as he feels it is important for the public record. Mr. Runge asked that this item be placed on the agenda so that the public can speak on it during this period of the meeting and he can bring other people who are interested.

FIFTH ORDER OF BUSINESS

Update: Canal Z

- **ROW Clearing Summary [DP, TD]**

Mr. Paton presented the ROW Clearing Summary. He indicated that the District heard from many residents who had not previously responded, once they saw equipment behind their home. Agreements were obtained from several. For those that opted against signing an agreement, the District proceeded with clearing the ROW. Mr. Paton noted a resident who asked why they were not contacted; however, the District mailed them information four (4) times. The resident acknowledged receiving the letters but he was too busy to read them.

Mr. Paton indicated that most property owners selected Option 3; a lot of vegetation was transplanted from the District's ROW to the 10' vegetative buffer area. He stated that some residents selected Option 2. Work slowed a bit because the rainy weather caused problems

moving the equipment through the ROW; quite a few shallow irrigation lines sustained damage and will be repaired.

Mr. Paton explained that Staff addressed many resident issues and, while not everyone was happy, they seemed to understand why the work was necessary. Many residents were complimentary of Staff's handling of their concerns and the work performed.

Mr. Donahue provided the Board with before and after photographs of the ROW.

Mr. Paton advised that work is near completion. Mr. Donahue estimated that the work is 80% completed, with most of the "heavy duty" clearing completed; smaller items remain, along with flush cutting, fence removal and a few vegetation relocations. Mr. Donahue stated that the contractor expects to finish the east side by the end of next week; the project should be completed by the end of October.

Mr. Donahue and Mr. Paton reviewed the before and after photographs, discussed relocation of vegetation and areas that were cleared. Mr. Morera asked that, in the future, Mr. Donahue provide photographs in a manner such that they can be projected. Mr. Donahue acknowledged Mr. Morera's request.

Mr. Morera thanked Mr. Donahue, Mr. Paton and Mr. Selchan for maintaining dialogue with residents and addressing their needs in a timely fashion.

- **Canal Z Restoration - Bid Summary and Preliminary Award Discussion**

Mr. Donahue provided the Board with the bid summary and the District Engineer's recommendation. He indicated that bids were received from Lanzo Construction (Lanzo) and Landshore Enterprises, LLC (Landshore); a third bid package was received 30 minutes late and could not be considered. Mr. Donahue explained that the project was bid in segments. The "Base Bid" was for Canal Z and the W-67 headwall. The "Total Bid" included the "Base Bid" scope of work, along with Canals AA, BB, 20-1A and Culverts W-50 and W-57. Mr. Donahue stated that, in both instances, Lanzo was the low bidder. Lanzo's "Base Bid" was \$1,378,543.83 versus Landshore's bid of \$2,597,027. Regarding the "Total Bid", Lanzo bid \$4,014,226.22 and Landshore's bid was \$4,707,150.10.

Mr. Donahue advised that the bids were higher than expected; the hope was to complete the entire project with the roughly \$2 million remaining from the bond funds. He noted that four (4) other contractors, on the plan holder's list, did not bid because they were going to be subcontractors on other teams. Mr. Donahue concluded that he accounted for seven (7) of the 14

contractors on the plan holder's list. Several contractors indicated that business is better, they are busier and prices are on the uptick.

Mr. Donahue reiterated that the low bidder was Lanzo, located in Deerfield Beach.

Mr. Donahue advised that approximately \$1.9 million remains from the bond funds. He discussed the projected costs, other than construction, including construction observation for six (6) months, for approximately \$80,000 and \$40,000 for permits and miscellaneous costs, which would leave about \$1.78 million of the bond funds available for construction. Mr. Donahue advised that the bond fund amount is sufficient to complete the "Base Bid" scope of work; however, none of the additional projects could be included.

Mr. Donahue indicated that Staff prioritized the work and noted that, as work is completed, new issues emerge. Staff understands the importance of reserving bond funds for potential improvements to the West Outfall and combining the remaining bond funds with the "canal restoration" budget line item. In this regard, Mr. Donahue explained that Staff discussed possibly holding off on completing the west section, west of Coral Ridge Drive, of the "Base Bid" scope of work.

Aside from the Canal Z work, Mr. Donahue proposed proceeding with survey work along the West Outfall to identify issues in that area; he is aware of the bridges but is concerned that this item was tabled nearly one (1) year ago and it should be completed. Mr. Donahue suggested that, if any major work is necessary, the remaining bond funds could be diverted to those issues. The Canal Z project is prepared to proceed, possibly holding off on the west section.

Mr. Donahue indicated that he verified Lanzo's bid information and received a glowing reference from Broward County.

Mr. Jorge Valdez, of Lanzo Construction, introduced himself. Regarding Lanzo's schedule, Mr. Valdez indicated that the work area would be prepared and fencing would be installed. The work would probably commence on the east end of the project. He discussed the dewatering process, which involves laying aqua-barriers across the canal to create a dam and pumping water away from the area. Mr. Valdez explained that silt would be removed, followed by hard rock. Entrance and exit areas would be created for the trucks to access the area. A dyke will be created over the West Outfall, using the excavated fill material, in order to run the trucks from that location and control water from entering.

Mr. Morera asked if Lanzo will install a culvert, under the dam. Mr. Valdez replied affirmatively.

Mr. Valdez explained that, if there is a major rain event, the equipment would be removed and water would be allowed to flow through the area.

In response to Mr. Morera's question, Mr. Valdez explained the truck traffic flow while work is taking place, which involves ingress and egress points; vehicles will not "turn around" on the ROW. Mr. Morera asked if the pumps will run 24/7 and the decibel of the pumps. Mr. Valdez confirmed that the pumps will run 24/7 and be equipped or enclosed in "quiet kits". Mr. Morera asked where the pumps will be located. Mr. Valdez indicated that the pumps will be on the bank. Mr. Morera stated that he anticipates disruptions, related to noise, and that residents will contact the District with complaints. Mr. Valdez assured Mr. Morera that it will not be a problem. Regarding the aqua-barriers, Mr. Morera asked how quickly they can be removed. Mr. Valdez stated that the aqua-barriers can be dismantled within an hour and reset within two (2) to three (3) hours. In response to Mr. Morera's question, Mr. Valdez confirmed that, should there be a major rain event, his equipment will be removed from the canal so that water can flow through it. Mr. Morera asked if the removed silt will be trucked off site or left on the bank to dry and then be trucked away. Mr. Valdez advised that both options were discussed; it depends on what he is allowed to do. Mr. Morera asked how rock will be removed. Mr. Valdez stated that they might first pass with a trencher or use a punch and crane to break it up, for easier removal. Mr. Morera questioned if that process creates a lot of vibration. Mr. Valdez indicated that the crane would create more vibration than the trencher. Mr. Morera asked if the vibrations would travel up the bank, onto residents property. Mr. Valdez advised that vibration travels; he is willing to use seismograph equipment to monitor distance and intensity, along the bank and property lines, to ensure it is within an acceptable range. Mr. Donahue advocated monitoring, as much as possible, and asked if Lanzo will pre-inspect the homes. Mr. Valdez indicated that the homes will be pre-inspected and they will photograph the property and existing conditions, if the resident gives permission. Mr. Morera stressed that this was a sensitive area, with regard to the residents, and the District overcame many hurdles; Staff worked diligently to ease the situation. Mr. Morera wants to ensure that the same due diligence is used to be proactive and not create another scenario or other problems.

Mr. Morera presented additional questions regarding the ingress and egress of trucks in the ROW and overall traffic control in the area. Mr. Valdez explained the anticipated locations. Mr. Donahue indicated that the contractor is responsible for maintenance of traffic (MOT) related to the roadways, during work.

Mr. Morera asked where the loaded trucks will take the excavated material. Mr. Valdez stated that it will be taken to the landfill. Mr. Morera asked what Lanzo will do to ensure that the trucks do not leave "a trail of mud" along the road. Mr. Valdez indicated that they prefer to let the fill dry, prior to loading it and hauling it. Mr. Morera questioned how Lanzo will respond if spillage occurs. Mr. Valdez reiterated that Lanzo does not plan to put overly wet material on the roads; letting it dry, prior to hauling it, is best.

Mr. Morera asked if any heavy equipment will be left behind residents' properties. Mr. Valdez replied affirmatively; the track hoe, dozers and/or loaders, would be on site, depending on the phase of work being completed.

Mr. Morera asked what size section Lanzo would work on. Mr. Valdez indicated that they plan to begin on the east end and proceed west; they anticipate work segments of 1,200' to 1,500'.

Mr. Morera asked what Lanzo will do regarding animals that are displaced. Mr. Valdez stated that he is obtaining information from another party who recently completed several canal restoration projects.

Regarding property owners who might contact the District with questions about sound and work times, Mr. Valdez confirmed that work will likely take place Monday through Saturday. Mr. Donahue stated that if work can commence by early November, it should be completed in May. Mr. Valdez noted that some cities prohibit work during holidays; Lanzo is aware of possible interruptions due to these types of city restrictions. In response to Mr. Morera's question, Mr. Valdez confirmed that the project should last five (5) to six (6) months.

Mr. Wrathell asked Mr. Donahue if the details of the project were communicated to the City. Mr. Donahue replied no; if the contractor is approved tonight, he suggests that he, Mr. Selchan, Mr. McKune and Mr. Paton meet with Lanzo to finalize the schedule, followed by notifying homeowners and the City. Mr. Morera stressed the importance of communicating. Mr. Paton discussed notifying residents through mailed notices and door hangers.

Mr. Morera asked for public comments.

Mr. Runge asked the location of the West Outfall. Mr. Donahue advised that the West Outfall is immediately west of Coral Springs Drive; from Canal Z, it runs two (2) miles to Pump Station #2. Mr. Donahue explained that it is the outfall for the West Basin.

Mr. Runge asked if the project being considered is for dredging the entire area from Coral Springs Drive west to the Sawgrass Expressway. Mr. Donahue stated that the project was

designed to extend from Coral Springs Drive to Coral Ridge Drive and west from Coral Ridge Drive to Canal KK. He noted that the canal is in better condition, further west, from Canal KK to the Sawgrass Expressway. Mr. Runge asked if the project addresses the Westchester neighborhood. Mr. Donahue replied affirmatively.

Mr. David Hulett, a resident, congratulated the Board and Staff, noting that the project was a long time coming but it is a critical aspect of the capital improvement program (CIP), which will immensely improve water flow from the northwest corner of the District. He feels that the Board should be congratulated for the responsible method and good communication that it established with the City and residents; it has not been an easy project. Mr. Hulett believes that this is a great start.

Mr. McKune voiced his opinion that Lanzo will do a good job.

On MOTION by Mr. Prudhomme and seconded by Ms. Heafy, with all in favor, award of the contract to Lanzo Construction, for the Base Bid scope of work for Canal Z Restoration and W-67 Headwall, in a not-to-exceed amount of \$1,378,543.83, with the District reserving the right to proceed with the fourth bid item, related to Canal Z, from Coral Ridge to 175' past Canal KK, with the approved bid reduced by the associated amount, should the District not complete that portion of the scope of work, was approved.

Mr. McKune advised that, prior to the contractor finalizing their means and methods and the formal pre-construction meeting, the District should hold a meeting with the contractor to ensure that their plans are satisfactory to the District.

Mr. Donahue recalled discussion regarding surveying the West Outfall and stated that he, Mr. Selchan and Mr. McKune support completing the survey to determine if and where any high spots are, which may be a matter of concern. He stated that he continues working with Broward County to obtain their assistance with the Coral Springs Drive Bridge. He reiterated that, almost exactly one (1) year ago, a survey was recommended. Mr. Donahue stated that the District previously obtained a quote from David & Gerchar, Inc. (David & Gerchar), who completed all of the canal surveys, dating back to 2007, without changing their costs. David & Gerchar reissued their proposal of \$25,000 for two (2) miles of surveying, including center-line, profiles, cross-sections every 50' and rock probes to determine the depth of the silt. Mr. Donahue

indicated that a proposal of \$6,000 was provided for more detailed surveys around the three (3) bridge crossings. He asked the Board to consider approval of these proposals.

Mr. Morera indicated that he does not have the materials to review.

Mr. Wrathell recalled this matter from last year and voiced his opinion that, from a pure business perspective and considering the object of the Canal Z project, it makes sense to proceed with the survey work to ensure and confirm that no major issues exist that would impact water flow. Regarding urgency, Mr. Selchan stated that Broward County wants a letter and survey from the District showing the urgency to complete the work at the Coral Springs Drive Bridge so that they can move the project up on their priority list. While the outfall is blocked and not in use it would be the perfect time for the County to complete the bridge work. Mr. Selchan pointed out that the former District Engineer, CH2M Hill, made certain assumptions and did not have this canal surveyed. Subsequent issues with head loss have caused him to lose confidence that there are no issues with the canal; cleaning Canal Z serves no purpose if constrictions exist between that point and the pump station. Mr. Selchan supports proceeding with the survey. Mr. Donahue explained that Mr. Selchan never had the capabilities to pump the West Outfall as low as he does now, with the new pump station; the efficiency of the new pump stations uncovered the potential for problems that were previously never obvious.

In response to Ms. Heafy's question, Mr. Wrathell recommended that the District proceed with the survey work, as presented, by the District Engineer.

On MOTION by Ms. Heafy and seconded by Mr. Prudhomme, with all in favor, the proposal from David & Gerchar, Inc., for survey of the West Outfall for \$25,000 and detailed survey of the three (3) bridge crossings, for an additional \$6,000, for a total of \$31,000, were approved.

▪ **Health Insurance/Benefit Options**

******This item, previously Item 10.E.ii., was presented out of order.******

Mr. Wrathell indicated that representatives from Corporate Benefit Advisors (CBA) are present to discuss the District's health insurance and benefit options. Mr. Wrathell distributed an email and spreadsheet; Ms. Jackie Martel, of CBA, distributed a booklet. Mr. Wrathell indicated that Ms. Martel provided and discussed plan options, gap insurance and health savings accounts. He summarized that, after reviewing all options, the current AvMed plan would only have a 7%

increase, which is very reasonable; no real savings could be realized by selecting another plan, without significantly decreasing coverage and benefit levels. Mr. Wrathell voiced his opinion that the current AvMed plan still provides the most “bang for the buck” for employees and is reasonable for the District.

Ms. Martel introduced Mr. Dean Hitsos, of CBA.

Mr. Hitsos confirmed that the District received a very favorable renewal cost from AvMed. He discussed changes to health care benefits. Mr. Hitsos noted that the waiting period will change during the first renewal period in 2014; he recommends that the District make the change as of December 1, 2013, from the current 90 days to 60 days. He explained that the new law states that a new employee cannot exceed 90 days before they are allowed on health insurance; as long as the District allows it on the first of the month, following 60 days, it will be safe. From a billing perspective, it is best to begin on the first of the month, rather than on the exact 90 day anniversary.

Mr. Hitsos noted changes related to the Health Insurance Portability and Accountability Act (HIPAA), which must be implemented in 2014. He stated that the District must be prepared for increased audits by the Department of Labor (DOL), as well as the Department of Health and Human Services (DHHS). Mr. Hitsos advised that approximately 60 auditors are being hired in the tri-county South Florida area. Auditors will be reviewing the exchange of information, such as confirming that enrollment forms received from Management are processed online, preferably electronic enrollment; however, if the enrollment forms are transmitted to CBA, they must be faxed or sent by a secure, password protected email. He noted that Ms. Martel can send a secure email and replies are automatically secure.

Mr. Hitsos indicated that the next matter of compliance is related to the summary of benefits and coverage; the new law requires that each employee receive a uniform summary of benefits that will help them decipher which plan is better, in terms of an individual choice. He noted that the summary of benefits is provided by the medical insurance carrier; however, it is the employer’s responsibility to distribute it to the employees, both during open enrollment and to new hires, as part of their “new hire” paperwork. Mr. Hitsos recommended that distribution be documented to ensure legal compliance of the requirement.

Mr. Hitsos discussed the overturning of the Defense of Marriage Act (DOMA) legislation, which relates to same sex marriage. He pointed out that the IRS is recognizing same sex marriage, on a federal level, for tax purposes, as well as for insurance benefit purposes. Mr.

Hitsos stated that, if an employee was legally married in a state that allows same sex marriage, the employee's spouse must be treated and covered, just as any other spouse.

Mr. Hitsos indicated that the Health Care Reform Toolkit is included for the Board's reference. It covers the related law from 2010 through 2016.

Regarding the HIPAA security rule, Ms. Martel stated that CBA is advising its clients to have online, web access to administer any terminations or enrollments. She will work with Management's office to set up the system, so it is streamlined and ensure no breach of security regarding employees. Ms. Martel indicated that, once enrollment is submitted, the employee is enrolled within 24 hours. She explained that many carriers are moving away from paper processing; paperwork processing is prolonged to encourage completing items online.

Ms. Martel reviewed the benefits summary, which is the medical analysis summary. She stated that Aetna, at 29% above the District's current rates, was not competitive. Ms. Martel advised that they marketed to Coventry and NHP; however, it was not a good idea to present those plans because the benefits were below what the District currently offers and there was very little savings, with those lower benefits. She stated that the only other competitive carriers were Florida Blue and Humana.

Ms. Martel reviewed the District's current plan, which is the AvMed HMO Open Access Plan 5768, including renewal rates for each employee. She reiterated that the renewal rate is only 7.1%, which is very good, compared to other plans.

Regarding the "age bands", Mr. Hitsos advised that it will be set up differently in 2014; it will no longer be separate, per individual; there will be a base rate and age factor for each dependent. If an employee's family is insured, there will be an age factor for the employee, the spouse and the children, which will determine the employee's new rate. He explained that rates will not be determined by the individual employee's zip code; rates will be determined by the company zip code. In response to Mr. Wrathell's question, Mr. Hitsos indicated that, regardless of the number of members insured, the carrier goes by the number of employees. He clarified that, currently, the rate is determined by the employee's age band; in the future, the employee's rate will be a composite of the employee, spouse and dependents. Mr. Hitsos is preparing the Board for the changes that will be implemented in 2014; he anticipates increases of 22% to 25% for small groups, although, demographics will influence those figures.

Mr. Morera advised that he wants to discuss these factors before October, 2014, so that the District is prepared and can make a determination. Mr. Hitsos indicated that the medical

carriers will not release the renewal rates prior to 45 days in advance. Mr. Morera noted that, since each employee, their spouse and dependants will be evaluated individually, the rates could increase even more. Mr. Hitsos pointed out that the District has several younger men working for them, which should factor favorably into the overall rate. The ratings are related strictly to age; no medical questions will be asked.

Ms. Martel advised that only three (3) of the District's eight (8) employees have employee plus child coverage. She explained that, for the most part, the District does not have "family coverage"; it has employee-only coverage and only three (3) with employee plus child.

Mr. Hitsos stated that the demographics will not be to the District's disadvantage. In response to Mr. Hitsos' question, Mr. Wrathell confirmed that the Exchange Notices were sent to all employees. Mr. Hitsos advised that all new employees must receive the same notice.

Ms. Martel reviewed a chart comparing the current AvMed plan with the two (2) alternate plans offered by AvMed that were the most competitive. Option 1 carries a \$500 deductible and higher co-payment for office visits, prescriptions, etc., compared to the current plan; however, this plan would only increase the current rate by 3%, rather than 7%, to maintain the current plan; the District would realize a savings of \$1,500 by selecting Option 1, over the current plan. Option 2 also includes a \$500 deductible, with copayments similar to Option 1 but with some copayments higher than with Option 1. Option 2 would only increase rates by 2% over the current rate, rather than 7%. Mr. Hitsos pointed out that the maximum out-of-pocket expense, under both options, would be \$1,500 per calendar year, and \$3,000 for family coverage.

Mr. Morera referred to the current plan and asked if the 7.1% increase equates to an increase of \$3,660 over last year. Ms. Martel replied affirmatively. Mr. Morera asked if the cost would still increase if Options 1 or 2 were selected. Ms. Martel replied affirmatively; it would increase 3% for Option 1 or 2% for Option 2.

Ms. Martel stated that the benefit differences are drastic, when it comes to the out-of-pocket costs for the employee. She noted that this might be the last year that the District can continue offering the same level of benefits with such a small percentage increase. Ms. Martel explained that costs will increase more in 2014. She felt that, given the small monetary differences, it is a better recommendation for the District to remain with its current level of coverage, with only the 7% increase.

Mr. Morera asked if it makes better sense for the District to remain as a small group or join another group so that it has a larger pool of people to take advantage of programming. Mr.

Hitsos was unsure if the District has those options. Mr. Morera reiterated his question. Mr. Hitsos advised that it depends upon the group; there are advantages and disadvantages to both small and large groups. Mr. Hitsos explained that, as a small group, the District is not subject to the “pay or play” mandate meaning, whether employees go the exchange or stay, the District is not subject to penalties, which large employers must pay, beginning in 2015, for employees that use the exchange because the employer is not offering coverage, coverage of a certain level or the employee offered coverage is unaffordable.

Mr. Wrathell spoke of the benefit of maintaining the same level of coverage. He felt that \$2,000 potential savings, to the District, by selecting Option 1, was not significant savings, compared to how coverage would change for the employees.

Mr. Wrathell suggested that employers might start considering increasing employee salaries and having them shop the health care exchange for their coverage. Mr. Hitsos indicated that the District can discuss the “defined contribution” strategy next year, which is when the employer gives the employees a certain amount of money to spend in the health care exchange. Ms. Martel advised that, with the “defined contribution” approach, the District would not incur penalties, due to the size of its group; she noted that this could be another avenue to offset the cost increase next year. Mr. Hitsos pointed out that there are private exchanges, as well.

Mr. Wrathell asked about the thresholds for “Cadillac plans”.

Ms. Martel indicated that only a small pool of plans will be affected by the “Cadillac” status and nothing goes into effect on those until 2016. She advised that the District’s current plan will not “exist” in 2016; many carriers are phasing out “rich” plans. Ms. Martel stated that most employers are moving towards consumer driven plans. She noted the importance of educating employees. Ms. Martel discussed the benefit of maintaining the current plan, with only a 7.1% increase, as the other options, even with gap insurance, would result in deductibles, higher copayments and other significant out-of-pocket costs that impact the employees. She noted that, even if the District subsidized the calendar year deductible for each employee by contributing the deductible amount into a health savings account, it would not be sufficient to cover the deductible of employees in the “family” tier.

Mr. Hitsos noted that the District might consider this approach next year, if faced with a greater increase.

Mr. Wrathell recommended maintaining the current AvMed plan, if the Board wishes to provide the same level of coverage. Ms. Heafy agreed. Mr. Morera voiced his opinion that the

percentage increase is manageable for the District. Mr. Morera supported maintaining the AvMed plan.

Ms. Martel presented the dental plan option, noting that rates were 18% to 47% above the current rate and some carriers could not match the current dental plan. Lincoln Financial was competitive with AIG. Ms. Martel explained the differences in coverage and noted that Lincoln Financial would require a six (6)-month waiting period for new employees, without previous dental coverage, for major services; preventative care would carry no waiting period. She noted that the AIG increase was 10.8%; an annual increase of \$587 to the District. Lincoln Financial's cost is 1% over the District's current rate; an annual increase of \$52 to the District. She noted that the Lincoln Financial coverage is very similar, with only three (3) slight reductions to the level of service.

Regarding other coverage, Ms. Martel indicated that there is no change in the vision rates and benefits, life and disability rates will remain the same, as well.

Ms. Heafy spoke in favor of maintaining the same dental carrier.

Mr. Morera wished to make clear that changes will come, in the future, which will impact employees. He is pleased to be able to provide employees the same level of coverage for another year.

Ms. Martel pointed out that, of her 30 clients, Sunshine Water Control District is the only one that pays 100% of its employees' health care coverage and benefits and maintains a zero deductible policy.

On MOTION by Ms. Heafy and seconded by Mr. Prudhomme, with all in favor, renewal of the current AvMed Plan 5768 HMO and all other benefits, as presented, was approved.

Ms. Martel advised that she wants to hold an open enrollment meeting with employees. Ms. Martel asked Mr. Wrathell to provide HR Staff with the timeline to arrange for open enrollment.

SIXTH ORDER OF BUSINESS

Approval of September 11, 2013 Public Hearings and Regular Meeting Minutes

Mr. Morera presented the September 11, 2013 Public Hearings and Regular Meeting Minutes and asked for any additions, deletions or corrections.

On MOTION by Ms. Heafy and seconded by Mr. Prudhomme, with all in favor, the September 11, 2013 Public Hearings and Regular Meeting Minutes, as presented, were approved.

SEVENTH ORDER OF BUSINESS

Consideration of 2014 FASD Membership Renewal

Mr. Wrathell presented information regarding renewal of the District's Florida Association of Special Districts (FASD) membership for 2014. He advised that the membership fee increased from \$1,968.75 to \$3,500, for 2014.

Ms. Heafy asked what the District gains from membership in FASD. Mr. Wrathell stated that membership might carry legislative lobbying benefits.

Mr. Capko recalled that the District was recently named "District of the Year" by FASD, giving the District validation. Mr. Wrathell noted the rate increase. Mr. Capko acknowledged that Mr. Wrathell is not a "fan" of FASD and wants no part of it. Mr. Wrathell stated that he is not lobbying the Board. Mr. Capko noted that it is true; from his perspective, Mr. Wrathell does not see the value of membership in FASD.

Mr. Capko discussed the meetings and round-table discussions with other water control districts around Florida and noted that Mr. Morera attended several of them. He feels that communication with different districts and discussing other methods utilized is beneficial, in addition to the advantages of being a part of an organization legislatively; FASD lobbies for issues impacting districts without the District having to hire someone to fight for them, individually. Mr. Capko acknowledged that the annual dues increased but explained that the dues were reduced, temporarily, during the recession.

Mr. Wrathell stated that he views associations differently than the Board Members would; he views them from the perspective of whether the association generates any business for his company. He clarified that he is not a supporter of FASD for his own company and defers to the Board for their decision regarding the District's membership.

Mr. Morera spoke of his positive experiences as a FASD member, including the courses and workshops and participating in discussions with other districts regarding issues impacting

water districts. He believes that membership in FASD helps the District legislatively and that the District benefits from being a part of a group with the well-being of water districts in mind. Mr. Morera recalled FASD's actions to educate legislators and the governor's staff, of the benefits of water control districts, when Governor Scott focused his attention on special districts. He feels that membership in FASD is a valuable asset and is in favor of renewing the District's membership.

Mr. Prudhomme stated that he is not undermining Mr. Morera; however, he does not see the value in the District being a member of FASD. He acknowledged that Mr. Morera benefitted from membership but he does not have the time to attend meetings, nor does Ms. Heafy, and questioned the expenditure. Mr. Prudhomme suggested that the Board could reconsider membership the following year. He reiterated that he does not see value in membership during the coming fiscal year.

Mr. Morera asked Mr. Prudhomme if he prefers to sever ties with FASD and have the District stand alone and try to "catch up" if something happens. Mr. Prudhomme felt that it would not take much to "catch up".

On MOTION by Mr. Prudhomme and seconded by Ms. Heafy, with Mr. Prudhomme and Ms. Heafy in favor and Mr. Morera dissenting, not renewing the District's membership in the Florida Association of Special Districts, was approved. (Motion passed 2-1)

For the record, Mr. Morera voiced his disappointment in the other Board Members' action regarding membership in FASD.

EIGHTH ORDER OF BUSINESS

**Consideration of Chemical Bid
Tabulation Sheet: Aquatic Herbicides**

Mr. Selchan presented the chemical bids for aquatic herbicides for the Board's consideration. He highlighted the lowest bid for each category and noted that the District tries the lowest bid products but reserves the right to use the most effective products. Mr. Selchan noted a new product that will be used this year and recommended awarding it to the single company that did not win any other bids, in order to keep them on the bid list. He explained that several companies did not bid this year because they are never awarded the contract.

Mr. Selchan discussed the benefit of the new product.

On MOTION by Ms. Heafy and seconded by Mr. Prudhomme, with all in favor, acceptance of the bids, as recommended, was approved.

NINTH ORDER OF BUSINESS

Supervisors' Communications

Mr. Prudhomme asked that the next agenda contain an item giving residents, such as Mr. Runge, the opportunity to express their views and desires to have natural habitats on their property. He voiced his belief that the item was supposed to be on this agenda. Mr. Prudhomme stated that having the specific item on the agenda will alert residents that this is their opportunity to attend and speak on the matter, rather than attend a meeting in the hopes that the subject comes up.

Mr. Wrathell confirmed that discussion of natural habitats will be included as an agenda item for the next meeting.

Mr. Morera thanked District Counsel for their rate discount.

Mr. Morera noted that a concert will be held at the Sportsplex, on November 2, 2013, as part of the City's 50th Anniversary celebration. Coral Springs residents are entitled to four (4) free tickets to the event. Tickets are available at City Hall or City Hall in the Mall. Mr. Morera stated that 5,000 tickets will be issued. Mr. Prudhomme clarified that ages five (5) and under do not require a ticket to the concert.

Mr. Morera noted that the check register contains a number of administrative fees paid to the City for the various tasks performed when residents come before them. He explained that the City has a list of fees for various services. Mr. Morera indicated that it takes Mr. Selchan, Mr. Paton and the District Engineer's time when residents make certain requests, such as for a letter of no objection or a permit for a fence. He asked if the District charges a fee for those types of services.

Mr. Wrathell replied no, the District does not have a "cost recovery component" for those types of requests. He explained that the schedule of fees, currently in place, is related permit fees. Mr. Wrathell indicated that the District could move to a "cost recovery component". He stated that, from a business perspective, this is a great idea because it helps recover engineering and legal costs associated with many of those requests; the applicant would pay the associated

fees. Mr. Wrathell feels that the District could experience resident “pushback” for implementing fees. He advised against implementing fees, due to the possible “pushback” and the time spent tracking the associated costs.

Ms. Heafy does not favor charging fees similar to the City’s fees for certain services.

Mr. Donahue believed that the District has the option to seek cost recovery on large, complex projects, such as Broken Woods. He explained the process for tracking hours and the applicant placing a set amount of money in escrow with the District, to be used towards the extenuating engineering, legal and management efforts necessary for the project. Broken Woods is a very good example of a project that deserves to be charged cost recovery fees, as it requires a lot of engineering work, hydraulic drainage calculations, etc. Mr. Donahue stressed that most large developers will not object to paying cost recovery fees.

Ms. Heafy asked how much time Staff spends related to a fence request. Mr. Donahue indicated that any permit application has a \$350 application fee. Mr. Donahue clarified that the District does not charge the permit fee when a resident seeks a letter of no objection for installation of a fence.

Mr. Morera asked if other water control districts impose fees for these types of services.

Mr. Selchan replied no but pointed out that the other districts were not previously willing to review fence requests; those districts might begin charging a fee. Mr. Selchan felt that there should be some charge, if the District begins granting ROW permits, as monetary costs are incurred for review and subsequent inspections. He stressed that a permit will be required to place a fence in the ROW.

Mr. Morera suggested that Staff’s time be monitored so that proper adjustments can be made if a lot of time and effort is expended on these types of resident requests.

Discussion ensued regarding whether the Board wants to review the current fee schedule. Mr. Donahue stated that the current \$350 permit application fee is sufficient for standard requests such as a fence permit application. Mr. Selchan pointed out that the \$350 fee is related to permit application requests. Mr. Donahue explained that homeowners often submit requests for a letter of no objection, which means that the City wants the District to issue a letter of no objection stating that the District does not require a permit and has no objections; the District does not currently charge a fee for letter of no objection requests. Mr. Morera asked about the process for issuing a letter of no objection. Mr. Donahue conceded that the process is almost the same to issue a letter of no objection as it is to issue a permit. Mr. Morera asked if the same

work is conducted for a permit application review as for a letter of no objection request. Mr. Donahue replied affirmatively. Mr. Morera questioned why the District does not charge for a letter of no objection when it requires the same amount of work as a permit application request. Mr. Wrathell wondered if letter of no objection requests could be treated the same as permits and charged the \$350 application fee. Mr. Donahue reiterated that the processes have the same affect.

In response to Mr. Morera's question, Mr. Donahue confirmed that a permit will always be required for a fence placed in the District's ROW. He explained that the City requires a letter of no objection for any fence that abuts a District canal. Mr. Donahue stated that, as long as the fence is on or within the resident's property, with no particular District easement, the District issues a letter of no objection.

Mr. Wrathell summarized that, from Staff's perspective, letter of no objection requests should be treated the same as a fence permit request and charged the \$350 application fee. Mr. Morera agreed that the same fee should be charged if the level of work is the same.

Mr. Selchan felt that would be unfortunate, as he believes less work is required in evaluating the situation when the fence will be on the resident's property versus in the CDD ROW. He acknowledged that Mr. Donahue uses the same process to evaluate fence permit and letter of no objection requests; however, Mr. Selchan stated that he did this in the past and he could make a determination in 15 minutes regarding whether a letter of no objection could be issued, not including drive time. Mr. Selchan noted that, in making his determinations, he did not employ the same evaluation processes as the District Engineer; he simply reviewed the boundaries on the property appraiser's website, compared them to the survey provided by the property owner and made a brief site visit.

Mr. Morera suggested an adjusted rate to cover engineering fees for letter of no objection requests.

Mr. Prudhomme asked how many fence requests are received each year. Mr. Donahue estimated that the District receives two (2) to three (3) letters of no objection fence inquiries per month; approximately 25 to 40 per year. Mr. Donahue pointed out that the number of fence permit requests could increase if, under the new fence policy, residents want to install fences in the vegetative buffer areas.

Ms. Heafy favored not charging for letters of no objection. Mr. Morera pointed out that the District incurs a cost with every letter of no objection request. Ms. Heafy stated that the

District has incurred that cost for years. Mr. Morera acknowledged Ms. Heafy's comment and noted that is the reason the District is in its current financial position regarding addressing issues in the District; this is a situation that could grow more prevalent. Mr. Donahue clarified that fences in the ROW will require a permit; therefore, the \$350 permit application fee will be collected. Discussion ensued regarding the City's fee schedule.

Mr. Wrathell discussed the potential ramifications if the District charges a fee for issuance of a letter of no objection.

Ms. Heafy voiced her opinion that letters of no objection fall within the remuneration that the District pays to the District Engineer.

Mr. Wrathell voiced his belief that residents have a more difficult time when asked to pay a fee than they do when paying assessments in their tax bill.

Discussion ensued regarding utilizing "cost recovery fees" on commercial properties. Ms. Heafy conceded that she understands charging the "cost recovery fee" on "big" projects that take a lot of the District Engineer's time.

Mr. Capko will review the District's current fee schedule to ensure that it can charge "cost recovery fees", under the current terms.

TENTH ORDER OF BUSINESS

Staff Reports

A. Attorney: *Lewis, Longman & Walker, P.A.*

Mr. Capko had nothing additional to report.

B. Engineer: *IBI Group*

i. Permit Application Log

The permit application log was included for informational purposes.

ii. Monthly Engineer's Report: 09/04/13 to 10/02/13

Mr. Donahue discussed the permit application under review for the site at Coral Springs Drive and Sample Road.

Regarding the pump stations, Mr. Donahue reported that FPL installed a 1,000 KVA transformer at Pump Station 1 to replace the 500 KVA transformer. The technicians noted that oil was visible in the old transformer, which is an indicator of an undersized transformer. Mr. Donahue stated that Mr. Selchan tested the transformer and is waiting for more water to truly test it. Stabilization of the Pump Station 1 generator pad was completed, the new concrete cap was installed on the headwall and minor cleanup items remain.

Mr. Donahue stated that, at Canal Z, Mr. Selchan is working to obtain signatures for the Holiday Springs Village ROW agreements.

Regarding the Coral Springs Drive Bridge, Mr. Donahue stated that he is working with Broward County; the project is still on their schedule and they asked the District to provide a technical letter highlighting the problems with the canal restriction, along with a letter addressing the public safety/concern issues. Letters will be drafted by Mr. Donahue. Mr. Donahue advised that those letters will help bump the bridge up on the County's priority list; the County is confident that the work can be completed in conjunction with the Canal Z work.

Mr. Morera asked when final completion of Pump Stations 1 and 2 will be received. Mr. Donahue advised that, with the exception of very minor clean up issues, the pump stations are fully operational and turned over. Mr. Morera asked if additional testing is necessary at Pump Station 1. Mr. Selchan stated that he wants to complete additional testing because he is optimistic but not confident that the problems are resolved.

Mr. Morera asked if the vibration issues were resolved. Mr. Selchan replied affirmatively. Mr. Selchan stated that an issue he remains concerned about is that the panels that hold the electronics operating the pumps from the power source become warm after a long period of operating. Mr. Selchan discussed the problem and wants to resolve it, prior to releasing the project. Ms. Heafy asked if the issue is related to FPL. Mr. Selchan believes that it has everything to do with FPL. Mr. Donahue stated that FPL increased the transformer size; however, Mr. Selchan has not encountered the water conditions necessary to truly test all the pumps at Pump Station 1, under the maximum conditions. Ms. Heafy asked if the voltage should be increased. Mr. Donahue stated that they do not know, as Mr. Selchan has not had the opportunity to test it.

C. Engineering Consultant: *John McKune*

Regarding the Canal Z project, Mr. McKune emphasized that the District must know what the contractor plans to do and how it will be done in order to minimize problems. He suggested that the District ensure that the contractor installs the culvert extension, headwall and slide gates at Coral Ridge Drive first, as it is the most important initial step. He recommended asking the contractor to begin at the other end, rather than on the east end. Mr. McKune stated that the District must have the contractor explain why it is cost and operationally effective to complete the work in the segments recommended by Lanzo. Mr. McKune voiced his opposition to running the pumps 24/7 and suggested that there might be something that Lanzo can do to

change that plan. He stressed the need to go into more detail on this project than with a normal canal excavation job.

D. Field Supervisor: *Cory Selchan*

Mr. Selchan voiced his appreciation to the Board and Staff for their consideration of the employee benefits and extending the current benefits another year.

Mr. Selchan reported that the District received a lot of rain, since the last meeting. He noted that the rains delayed the tree project because the contractor could not access the banks without ruining grass. Entering into the dry season, the District received about ½” of rain, which is helping the project continue.

Regarding the Holiday Springs Village agreement, Mr. Selchan indicated that he ran into a problem because the development’s landscaper now wants to increase his fees to resume the mowing that he used to do. Holiday Springs Village contends that the District caused the problem. Mr. Selchan advised them that they are not required to sign the agreement but, in the future, the District will remove the hedges. The matter is still under discussion. Mr. Prudhomme suggested that the area could be mowed only a few times per year, which the development might be able to work into their mowing schedule with little increase.

Mr. Selchan recalled that he was to bring pictures and video of the grass carp; however, in transitioning to a new phone, he cannot locate them. He is working to extract the information and will provide it as soon as possible.

E. Manager: *Wrathell, Hunt & Associates, LLC*

Mr. Wrathell directed the Board to a handout regarding auditing services and recalled that the District previously bid out its audit services. He stated that the District is very happy with its current auditor. Mr. Wrathell stated that the bid package and agreement was written to include a finite contract period and did not provide for automatic renewals, on a year-to-year basis. He advised that, unless Mr. Capko is of a different opinion, the District might be forced to go out to bid for its auditing services, through the RFP process.

Mr. Wrathell referred to the handout and stated that the RFP is the same as the previous RFP. He stated that the pricing component is one-fifth of the evaluation component; he feels that it is important for the District to be able to engage an auditor that they are already pleased with. Mr. Wrathell noted that the recent audits have been completed in a timely manner and indicated that, if the Board does not mind, he will give pointers about the specific auditors that are good at completing the audits.

Mr. Wrathell voiced his belief that the District must go through the RFP process; however, the RFP criteria is laid out such that it gives the Board the ability to select a highly qualified firm to complete the audit, with price being one (1) of the components but not the predominant consideration.

In response to Mr. Morera’s question, Mr. Wrathell explained that the Board will serve as the Auditor Selection Committee, rank the responses to the RFP and, based on those rankings, recommend to the Board to proceed with the #1 ranked firm.

Ms. Heafy asked how many firms responded. Mr. Wrathell indicated that the RFP has not been published. Mr. Wrathell stated that his firm generally deals with three (3) firms. Ms. Heafy asked if Management will first “whittle down” the number of firms that the Board considers. Mr. Wrathell suggested that all firms be presented to the Board and he will give the Board a verbal overview of each firm’s strengths and weaknesses. Mr. Wrathell voiced his opinion that Grau & Associates and Carr Riggs are fantastic. Management also works with Keefe, McCullough & Co., LLP. He advised that Grau & Associates and Keefe, McCullough & Co., LLP are local; Carr Riggs is located out of the area but does not charge for travel expenses.

Mr. Wrathell asked the Board to authorize Management to advertise the RFP.

On MOTION by Ms. Heafy and seconded by Mr. Prudhomme, with all in favor, the RPF for Auditing Services and authorizing Staff to advertise, accordingly, were approved.

i. Approval of Unaudited Financial Statements as of August 31, 2013

Mr. Wrathell presented the Unaudited Financial Statements as of August 31, 2013 and the unreconciled cash balances.

Mr. Wrathell referred to the “Balance Sheet”, on Page 1, and noted approximately \$23,000 is still with the State Board of Administration (SBA). He explained that, as the investments are shifted from the SBA “B” account into the SBA “A” account, the money is removed and invested elsewhere.

Mr. Wrathell discussed the “construction account”.

In response to Mr. Morera’s question about the \$80,000, under “Interest and other”, on Page 2, Mr. Wrathell confirmed that it includes the \$80,000 related to Cumber. He stated that

the expenditures were under budget; however, one (1) month remains and expenses will accrue back.

Ms. Heafy asked when assessment revenues will be received. Mr. Wrathell indicated that tax bills are sent in November and revenues begin to arrive in mid to late December.

On MOTION by Ms. Heafy and seconded by Mr. Prudhomme, with all in favor, the Unaudited Financial Statements as of August 31, 2013, were approved.

ii. Health Insurance/Benefit Options

This item was discussed following the Fifth Order of Business.

iii. NEXT MEETING: November 13, 2013 at 6:30 P.M.

Mr. Wrathell stated that the next meeting is scheduled for November 13, 2013.

Mr. Paton indicated that the District newsletter is in draft form and will be completed next week. Mr. Morera noted that the District is mailing one (1) newsletter this year, rather than two (2).

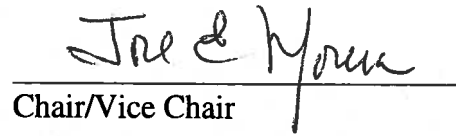
ELEVENTH ORDER OF BUSINESS

Adjournment

There being nothing further to discuss, the meeting adjourned at 9:30 p.m.



Secretary/Assistant Secretary



Chair/Vice Chair