

**MINUTES OF MEETING
SUNSHINE WATER CONTROL DISTRICT**

The Board of Supervisors of the Sunshine Water Control District held a Regular Meeting on June 9, 2021, at 6:30 p.m., at the La Quinta Inn Coral Springs, 3701 N. University Drive, Coral Springs, Florida 33065.

Present were:

Joe Morera	President
Ivan Ortiz	Vice President
Daniel Prudhomme	Secretary

Also present were:

Cindy Cerbone	District Manager
Jamie Sanchez	Wrathell, Hunt and Associates, LLC (WHA)
Al Malefatto	District Counsel
Bill Capko	Lewis, Longman & Walker, P.A.
Orlando Rubio	District Engineer
Cory Selchan	Field Superintendent
John McKune (via telephone)	Consultant Engineer
Steve Sanford (via telephone)	Bond Counsel
Wes Bradish	B.C. Ziegler and Company (BCZ)
Carlos Florian	Kimley-Horn
Keishla Vallejo	Kimley-Horn

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

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]

There were no public comments.

- **Permit Application – Kimley-Horn & Associates on behalf of 441/595 Inc. – Off-site Parking Adjacent to SWCD Canal “EE”**

This item, previously Item 13BIIc, was presented out of order.

Mr. Rubio presented the permit application and recommended conditional approval to proceed with certain portions of the project to avoid construction delays while Staff awaits the survey, which must be reviewed to determine if the cross sections at Canal “EE” need to be demucked. Mr. Rubio and Mr. Selchan responded to questions about the demucking process and noted that Staff made additional requests based on historical knowledge of the area.

On MOTION by Mr. Ortiz and seconded by Mr. Prudhomme, with all in favor, the CAS Project No. 15-1826-P28 ROW Permit Application, submitted by Kimley Horn & Associates, on behalf of 441/595 Inc., for the construction of an off-site parking lot to serve the property on 4000 NW 126 Avenue, subject to the Special Conditions set forth in the June 8, 2021 recommendation letter, was approved.

FIFTH ORDER OF BUSINESS

Consideration of B.C. Ziegler & Company Engagement Letter for Placement Agent Services

Mr. Bradish presented the B.C. Ziegler & Company (BCZ) Engagement Letter for Placement Agent Services. Ms. Cerbone recommended approval of the final version that differed slightly from the one in the agenda package. Mr. Capko requested minor modifications to shore up the indemnification provisions and recommended approval of the final version presented for execution. Mr. Bradish clarified that the changes were incorporated into the document and that the fees are contingent upon the closing scheduled for July 15, 2021, based on the conditional notice provided to the existing debt holder.

Mr. Prudhomme left the meeting at 6:49 p.m. and expected to return.

On MOTION by Mr. Ortiz and seconded by Mr. Morera, with all in favor, the B.C. Ziegler & Company Engagement Letter for Placement Agent Services, in final form, was approved.

SIXTH ORDER OF BUSINESS

Consideration of Greenberg Traurig, P.A. Conflict Waiver of Representation

Mr. Sanford stated that, although some Greenberg Traurig personnel represent the lender, Capital One Public Funding, LLC (COPF), there would be no conflict, as they would not be involved with the District's refinancing plans.

On MOTION by Mr. Ortiz and seconded by Mr. Morera, with all in favor, the Greenberg Traurig, P.A. Conflict Waiver of Representation letter, was approved.

SEVENTH ORDER OF BUSINESS

Consideration of Engagement of Greenberg Traurig, P.A., as Bond Counsel for Tax Exempt Special Assessment Revenue Refunding Bonds Series 2021

Mr. Sanford presented the Greenberg Traurig, P.A. Engagement Letter to serve as Bond Counsel. Fees were contingent upon the successful closing of the bonds. Language in an earlier draft seeking payment if the bonds did not close was removed.

On MOTION by Mr. Ortiz and seconded by Mr. Morera, with all in favor, Engagement of Greenberg Traurig, P.A., as Bond Counsel for Tax Exempt Special Assessment Revenue Refunding Bonds Series 2021, was approved.

EIGHTH ORDER OF BUSINESS

Presentation: Bond Refinancing [Wes Bradish, B.C. Ziegler & Company]

Mr. Bradish gave a PowerPoint presentation of the opportunities to refund the Series 2018 bonds and distributed a proposed Term Sheet. He highlighted the following:

- The interest rate was negotiated to 3.05%; about .8% additional percentage points.

Mr. Prudhomme rejoined the meeting at 6:58 p.m.

- Refinancing again would result in an additional net savings of \$850,000 over the originally promised amount of \$1.4 million in 2018. The combined savings to the District would be about \$2.2 million. The debt level savings to the District would be \$43,000 per year.

Mr. Prudhomme left the meeting at 7:05 p.m.

➤ The next steps would be to approve the Resolution and for Mr. Sanford to finalize the bond documents, which were in substantial form, and execute them and other closing documentation by July 1, 2021 for the July 15, 2021 closing. Mr. Sanford stated he would send the documents on or before July 1, 2021.

Mr. Bradish and Mr. Sanford responded to questions regarding the negotiated rate, execution of the Term Sheet today, net savings versus present value savings, 2018 “Cinderella” financing and various rates listed on the Term Sheet.

Mr. Prudhomme rejoined the meeting at 7:13 p.m.

Discussion ensued regarding non-ad valorem assessments and that the majority of the 2018 potential savings were already realized and transferred to the General Fund.

Mr. Prudhomme left the meeting at 7:23 p.m.

Discussion continued regarding deciding where to place the proposed \$43,000 savings.

Mr. Prudhomme rejoined the meeting at 7:26 p.m.

Ms. Cerbone stated, if the District proceeds with refinancing, she would consult with Mr. Capko, Mr. Szymonowicz and Mr. Pinder about an agreed upon approach to incorporating the refinancing into the budget and the impact on the Fiscal Year 2022 assessments. Mr. Bradish responded to questions. The District has a credit rating of A, which is in the top 3%.

Mr. Morera asked if this meant that the District would be saving 75 basis points and paying closing fees of about \$205,000 to realize a net savings of \$857,000, which averages about \$40,000 a year for the next 20 years. Mr. Bradish replied affirmatively.

NINTH ORDER OF BUSINESS

Consideration of Resolution 2021-07, Authorizing the Issuance of Special Assessment Revenue Bonds Designated Sunshine Water Control District Special Assessment Revenue Refunding Bonds, Series 2021 (the “2021 Bonds”) in the Aggregate Principal Amount of Not Exceeding \$12,300,000 to Currently Refund the District’s Outstanding Taxable Special Assessment Revenue Refunding Bonds, Series 2018 (the “Refunded Bonds”); Approving the Form and Authorizing the Execution and Delivery of a Trust Agreement for the 2021 Bonds; Appointing

the Trustee, Paying Agent, and Registrar; Providing for the Terms and Payment of Such 2021 Bonds; Providing for the Rights, Security and Remedies of the Owners Thereof; Making Certain Covenants and Agreements in Connection Therewith; Amending Certain Terms of Resolution No. 2019-01 With Respect to the Refunded Bonds with the Consent of the Owner of the Refunded Bonds; Providing for Certain Other Matters in Connection Therewith; and Providing for an Effective Date

Mr. Sanford stated this Resolution accomplished the following:

- Authorizes the refunding bonds to refund the Taxable bonds issued in 2018.
- Enables the District to refund these bonds in May 2031, without a premium, as opposed to the tax exempt “Cinderella” bonds that were issued in 2018.
- Authorizes that the bonds do not extend the maturity date.
- Appoints Regions Bank as the Paying Agent and Registrar.
- Sets forth that interest payments are due each May 1 and November 1, commencing November 1, 2021, and principal payments are due each May, commencing on May 1, 2022.

Mr. Sanford stated that Mr. Capko and Counsel for COPF reviewed the Resolution and submitted typical comments.

- Appoints Regions Bank to serve as the Trustee and approves the Trust Agreement, similar to the one executed in 2018 but with minor changes referring to taxable bonds.

Mr. Sanford presented Resolution 2021-07.

Discussion ensued about clarifying the provision to become taxable bonds, potential tax law changes, obtaining the final costs of issuance amounts to finalize the actual loan amount that is expected to be \$12 million, uncertainty of whether interest rates will go lower and that the interest rates being locked in for this issuance reflects an overall 40-year low.

Ms. Cerbone asked if refinancing would trigger a requirement to send a mailed notice to the property owners. Mr. Sanford replied no, as assessments for the 2011 original bonds were higher than what is being proposed.

On MOTION by Mr. Ortiz and seconded by Mr. Prudhomme, with all in favor, Consideration of Resolution 2021-07, Authorizing the Issuance of Special Assessment Revenue Bonds Designated Sunshine Water Control District Special Assessment Revenue Refunding Bonds, Series 2021 (the “2021 Bonds”) in the Aggregate Principal Amount of Not Exceeding \$12,300,000 to Currently Refund the District’s Outstanding Taxable Special Assessment Revenue Refunding Bonds, Series 2018 (the “Refunded Bonds”); Approving the Form and Authorizing the Execution and Delivery of a Trust Agreement for the 2021 Bonds; Appointing the Trustee, Paying Agent, and Registrar; Providing for the Terms and Payment of Such 2021 Bonds; Providing for the Rights, Security and Remedies of the Owners Thereof; Making Certain Covenants and Agreements in Connection Therewith; Amending Certain Terms of Resolution No. 2019-01 With Respect to the Refunded Bonds with the Consent of the Owner of the Refunded Bonds; in substantial form subject to finalizing the Aggregate Principal amount, Providing for Certain Other Matters in Connection Therewith; and Providing for an Effective Date, was adopted.

TENTH ORDER OF BUSINESS

Acceptance of Unaudited Financial Statements as of April 30, 2021

Ms. Cerbone presented the Unaudited Financial Statements as of April 30, 2021. Discussion ensued regarding assessment revenues being slightly behind the budgeted amount. Staff confirmed that proposals for both Shenandoah projects were not yet received.

On MOTION by Mr. Prudhomme and seconded by Mr. Ortiz, with all in favor, the Unaudited Financial Statements as of April 30, 2021, were accepted.

ELEVENTH ORDER OF BUSINESS

Approval of May 12, 2021 Regular Meeting Minutes

Mr. Morera presented the May 12, 2021 Regular Meeting Minutes.

On MOTION by Mr. Prudhomme and seconded by Mr. Ortiz, with all in favor, the May 12, 2021 Regular Meeting Minutes, as presented, were approved.

TWELFTH ORDER OF BUSINESS

Supervisors’ Communications

Mr. Prudhomme wished everyone a Happy Father’s Day and commented on the amount of rain this month.

Mr. Ortiz wished everybody a great July 4th.

Mr. Morera wished a Happy Father’s Day and for everyone to have a great and safe July 4th.

Mr. Morera stated Mr. Bigee approached him about a proposal regarding water retention that may be beneficial to the District; however, he advised Mr. Bigee to contact Mr. Selchan directly. Mr. Selchan stated that he discussed the proposal with Mr. Bigee and others regarding water storage and noted it would not be detrimental to the District; however, approval from the South Florida Water Management District (SFWMD) would be necessary in order to proceed. He and Mr. Rubio viewed the area and noted that, if SFWMD grants approval to proceed, it must be presented to the District so that Mr. Rubio and Staff can ensure that the proposed work would not cause any damage to District property. Mr. Rubio stated he notified Mr. Bigee’s Engineer they cannot put water storage on District property and any work on District property would require a Right-of-Way (ROW) permit from the District. Mr. Rubio also stated that SWCD canals are for conveyance purposes and are not there to provide storage for private/institutional developments. Developments are to meet their stormwater storage requirements on their respective project limits.

THIRTEENTH ORDER OF BUSINESS

Staff Reports

A. District Counsel: *Lewis, Longman & Walker, P.A.*

- **FASD Legislative Update, Week 9**

Mr. Malefatto distributed a summary about House Bill (HB) 53. It requires the District to submit a 20-year needs analysis for the District’s stormwater management systems to the County; the first analysis would be due June 30, 2022 and then every five years thereafter. He discussed pertinent information related to HBs 1103 and 35, also included in the FASD Legislative Update.

B. District Engineer: *Craig A. Smith & Associates*

I. Presentation: Monthly Engineer’s Report

Mr. Rubio presented the Monthly Engineer’s Report.

Mr. Rubio requested authorization for Staff to direct purchase a generator and other items, in an amount up to \$500,000, to benefit from the District’s tax exempt status and help

the contractor stay within the project budgets. Mr. Selchan explained Florida’s Vendor Bid Equipment procurement process, which lists pre-bid costs for various equipment and supplies. Mr. Rubio and Mr. Selchan responded to questions regarding City vendor contracts, construction cost estimates being slightly less than the settlement amount, six-month lead time to receive new equipment, inclusion of salvage value of existing equipment in bids and presenting other proposals at the next meeting, if they did not exceed the threshold.

On MOTION by Mr. Prudhomme and seconded by Mr. Ortiz, with all in favor, authorizing Staff to commence with the direct purchase of one generator and other items, in a not-to-exceed amount of \$500,000 was approved.

Mr. Rubio was asked to provide management with the advertisement to publish for bids for the West Outfall Canal (WOC) Phase 2 Improvement Project.

II. Permit Applications

- a. **AT&T – Installation of 70 LF of 4” HDPE Conduit Via Directional Bore Under Canal “C”**

On MOTION by Mr. Ortiz and seconded by Mr. Prudhomme, with all in favor, the CAS Project No. 15-1826 ROW Permit Application, submitted by AT&T, to install 70 LF of 4” HDPE conduit via directional bore under Canal “C”, at the east ROW of Woodside Drive about 270’ North of Sample Road, subject to the Special Conditions set forth in the May 26, 2021 recommendation letter, was approved.

- b. **Broward County Board of County Commissioners – Installation of Barrier Wall, Guardrail and Sidewalk, Canal “C”**

On MOTION by Mr. Prudhomme and seconded by Mr. Ortiz, with all in favor, the CAS Project No 15-1826 ROW Permit Application, submitted by Broward County to install barrier wall, guardrail and sidewalk at Canal “C”, subject to the Special Conditions set forth in the May 28, 2021 recommendation letter, was approved.

Mr. Morera asked Mr. Rubio to follow up with Broward County about the emergency bridge repair work on Atlantic Boulevard and see if the District can obtain some benefit.

c. Kimley Horn & Associates on behalf of 441/595 Inc. – Off-site Parking Adjacent to SWCD Canal “EE”

This item was presented following the Fourth Order of Business.

C. District Engineering Consultant: *John McKune*

There being no report, the next item followed.

D. District Field Supervisor: *Cory Selchan*

Mr. Selchan reported the following:

- Rainfall: With just 5” of rainfall, the District was 13.71” below its average yearly rainfall.
- Less rain aided in completing the demucking project. Staff’s final inspections of the culvert pipe punch list items were completed. The depth and amount of material removed on the west side was more than expected; the material was left on both sides of the canal bank.

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

I. Consideration of Revised Obstructions Removal Agreement – Option 2 [Juan and Silvina Salazar, 3904 Sanctuary Drive]

Ms. Cerbone presented the modified Option 2 Agreement discussed at the last meeting and noted Mr. Rubio worked with the City about removing unprotected trees in the ROW. The property owners requested additional changes and were asked to attend today’s meeting; however, she informed the property owners that Staff would not recommend approval of the additional request. Mr. Selchan responded to questions about the scope of work. As proposals were not yet obtained and to prevent delays, Mr. Cerbone suggested approval of a specified amount.

On MOTION by Mr. Prudhomme and seconded by Mr. Ortiz, with all in favor, the Obstructions Removal Agreement – Modified Option 2 for Juan and Silvina Salazar, 3904 Sanctuary Drive, and removal costs, in a not-to-exceed amount of \$4,000, was approved

II. NEXT MEETING DATE: July 14, 2021 at 6:30 P.M.

○ QUORUM CHECK

The next meeting will be held on July 14, 2021 at 6:30 p.m.

FOURTEENTH ORDER OF BUSINESS

Adjournment

There being no further business to discuss, the meeting adjourned at 9:05 p.m.


Secretary/Assistant Secretary


President/Vice President