

**MINUTES OF MEETING
SUNSHINE WATER CONTROL DISTRICT**

The Public Hearing and Regular Meeting of the Sunshine Water Control District's Board of Supervisors was held on **Wednesday, September 16, 2009 at 6:30 p.m.**, in the **Commission Chambers, Coral Springs City Hall, 9551 West Sample Road, Coral Springs, Florida 33065.**

Present at the meeting were:

David Hulett	President
Emily Heafy	Vice President
Joe Morera	Secretary

Also present were:

Craig Wrathell	District Manager
Douglas Paton	Wrathell, Hart, Hunt and Associates, LLC
Cory Selchan	Field Superintendent
Terry E. Lewis	District Counsel
Tom Donahue	District Engineer
John McKune	McKune & Associates
Fernando DeAguero	ICMA-RC Services, LLC
Yolanda Flores	ICMA-RC Services, LLC

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Hulett called the meeting to order at 6:31 p.m.

Mr. Wrathell called the roll and announced that all Supervisors were present and a quorum was established to proceed with the meeting.

SECOND ORDER OF BUSINESS

**Affidavit of Publication for September 16,
2009 Public Hearing and Regular
Meeting**

Mr. Hulett referred to the Affidavit of Publication for tonight's Public Hearing and Regular Meeting, located behind Tab 2, provided for informational purposes.

THIRD ORDER OF BUSINESS

Discussion: Money Purchase Pension Plan

Mr. Hulett stated the next item is the Money Purchase Pension Plan discussion and turned the item over to Mr. Wrathell.

Mr. Wrathell stated Fernando DeAgüero and Yolanda Flores, both of ICMA – RC Services, LLC, were in attendance to give a presentation.

Mr. Wrathell referred to Tab 3, containing information about the current CSID Pension Plan, noting, as previously discussed, CSID is pulling out of that Plan and so are all of the participating districts. He indicated that Mr. Jan Zilmer provided an overview of the expenses associated with remaining in that Plan; basically, with all of the other participating districts, there was some cost-sharing, but with only Sunshine’s seven (7) employees, the costs get a bit high. He recalled that, at the last meeting, everyone seemed to come to the conclusion that it seems appropriate to transition to a new plan.

Mr. Wrathell referred to Tab 5, containing an overview, prepared by Mr. Doug Paton, showing the differences in the plans. He noted a correction to the ICMA-RC Plan, stating the Plan Administration fee should have been .55%, not 55%. He stated, when looking at the two (2) plans from a macro level, the ICMA-RC Plan provides a 401a, which is equivalent to a private sector 401k, the District currently gives 8% to its employees as its contribution and, from Management’s perspective, unless changed by the Board, considers that amount to be the continued contribution rate. Mr. Wrathell recommended maintaining the Employer Funding at 8%. He stated, in addition, they offer a 457 Deferred Compensation Plan if employees wish to invest additional monies beyond what they wish to put in the 401a. He noted that ICMA-RC also offered to open IRA accounts for the employees, should they wish to take that third option. Mr. Wrathell indicated the vesting period can be set by the employer, that being the District, and, what is typically seen is five (5) years; however, the District currently has Staff that, based on their years of service, would be immediately vested. He clarified that anyone with more than five (5) years of service would be immediately vested and there would be a vesting schedule for anyone with less years of service. Mr. Wrathell identified additional benefits of the ICMA-RC Plan, such as loan features, investment program features and options and reiterated that the base Plan Administration fee is .55%.

Mr. Wrathell discussed the Florida Retirement System Plan, on the next page, stating it is a defined benefit program, with Employer Funding currently being 8.74%. He indicated Mr. Paton researched and discovered an additional 1.1% fee on top of that, so the real fee would be more like 9.8%. He stated, if the costs were the same, he would probably recommend the defined benefit program, but the performance of the State's Pension Fund would dictate the level of contributions you have to give, which, from a financial perspective, you look at an 8% exposure you can count on or do I have a number that could go up.

Mr. Morera asked if the 8% contribution that the District makes to the 401a program requires any type of employee contribution, or if that is an automatic 8%. Mr. Wrathell responded that, as of now, that has been an automatic 8% contribution, without a required match. Mr. Morera asked if the District looked into changing that to a dollar for dollar contribution for the first 3% and 50% for the next 3%, up to 6%. Mr. Wrathell opined that employees already get a certain benefit, which is 8% without a required match. To include a required match could, hypothetically, reduce the benefit to the employee, if they don't have the financial wherewithal to make the match.

Mr. Hulett stated, historically, a lot of public service employees have had defined benefit pension plans, with the disadvantage being you can incur funding liabilities, particularly as a lot of defined benefit plans are facing right now in this low interest environment and low earning environment, there are a lot of un-funded or under-funded pension programs. He continued that, from an employer's standpoint, a generous contribution, such as 8%, into a defined contribution plan where, the District, as the employer, has the ability to fix the costs, is a good compromise between the two (2) systems. He stated one could discuss what is considered a reasonable level of funding for a defined contribution program and said he would like to see where the 8% falls in comparison to similar agencies. Mr. Wrathell indicated, with regard to employee matches, he feels with the stock market, if you required the employee to put in a match, and the market goes down, they may lose money. He added that, in the ICMA-RC Plan, they don't have to put their money in the stock market, they have the option of pure money market, bond or whatever. There are many options available that they can get very conservative, as well. He stated that, no doubt, there is always risk in the stock market, but concluded 8% is very competitive. If the Board wished to do more, he recommended setting a fixed amount, such as 9%, or an amount that is in the Board's control. Mr. Morera asked if the 8% is on base pay.

Mr. Wrathell replied affirmatively. Mr. Hulett stated the defined pension benefit program has become a scarce item and, given the economic times, funds are becoming under-funded and it is the plan administrator's fiduciary responsibility to fund the program so they can pay those benefits. He stated his support for staying with the defined contribution plan and Mr. Morera agreed.

Mr. Wrathell stated, if the Board is supportive of that recommendation, they can move with a motion.

Mr. Hulett asked if Mr. DeAgüero and Ms. Flores would give an overview.

Ms. Heafy asked if Mr. Cory Selchan might be asked his opinion, as it is his money.

Mr. Hulett responded, it is our money.

Ms. Heafy clarified, it is his retirement.

Mr. Hulett replied affirmatively, stating this is probably what they would have continued with.

Mr. Wrathell clarified that the District would be continuing with a defined contribution plan, not a defined benefit plan, confirming that the District is not changing anything, but is offering a plan with more tools, such as a website, than the previous plan.

FOURTH ORDER OF BUSINESS

**Presentation of Retirement Plan by
ICMA-RC Services, LLC**

Mr. Fernando DeAgüero, Regional Vice President, introduced himself and Yolanda Flores, Retirement Plan Specialist, both of ICMA-RC Services, LLC, and thanked the Board.

Mr. DeAgüero gave a brief history of ICMA-RC Services, LLC, indicating the company was created in 1972 by ICMA International, the International City/County Management Association, and explained why the company was created. He stated that they provide retirement plan services to the City of Coral Springs, Coconut Creek, Fort Lauderdale, Broward County, Broward Sheriff's Office and etc.

Mr. DeAgüero explained the 401a Plan, with an 8% employer contribution, is about in the middle, in terms of employer contribution levels. He stated five (5) years seems to be the current norm for an employee to become vested, stating the District is neither too low nor too high; they are probably right where they want to be. Regarding investments, he stated that employees are in a position to invest very conservatively, with no market exposure, by going into

a stable value fund, which is a proprietary fund, called the Plus Fund, currently paying around 3.23%, with no market risk. He indicated there are much more aggressive funds available for those who want them. He explained the three (3) portfolio options available to the employees; the first is the Build Your Own, where the employee selects their investments, the second is the Model Portfolio, which is based on the risk-tolerance of the individual and/or target date funds based on the age at retirement or age the individual wants to start collecting on that money and the Managed Money, which turns over the investment decisions to ICMA-RC. He stated, it is up to the individual to sit with Ms. Flores and ascertain their preference, what level of risk they are willing to tolerate, so they can take ownership of their plan and use the benefit being offered.

Mr. Hulett asked what is allowed as far as showing “what ifs” types of things you can show employees, such as, going back and showing retrospectives of what the outcomes would have been had they done certain things in the past. Mr. DeAgüero indicated they are able to show performance results for specific or a mixture of funds; however, there is a disclaimer. Mr. Hulett recalled the American Funds Group, which he was familiar with, that had a retrospective where you could go back 20 to 30 years and look at where you would be now, had you invested in a certain way, with the understanding that there is no guaranteed result. Mr. DeAgüero stated they have educational materials; however, they don’t focus so much at retrospective, but moving forward. He stated there are examples for different scenarios based on the person investing a certain amount, into a certain type of plan, with an assumed rate of return, for a certain length of time, retiring at a certain age and what they would get upon retirement.

Mr. DeAgüero asked Mr. Wrathell to distribute samples of the Enrollment Kits. He stated they tried to be very transparent, even their prospectus, which is called their Investment Guide, is written fairly clearly, as they understand that people need to have a clear understanding so they can take advantage of the plan. One of the things they take pride in is the educational program. He stated besides the local representative, who is salaried, none of their employees are commissioned. Secondly, to support what the local representative does, they have a Certified Financial Planning Professional who supplements what the local rep does; that person is available to come in and go over all financial planning services, as well as sit with individuals who are closer to retirement and do a financial plan for them. Mr. Hulett asked if that was just part of the service. Mr. DeAgüero replied affirmatively, adding it is a free service at a certain level, for example, for a 25 year old, there would be a fee attached to the service, but if you have

someone who has plan funds built up and is closer to retirement, they provide the service free of charge. He stated, in addition, they have seminars and training modules on their website for those that wish to use them to train and educate themselves, reiterating there is no charge for accessing the website. Mr. Hulett asked if individual participants could go into and look at their own accounts on the website. Mr. DeAgüero replied affirmatively and introduced Ms. Yolanda Flores, Retirement Plan Specialist.

Ms. Flores gave a brief overview of her employment history and qualifications. She stated in the City of Coconut Creek, they have regular, scheduled visits and explained items covered in her visits with individuals. She stated they also have regular educational seminars every other month. Mr. Hulett stated, even though this is a rather small group of employees, it is still important for everyone that is participating, if they desire the information, to be able to get a good understanding of what it is they are doing and concluded there are some excellent choices in the stock fund portion, in addition to the money market, bond funds, balance funds and looks like a very wide selection of choices.

Mr. DeAgüero focused on the importance of due diligence, given what has transpired over the last 18 months in the stock market. He stated they have a team of 16 charter financial analysts who are responsible for due diligence. They monitor the money managers, both theirs for the proprietary funds, as well as the outside managers, such as Fidelity. They visit them to determine what they are doing. If there are any inconsistencies or red-flags, they will bring in the management team to find out why things are happening.

Mr. DeAgüero addressed the topic of having an employee match, stating one (1) of the concerns, when you have an employee match, is that, when you have a 2 - 3% employee contribution could be a difficult situation and that is why having, alongside the defined contribution, the 401a plan, which is basically the pension, also having a voluntary and supplemental 457 plan makes sense. He stated that way, if the person has a discretionary 2-3%, then they can contribute those additional monies and they go in pretax, tax deferred and they only pay taxes on it once they draw that money, concluding it is a good planning tool. He indicated, conversely, for those that may be a bit younger, if they put money into a pretax 457 account, you can only access it under very strict circumstances per the IRS, which is not so with a payroll deducted Roth IRA, where you are putting in after tax dollars. If they want to have some exposure to the market, invest and hopefully get a better return, they can put money into a

payroll deducted Roth IRA and their contribution is available to them at any time, but what needs to stay in the account would be any earnings. He concluded, eventually, after the account has been open at least five (5) years, the earnings will come out completely tax free.

Mr. Hulett asked, under this type of plan with the defined contribution, if there is a point when employees are required to take their benefit. Mr. DeAgüero indicated required minimum distributions in a 401a, a 457 and in a traditional IRA, per the IRS, is within six (6) months after you turn 70½, you need to begin to take out a certain amount, with the exception of the Roth IRA, because it is after tax dollars. He added, the only exception to the minimum distribution is if the person is still employed, then they can defer.

Mr. Morera asked if the District pays any additional fees to participate in the ICMA-RC plan. Mr. DeAgüero replied no, the Administrative fees and the Management fees on the funds, which are charged by the individual money managers, are charged on an account level, on a quarterly basis, to the participant, so they are taken from the account, directly. He stated there is no charge to the District. Mr. Hulett asked about the .55% Administration Fee. Mr. DeAgüero stated that goes to cover everything that is required to manage and administer the plan. Mr. Wrathell added that the State Retirement Program has a fee of .5%.

Mr. Hulett stated the ICMA-RC program received high marks from the City of Coral Springs and expressed his confidence in going the way of ICMA-RC. He posed that the Board consider a 10% contribution figure.

Mr. Morera expressed, given that the District is having the citizens paying incremental fees and given the fact that many are experiencing financial hardship in today's economy, he feels the Board needs some justifiable reason for adding an additional 2% to the current benefit, other than just as a goodwill gesture. He stated he believes they would like to have a bit more and he is not against providing some benefit that perhaps is deserved or will be a better benefit, but feels the Board needs to look at it from the standpoint of those people who are contributing, via their fees. He stated, if asked, he would want reasonable answers for why the Board is giving a 2% increase. He expressed that possibly, in a year or so, the 2% increase would be better received without any type of conflict.

Ms. Heafy voiced her support for the 10% contribution, stating they are rebuilding the District and need the employees to be going along with us. Mr. Hulett stated Mr. Morera's points are well taken, in light of the economy. He reminded the Board that according to Mr.

DeAgüero, 12-13% was considered a rich plan. Mr. Hulett asked Mr. Cory Selchan, Field Superintendent, to approach. Mr. Hulett asked Mr. Selchan how long he has been in the pension plan. Mr. Selchan stated he has been in the plan for about 27 years. Mr. Selchan recalled that early on, the contribution was 6% and a few years ago, when there was consideration of moving to the State Retirement Fund the amount was bumped up to 8%, so they could go into the State Retirement Fund. He stated they also had a 457 to which the individual could contribute.

Mr. Hulett noted, from an employee perspective, he would rather have a defined benefit program, but, from a Board perspective, to make the kind of commitment necessary for the State Retirement Fund is risky because you don't have control over the funding and could end up in a serious unfunded pension situation. He feels that the 10% amount would give employees the impression that the Board understands that they would prefer a defined benefit plan, but they are willing to give them a little more and stay with a defined contribution plan. He voiced his support of the 2% increase.

Mr. Hulett asked for a motion to move forward with ICMA-RC Services, LLC, as administrators of the defined contribution plan at a 10% level with a five (5) year vesting schedule. Mr. Morera said he felt they should separate the motion to select a fund manager and leave funding as a separate motion.

On MOTION by Mr. Morera and seconded by Ms. Heafy, with all in favor of appointing ICMA-RC Services, LLC, as the Plan Manager for the Defined Contribution Plan for the employees of the Sunshine Water Control District.

Mr. Morera asked if all employees are currently participating in the current plan. Mr. Hulett replied yes, the District is required to make the contribution. Mr. Morera clarified, asking if they are all contributing out of their own dollars. Mr. Wrathell stated the only requirement is for the District to give its contribution and he is unsure about what the employees do on their own. Mr. Hulett asked Mr. Selchan how many employees are vested, right now. Mr. Selchan stated there are four (4) employees that are five (5)-year vested. Mr. Hulett asked the ICMA-RC representatives what happens to the money when an employee leaves prior to the time that they are vested. Mr. DeAgüero stated when the plan document is drafted, there is a provision about defaults and how that money will be handled. He said, generally, what happens is it reverts to

the employer. Mr. Wrathell clarified that it is only the employer contributions that revert back. Mr. Hulett asked if those dollars go back into the District's General Fund or if they can be allocated to the employees remaining in the plan. Brief discussion ensued and Mr. Wrathell stated, if this were to happen, he would want the funds to go back into the General Fund and the Board, if they wished, could entertain a motion to distribute the funds to the other employees. He further recommended addressing that on a case-by-case basis.

Mr. Hulett asked if the plan eligibility period is one (1) year or what the waiting period is for participation in the program. Mr. DeAgüero stated most plans have no waiting period. Mr. Hulett offered that, if there is a probationary period, the employee would have to meet the probationary period before the District would begin making contributions. Mr. DeAgüero stated that can be put in the plan. Mr. Wrathell stated, from his perspective, if the employee leaves before the year, the money is returned back to the District, anyway.

Mr. Hulett asked if the vesting schedule of the current program is known. Mr. Wrathell indicated his understanding is that it has been 20, 40, 60, 80, 100. Mr. Hulett asked if that is standard. Mr. DeAgüero replied affirmatively.

Mr. Morera asked for confirmation of his understanding that the District is going from a defined contribution plan into another defined contribution plan, but is offering a sort of bridge to employees to say, because the District did not select the defined benefit plan, that would have been more beneficial to them long-term, the District is going to add 2% to the contribution to their plan as a way of bridging the gap.

Mr. Hulett confirmed his initial thought was can the District bump the contribution just a little bit where it doesn't impact the District in any serious way financially, but can send a message to employees that they value their service and are interested in them having a comfortable retirement. He stated that an extra 2%, equating to \$6,600, or a little over \$500 per month, really isn't a serious impact on the District's financial picture, but sends a positive message to the employees that they value their service and are trying the best, within the framework they have to work with, that they are going to have a reasonably comfortable retirement.

Mr. Selchan said under the fund they have now, he has no control over it; they put in the percentage and they control it. He discussed his disappointment in his personal retirement benefit amount, after 27 years of service.

Mr. Morera stated the reason for that is not because of the contribution being made; the way the funds were being managed and the way those funds performed is what caused the losses that he incurred. Mr. Selchan expressed his understanding of that fact. Mr. Morera indicated that to say the performance, which is a separate issue, versus the contribution that was made and the end result, being the amount Mr. Selchan just mentioned, are not comparable, and they are two (2) separate issues. He noted that under the old plan, the employee did not have control over the funds, but under the new plan, they will have input on managing their funds.

Mr. Wrathell asked if CSID was keeping the 8% contribution rate. Mr. Selchan did not know. Mr. DeAgüero stated he did not know, but could find out.

Mr. Hulett again stated his support for the 2% increase.

Mr. Hulett asked for a motion to approve.

On MOTION by Ms. Heafy and seconded by Mr. Hulett, with Mr. Morera dissenting to approving setting the contribution amount at 10% of the employee's salary for the 401a Defined Contribution Plan as managed by ICMA-RC Services, LLC. (Motion passed 2-1)

FIFTH ORDER OF BUSINESS

Comparison of Pension Plans

This item was discussed during the Fourth Order of Business.

SIXTH ORDER OF BUSINESS

Public Hearing to Consider Resolution 2009-9, Adopting the Final Budget for the Fiscal Year Beginning October 1, 2009 and Ending September 30, 2010, Pursuant to Florida Law

Mr. Hulett stated the next item is the Public Hearing to consider Resolution 2009-9, adopting the Final Budget for the Fiscal Year beginning October 1, 2009 and ending September 30, 2010, pursuant to Florida Law.

Mr. Wrathell recalled the Proposed Budget that was presented and approved a couple months ago with the intent of setting today's Budget Public Hearing. He noted the proof of publication that was presented earlier in today's meeting. He also stated that, with today's

Public Hearing being a week later than usual, the residents, when they received their TRIM Notice from the Property Appraiser, have a line item on the Notice that spelled out the proposed assessment level for Fiscal Year 2010, as well as the location and time of this Public Hearing. He concluded that the District has met all noticing requirements.

*****Mr. Hulett opened the Public Hearing.*****

No members of the public spoke.

Mr. Hulett asked if any Board Members had any questions.

Mr. Wrathell made the suggestion that, since they increased the contribution to the pension plan, they can look at the different contingency line items and, because they don't want to go over the amount in the TRIM Notice, he would like to amend the Budget to increase the pension component by the correct amount and find a contingency line item that can be reduced to off-set that. Mr. Wrathell asked Mr. Selchan if he was comfortable with taking the amount out of the Field Services contingency line item. Mr. Selchan replied affirmatively.

Mr. Hulett asked if Mr. Wrathell had the revised Resolution 2009-10, stating the amount listed was not correct, it was last year's amount. Mr. Wrathell replied affirmatively, the amount should be \$139.41.

Mr. Wrathell suggested voting on Resolution 2009-9 at this time, to formally adopt the Fiscal Year 2010 Budget, then moving on to Resolution 2009-10.

Mr. Hulett asked for a motion to adopt the Fiscal Year 2010 Final Budget.

On MOTION by Ms. Heafy and seconded by Mr. Morera, with all in favor of approving Resolution 2009-9, Adopting the Final Budget for the Fiscal Year Beginning October 1, 2009 and Ending September 30, 2010, as amended.

SEVENTH ORDER OF BUSINESS

Consideration of Resolution 2009-10, Levying a Non Ad Valorem Maintenance Assessment for the General Fund for the Sunshine Water Control District for Fiscal Year 2010

Mr. Hulett stated Resolution 2009-10 is a resolution levying a non ad valorem maintenance assessment for the General Fund for the Sunshine Water Control District for the Fiscal Year 2010 in the amount of \$139.41 per-unit and asked for a motion.

On MOTION by Mr. Morera and seconded by Ms. Heafy, with all in favor of adopting Resolution 2009-10, Levying a Non Ad Valorem Maintenance Assessment for the General Fund for the Sunshine Water Control District for Fiscal Year 2010, as corrected.

EIGHTH ORDER OF BUSINESS

Discussion: Legal Counsel Review of Employee Manual

Mr. Hulett stated the next item is discussion by Mr. Terry Lewis, District Counsel, of the Employee Manual.

Mr. Lewis indicated after last month's meeting, they went through the Employee Manual from beginning to end, using the services of their labor and pension attorney. He noted there are a lot of changes, all shown in the draft in strike-through and underline forms, so the Board can see what is new and what is being stricken. He stated there is nothing vastly earth-shattering in any of the changes; the general approach has been to bring the policy to "modern day" and make the policy consistent with general law that is applicable. They eliminated some sections that were redundant and repeated other sections, with the same topic being dealt with in two (2) different places.

Mr. Lewis stated, if everyone is satisfied with the strike-throughs and underlines, he can take it back and turn it into the final document and bring it back for adoption at the next meeting. He indicated that the Board could opt to adopt it tonight and he will simply bring back a "clean copy" between now and the next meeting, so Mr. Wrathell will have it.

Mr. Morera noted Section 203, Employment Reference and Criminal Background Checks, and asked if, anywhere in the Manual, they have latitude to request driving and credit records. Mr. Lewis did not recall that being in the Manual, but those can be added. Mr. Selchan stated they already do a criminal background and driver's license check. Mr. Lewis confirmed that he can add criminal background, driver's license and credit checks to the Manual.

Mr. Morera noted a question on Page 19 asking, "Is there a pension plan other than the 457/ deferred comp. plan? If so, there is nothing in this Personnel Manual about it." Mr. Lewis clarified that the information from tonight's meeting answers that question and he has noted such. He now has the answer and will make the adjustment.

Mr. Morera pointed out, on Page 29, there is a “why?” when it comes to the age requirement to be eligible to participate in the 457 Savings. Brief discussion ensued regarding why the age was put in. Mr. Selchan stated he thought it might have been a requirement of the plan. Mr. Lewis indicated he would call Fernando and clear it with him as to what the plan requires and whether there is an age limit; if there is not, he will take out the reference to the age limit.

Mr. Hulett stated the Board can have Mr. Lewis bring the Employee Manual back next month with the changes or they can approve it, with the changes as discussed, rather than have to bring back the final version.

Ms. Heafy voiced her support of approving it now.

On MOTION by Ms. Heafy and seconded by Mr. Morera, with all in favor of approving the Sunshine Water Control District Personnel Manual, as amended.

Mr. Wrathell and the Board congratulated Mr. Lewis on recently being named one (1) of the top attorneys in the country.

Mr. Morera expressed his thanks to the Board for taking the time to review the matter of the Employee Manual.

NINTH ORDER OF BUSINESS

Discussion: Quotes from Various Health Insurance Providers

Mr. Wrathell distributed copies of an updated fund packet.

Mr. Wrathell stated, as discussed at previous meetings, CSID encouraged the District to go ahead and get their own separate group plan for health insurance. He stated one (1) of his concerns, in going from a large group plan to a smaller group plan, was the potential for a premium increase. He stated he worked with the agent for CSID, Mr. Phil Wardell, with the goal of providing coverage that was equal to or better than what CSID was offering and see what the price implications of that were.

Mr. Wrathell indicated CSID has picked an equivalent, for a large group plan, to the HMO 902 on the first page. He stated the top level plans Aetna offers are the 801 HMO and the 801 POS and the 902 is the next tier. He said what they are offering are plans in the upper tiers.

He discussed the minor differences between the plans with regard to co-pays, levels of coverage, and deductibles.

Mr. Wrathell noted that, for CSID, there was an employee who had a lot of medical expenses, such that it ended up skewing the premiums for the group plan.

Mr. Wrathell indicated the quotes before the Board now are already based upon the medical questionnaires from the employees and the quotes here are significantly lower than what CSID has. He stated this is not because of a reduction in quality, it is a result of what everyone filled out on their medical questionnaires and the rating received. Mr. Wrathell stated you can see a significant savings to the District is available.

Mr. Hulett asked if the quotes are monthly premiums. Mr. Wrathell replied affirmatively. He added that, based on the quotes, if an employee does not add anyone to their coverage, the \$910 figure that the District pays for coverage, would completely cover each employee's health benefit. Mr. Hulett voiced his opinion that this is a generous benefit, noting that the savings here of about \$500 per month would offset the pension increase previously approved.

Mr. Hulett asked if the District offers dental, disability or life, in addition to the health insurance. Mr. Wrathell replied affirmatively, adding that Aetna also has a dental plan.

Mr. Hulett noted the maximum out-of-pocket amounts in the health coverage and asked about offering a health savings account to the employees to cover the co-pays and their out-of-pocket costs. Mr. Wrathell indicated he would discuss that option with Mr. Wardell. Mr. Hulett spoke of the benefit of health savings account.

Mr. Hulett asked Mr. Selchan if the District has dental insurance and asked him to explain it. Mr. Selchan stated, the way it has always worked in the past is there was a certain amount of money the District would pay for your insurance and you could pick your options; health care, who you wanted on your health care, dental, vision and disability, and you tried to get as much benefit out of that as possible, with as little as possible coming out of your own pocket. You had two (2) choices in dental insurance and a vision plan and two (2) different for disability. Mr. Hulett stated he didn't see any reason why the District couldn't offer those plans under the scope that they are paying a flat amount, so they have a flat amount of money available to buy their benefits with, which they can put all towards the health insurance, or if there are dollars left over, they can apply it to dental, disability or life insurance. Mr. Wrathell indicated he would talk to Mr. Wardell about this and if the Board is okay, they may just stay with plans

they have and leaving it in place and the change would really end up being in the health insurance.

Discussion ensued regarding dental plans, in general, and the lack of coverage.

Mr. Morera asked about a health savings account and asked if there was a criteria for these types of accounts, where you have to use it or lose it within a given calendar year. Mr. Hulett said Mr. Morera was thinking of a flexible savings account where the employee sets aside a set number of dollars, Section 125 Flexible Spending Account. The health savings account is owned strictly by the employee and goes with them and is done similarly to an IRA where its deducted from their income tax.

Mr. Wrathell asked for a motion to go ahead and move forward with the Aetna 902 HMO Plan and authorize him to keep the other existing benefits programs in place, as long as they all make sense. He stated he will bring information about health savings accounts to the next meeting.

On MOTION by Mr. Morera and seconded by Ms. Heafy, with all in favor of approving the Aetna HMO 902 Plan as the incoming plan for the health coverage for the employees of the Sunshine Water Control District, effective October 1, 2009.

TENTH ORDER OF BUSINESS **Consideration/Discussion** **of**
Permits/Applications

Mr. Hulett turned this item over to Mr. Tom Donahue, District Engineer.

- **Calvary Chapel in Coral Springs, 11375 Sample Road, Coral Springs, Florida 33065 – Construction of a New Church Facility with a Parking Lot and Drainage System**

Mr. Donahue indicated there is one (1) recommendation for a permit approval, stating it is for Calvary Chapel on Sample Road; construction of a new church facility with a parking lot and associated drainage. He stated this was originally submitted in March and they worked, back and forth, with the applicant’s engineer. He noted they reviewed the application and find it acceptable and recommend approval of the permit, with a few special conditions.

Mr. Hulett asked if there were any questions from the Board; there being none, he asked for a motion.

On MOTION by Mr. Morera and seconded by Ms. Heafy, with all in favor of approving the issuance of a permit to Calvary Chapel in Coral Springs, 11375 Sample Road, Coral Springs, Florida 33065 for Construction of a New Church Facility with a Parking Lot and Drainage System.

• **PERMIT/APPLICATION LOG**

Mr. Donahue noted one (1) new permit application was received yesterday.

ELEVENTH ORDER OF BUSINESS

Approval of August 12, 2009 Regular Meeting Minutes

Mr. Hulett presented the August 12, 2009 Regular Meeting Minutes and asked if there were any additions, corrections or comments.

Mr. Wrathell added that Mr. Donahue sent some adjustments and those will be incorporated. He continued stating the transcriptionist's invoice was received and it took her 54 hours and she charged \$20 per hour, for a total bill of \$1,080. He stated she has another job, so she is willing to do shortened minutes, but not verbatim. Mr. Wrathell stated the transcription could also be done in-house, as part of the Management contract.

Mr. Morera noted the following:

Page 27, Line 850: change "R.I." to "R.O.I."

Page 29, Lines 901 and 905: change "enquiring" to "inquiring".

Page 30, Line 920: delete "to" and insert "if you do".

Mr. Wrathell asked the Board if they would like verbatim minutes or would they like WHHA to create something that is detailed, but is in a more readable, understandable fashion. Mr. Hulett agreed with that approach, stating the issue they had before was that it was so thin that you couldn't get the gist of it at all. If there is some middle-ground, where you can get the context of the discussion, that is fine. Mr. Morera voiced his 100% agreement.

Mr. Paton noted the following:

Page 19, Line 599: change "\$2,500" to "\$25,000".

Mr. Hulett asked for a motion to approve.

On MOTION by Ms. Heafy and seconded by Mr. Morera, with all in favor of approving the August 12, 2009 Regular Meeting Minutes, as amended.

TWELFTH ORDER OF BUSINESS

Citizens' Requests

(Requests should be made from the microphone to ensure recording of all comments.)

Mr. Hulett asked if there was anybody in the audience who would like to come forward with anything for the Board.

There being no Citizens' Requests, the next item followed.

THIRTEENTH ORDER OF BUSINESS

Supervisors' Requests

Mr. Morera asked if they have finalized the Debris Removal Contract. Mr. Wrathell replied affirmatively that Mr. Lewis reviewed it. He stated he needs to check on the Phillips & Jordan. He stated he will ensure that both agreements that are executed by Phillips & Jordan and Malcolm Pirnie and they are the ones Mr. Lewis is comfortable with, because there are several versions floating around. He said, as soon as he gets that confirmed, it will be forwarded to Mr. Hulett.

Mr. Lewis stated he reviewed the Malcolm Pirnie and received the changes. He said the Phillips & Jordan changes should have been delivered yesterday. Mr. Lewis confirmed that both parties agreed to the requested changes. Mr. Morera asked, once the contract is executed, does it commence at that time or is it retroactive. Mr. Lewis indicated the effective date of the contract would be as soon as the District signs.

Mr. Hulett asked for the status of the Broken Woods issue. Mr. Wrathell stated the Board agreed on the language and indicated he sent the letter to the City Attorney. Mr. Lewis added that the City Attorney eventually accepted what was drafted.

FOURTEENTH ORDER OF BUSINESS

Staff Reports

a. Attorney

Mr. Lewis reiterated that the Malcolm Pirnie and Phillips & Jordan contracts should be a done item and completed.

Mr. Lewis stated the Environmental Protection Agency (EPA) is adopting numeric water quality standards for nutrients for phosphorus and nitrogen. The EPA decided to go forward on a petition that was filed and go forward with a rule making process to change Florida's entire water quality classification system. He added that is long-term important if you have a water canal system because the proposed system they are working on makes a distinction between natural water bodies and water bodies that are for human use. He said if that comes about as they expect sometime into the middle or late next year, he expects that to be beneficial to water control districts, like this one. He stated DEP, the State agency, has announced that they are going to stop rule making and withdraw from rule making so far as adopting their own water quality standards for nutrients, concluding their short reason why is they are irritated with the EPA. The EPA signed a settlement agreement with an environmental group called Earth Justice. He said Earth Justice sued the EPA because they never adopted the numerical standards and EPA agreed to the settlement agreement. There are a variety of interveners who have raised the issue that the agreement the EPA entered into with Earth Justice is not fair and reasonable. A federal judge ordered a fairness hearing and the parties are in the process of preparing their documents and background for the fairness hearing. Mr. Lewis stated The Florida Association of Special Districts was contacted and offered to provide an affidavit that would provide some background on what effect this might have on water control districts. He added, in short, the effect of the rule that the EPA would adopt would be economically devastating; simply, no one could comply with the water quality standards and would immediately be out of compliance. He said the hearing on overall fairness will be held sometime in November and if the judge rejects the settlement that was entered into, that, at least, is temporarily good for the District and then, the entire controversy would likely go to trial and Federal trials take forever.

Mr. Lewis indicated he will miss next month's District meeting and Mr. Capko will be there.

b. Engineer

i. Monthly Engineer's Report 8/3/09 to 9/8/09

Mr. Donahue reviewed the Monthly Engineers Report, indicating the permit application for Calvary Chapel was already addressed.

Regarding the East-West Basin Interconnect, Mr. Donahue stated they received some additional survey information that was requested from the surveyor; they ran different scenarios

on the potential flow from the west basin to the east basin and have a range of volume and flow rates. He stated a meeting is set up for the week after next to meet with Mr. Michaud, with the City of Coral Springs, to have a detailed talk about the benefits of how the East-West Basin Interconnect and is the City and its well fields going to get the benefits out of it that justify the expenditures.

Regarding Canal Restoration Phase 2, Mr. Donahue stated they have all the surveys and all the profiles are set for the ten (10) miles of canals and they are finalizing the cross-sections and started doing field reconnaissance to double check on some canals, particularly whether their banks require rehabilitation, in addition to the dredging of the canals. He said they will be meeting with Mr. Selchan and Mr. John McKune and should have final construction documents completed in October and, at that time, pending funding, that package should be ready to go out to bid. He stated the same applies to the Culvert Replacement/Repair Project. They have been holding that based on their hydrologic model and anticipate having construction documents ready in October.

Mr. Donahue indicated Mr. Lewis covered the EPA Numeric Water Quality Criteria very well, adding that he regularly attends meetings of groups of drainage districts.

Mr. Donahue stated, back in June, they submitted five (5) applications to the FEMA 2010 Pre-Disaster Mitigation Program. He stated they finally heard back from FEMA and, unfortunately, it wasn't good news, as they rejected all five (5) of the applications, citing the Canal and Culvert Projects were not eligible because they are repair and maintenance work, the Pump Stations were not eligible because it was for the purchase of replacement equipment, the Monitoring and Telemetry System is not eligible because they do not support the purchase of monitoring equipment and the Hydrologic Model was not eligible because they do not take the studies. He stated he and Mr. Ernest-Jones went through the FEMA Criteria and found conflict and identified three (3) areas where they feel they feel the Canals, Culverts and Pump Station Projects are still eligible under different categories, particularly because they protect critical facilities of the City of Coral Springs. He stated they are seeking to have these applications reviewed again and will keep the Board updated.

Mr. Donahue indicated the GIS System is only days from delivery. Regarding the Water Use Permit, Mr. Donahue stated comments were received from South Florida Water Management District (SFWMD) back in June and they must respond by October 29th. They are

down to three (3) remaining comments. Mr. Donahue noted that Pump Stations 1 & 2 are moving along very well; they met with suppliers for the pumps, the trash ramp systems and the generators. They expect to have submittal of 30% Design Plans to the District in October. Mr. Donahue stated the Hydrologic Model has taken longer than desired, but should have a final report for next month's meeting. He indicated the 5-Year Capital Improvement Plan was approved by the Board at last month's meeting. Regarding the Water Control Plan, the whole package documenting the backup that makes up the SWCD, was submitted to SFWMD on August 17th and they have 60 days to respond. Mr. Hulett asked if that might be back prior to the October meeting. Mr. Donahue stated there is a good chance and that would then free up the 5-Year CIP for going forward with the bond process.

Mr. Hulett asked what the City of Coral Springs asked them to do on the site plan revisions in regard to the pump stations. Mr. Donahue replied they submitted a conceptual site plan application, they reviewed it and had very minor comments. He stated Mr. Vega, the City Planner, gave feedback that rather than go through the full process, they will consider it a site plan modification, so this is a much less detailed process than was anticipated. He said they gave them a list of building elevations, photographs and paint colors adding that they will be looking at it on a more administrative level; such as a public utility/maintenance upgrade.

ii. FASD – EPA Numeric Criteria Issue

This item was previously addressed.

c. Field Supervisor

Mr. Selchan noted they had a lot more rain; last month being a little under 4 inches and over 10½ inches this month, so they did quite a bit of pumping on the west side, they did no pumping on the east side. They are exactly 1 foot higher in the east basin. He stated the water is staying up this year. They are in good shape and will hopefully stay in good shape without any severe drought conditions.

Mr. Selchan spoke of the positive meetings regarding the pump stations.

Mr. Selchan thanked the Board for their consideration on the employee pension plan.

d. Manager

i. Unaudited Financial Statements as of July 31, 2009

Mr. Wrathell presented the Unaudited Financial Statements as of July 31, 2009. He referred to Page 1, indicating that is the Balance Sheet showing the CDARS of \$1.8 million

invested and \$151,000 in the Operating Account in Community Bank of Broward and some money still remaining with the State Board of Administration. Ms. Heafy asked if that should be getting better, soon. Mr. Wrathell stated, with the real estate and the liquidity markets, he thinks it won't get worse and they should be okay with the balance. Mr. Wrathell highlighted the Revenues, stating they are at a 102% of budget, probably due to a few people not taking advantage of the 4% discount or Tax Certificate sales. Mr. Hulett questioned the Escrow Account at Community Bank of Broward. Mr. Wrathell indicated it is related to a project for canal work where money was set aside; but, because they were in the process of initiating the Capital Improvements Plan, in lieu of doing the improvements at this time, the money was kept aside and put in an escrow account to separate it.

There being no additional questions, Mr. Wrathell asked for a motion to approve.

On MOTION by Mr. Morera and seconded by Ms. Heafy, with all in favor of approving the Unaudited Financial Statements as of July 31, 2009.

ii. Amended Assessment Methodology

Mr. Wrathell recalled two (2) revisions from the previous meeting, indicating those revisions were made. He noted, for Items 5.3c., and 5.3d., on Page 9, the changes were regarding the reduced risk, they said "reduce risk regarding potential increases in risk insurance premiums" and to changing d. to read "protect marketability and value of the property" as opposed to "enhancing marketability and value of the property". He referred to Table 3 on Page 12, which was added to the Report, and explained that the District is only looking to finance, with bonds, \$12.214 million of that amount, with the balance to be funded with cash on-hand. He concluded that, not only are they at, but they are below the 90% threshold.

iii. Revised Fiscal Year 2010 Proposed Meeting Schedule

Mr. Wrathell noted, in the Fiscal Year 2010 Proposed Meeting Schedule that was approved at the last meeting, the original date of the November meeting was November 11th, which is happens to be Veteran's Day. He stated, for this reason, the date has been moved up a week to November 4th, if that is acceptable to the Board. Mr. Wrathell stated he would confirm the availability of a meeting room and get back to the Board if there are any problems.

Mr. Wrathell asked for a motion to approve.

On MOTION by Ms. Heafy and seconded by Mr. Morera, with all in favor of approving the Revised Fiscal Year 2010 Proposed Meeting Schedule, as discussed and pending availability of the room.

Mr. Lewis noted that will conflict with another district that meets on the first Wednesday of the month, but he will coordinate with Mr. Capko and one (1) of them will attend.

iv. Update: District Transcriptionist

This item was addressed during the Eleventh Order of Business.

v. NEXT MEETING DATE: October 14, 2009 at 6:30 p.m.

Mr. Wrathell stated the next meeting is October 14, 2009 at 6:30 p.m., at this location.

FIFTEENTH ORDER OF BUSINESS

Adjournment

The Board wished Mr. Lewis a happy birthday.

There being no other business, the meeting adjourned at 8:48 p.m.



Secretary/Assistant Secretary



President/Vice President