

**MINUTES OF MEETING
SUNSHINE WATER CONTROL DISTRICT**

The Regular Meeting of the Sunshine Water Control District's Board of Supervisors was held on **Wednesday, October 14, 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	Client Services Manager
Cory Selchan	Field Superintendent
Bill Capko	District Counsel
Rhon Ernest-Jones	District Engineer
Tom Donahue	District Engineer
John McKune	McKune & Associates
Fernando DeAgüero	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

Update: Money Purchase Pension Plan

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

Mr. Wrathell noted, at the last meeting, the Board discussed moving forward with the ICMA-RC retirement plan for employees and, in addition, they increased the District's contribution from 8% to 10%. He stated he met with representatives from ICMA-RC, Mr. Hulett and Management Staff. He indicated there are items to be presented to the Board for approval.

He noted there were some questions regarding IRAs, 401a and, potentially, offering a 457 Deferred Compensation Plan. Mr. Wrathell stated his understanding of the program is there is no cost to the District to offer them to the employees. He indicated there is one (1) employee who has a Hartford 457 Deferred Compensation Plan.

Mr. Hulett stated, with regard to the 401 and 457 plans, he feels it is straightforward. He indicated the 457 Compensation Plans have, typically, been used more by highly compensated individuals. Mr. DeAgüero, of ICMA Retirement Corporation, indicated 457 Plans are usually offered as a voluntary and supplemental plan by local government agencies, primarily so employees can supplement their traditional deferred benefit plans. He concluded it is usually more desirable to higher earners because of the tax benefit and not as attractive to lower earners because the tax benefits to contributors are not as great. Mr. Hulett stated there are two (2) ways for employees to supplement or make their own contributions into their retirement plan; 1) 457 Plan, and 2) allowing them to contribute to an IRA account, either a traditional IRA or the Roth IRA. He noted the District can have the IRA accounts and the 457 available to the employees in the ICMA-RC plan, with no additional cost or administration fees, to the District, to make those items available to the employees. Mr. Hulett voiced his support for those two (2) programs. Mr. DeAgüero added, another benefit of the Roth IRA is that, from an administrative perspective, it precludes the issue of having a loan provision because those are after-tax dollars and the account holders can tap into them at will, without any restrictions, and they do that directly through ICMA-RC; they do not need to go through the Board or payroll, which takes the burden off the District. Mr. Wrathell stated if the District chooses not to have the loan program, employees still, as legally allowable at the federal level, in the instance of financial hardship, can tap into their 401k for a specific purpose. Mr. DeAgüero confirmed that is an IRS provision and both plans are held to that standard.

Mr. Hulett asked for examples of hardship cases that allow for withdrawal of money out of the 401a. Mr. DeAgüero indicated the two (2) major cases are a medical situation and an emergency, such as a hurricane, where regular insurance falls short of the damage. Mr. Hulett noted, given that, it is probably not necessary to implement a 401/457 Plan Loan Program. Mr. DeAgüero indicated most employers choose not to do it. Mr. Hulett stated he felt the District would be better served to not have the loan provision in the District's document, since the employees have the ability to access their accounts in a hardship situation through IRS

regulations. Mr. Wrathell noted, for comparison, Coral Springs Improvement District (CSID) is not including the loan provision, either.

Mr. Hulett asked Mr. DeAguero to explain the Managed Accounts program. Mr. DeAguero indicated Managed Accounts have been around for about 15 years. He said the vast majority do not avail themselves to that service, in plans that have adopted this service; the industry average of highest level of participation is 2%. He noted the obvious question of why would the District want to offer this type of service, if only 2% of the eligible employees participate. He said, the answer is, because for those 2%, this is the perfect solution. He explained the three (3) portfolio options available to the employees; the Build Your Own, where the employee selects their investments; the Model Portfolio, 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; the Managed Money, which, for a fee, turns over the investment decisions to ICMA-RC. Discussion ensued regarding the company that manages the accounts and where or how the meetings take place. Mr. Hulett summarized his understanding that the District can offer the program, but the fees only come in if the employee chooses this option. Mr. DeAguero confirmed the statement and added that employees can get out of the plan with no penalties or fees. Mr. Morera asked what the threshold is when the fees are reduced, based on the amount of money. Mr. DeAguero indicated he did not have those figures with him.

Mr. Hulett asked Mr. Wrathell for an update on the status of the necessary paperwork to implement the plans. Mr. Wrathell indicated, depending on how the Board handles the items at this meeting, Management has the documents ready right now and just needs signatures.

Mr. Hulett asked Mr. Selchan about implementation of the plan, noting Ms. Flores met with the employees and asked how that was done. Mr. Selchan indicated she met with every employee individually, for approximately 30 to 45 minutes, going over the options, what their options could be and how they could invest their money. Mr. Selchan confirmed that employees were given time, were reassured that they did not have to rush into a quick decision regarding their selections and can make changes if they wished. He was comfortable with the enrollment process and felt it went smoothly. Mr. Hulett asked Mr. Selchan if anyone selected the Managed Account program and Mr. Selchan indicated he did not think anyone chose that option. Discussion continued regarding the employees' feelings about the process. Mr. Selchan noted

the basic feeling was the employees now feel in control, where before, they had no say in their plan.

Mr. Morera asked Mr. DeAguero if an employee in the Managed Account could contact their manager and make a change. Mr. DeAguero indicated the accountholder can request a change in the management of the portfolio, but the program does not allow people to call in and personally make changes; they need to follow the process of requesting reassessment of their portfolio. Mr. DeAguero was asked how often someone can make changes. He replied there is no set amount, but changes should not be like an employee managed account; rather, changes should be made when there is a change in circumstances in either the stock market or in the employee's or accountholder's life.

Mr. Wrathell indicated notification was sent to the current pension plan and the District is looking at remaining in it through the end of November and transitioning over on December 1st, pending information about the individual account balances. He confirmed everything is in place for ICMA-RC to obtain the funds when they become available.

- **ICMA Policy Decisions**
 - **Allow IRAs via Payroll Deduction**

On MOTION by Mr. Morera and seconded by Ms. Heafy, with all in favor of allowing IRA contributions, via Payroll Deduction, for the employees of the Sunshine Water Control District.

- **Election to Participate in Managed Accounts**

On MOTION by Ms. Heafy and seconded by Mr. Morera, with all in favor of election to participate in the ICMA-RC Services, LLC Managed Accounts Program.

- **401/457 Plan Loan Program Implementation**

This item died, for lack of a motion.
- **Consideration of Resolution 2010-1, Relating to a 457 Deferred Compensation Plan**

On MOTION by Ms. Heafy and seconded by Mr. Morera, with all in favor of adopting Resolution 2010-1, Relating to a 457 Deferred Compensation Plan.

- **Consideration of Resolution 2010-2, Relating to a Money Purchase Plan**

Mr. Wrathell indicated Resolution 2010-2 basically approves the 401a plan. Brief discussion ensued regarding the check box options for how the funds are initially deposited. Mr. Wrathell asked Mr. DeAguero if the money in the money market funds is FDIC insured. Mr. DeAguero confirmed it is not. Mr. Hulett asked which option is the default fund. Mr. DeAguero said it is the closest to age 60 target date fund, which is a mostly conservative allocation fund, with an exposure of about 30%. Mr. Wrathell stated he wanted to ensure that when the funds are initially deposited, they are in the most conservative and then, the employee can move the funds, if they wish. Mr. Hulett asked if a straight cash money market fund is currently available. Mr. DeAguero replied no, not at the present time. Mr. DeAguero stated he would email the plus fund information to the Board for review.

On MOTION by Ms. Heafy and seconded by Mr. Morera, with all in favor of adopting Resolution 2010-2, Relating to a Money Purchase Plan.

- **Consideration of Resolution 2010-3, Relating to Amending a Retirement Plan to Permit Loans**

This item died, for lack of a motion.

*****Mr. DeAguero left the meeting.*****

THIRD ORDER OF BUSINESS

Consideration of Award of Contract for Chemical Bid

Mr. Hulett indicated the next item is consideration of award of contract for chemical bids and turned the item over to Mr. Selchan.

- **Bid Forms**

- **Helena Chemical**
- **Future Horizons**

- **Phoenix**
- **Pro-Source One**
- **Tabulation Sheet**

Mr. Selchan stated, every year, the District bids out its chemicals, which are herbicides for treating the aquatic weeds in the District's drainage system. He referred to the bid tabulation sheet and noted everything highlighted in yellow is the low bidder and those highlighted in blue are the same cost. He indicated, for those in blue, he will spread the purchases to whoever has the availability. He reminded the Board he would like to reserve the right to use whichever product works the best; so, the District always goes with the low bidder, but if they have a problem with the product, they will go to the next lowest bidder.

On MOTION by Ms. Heafy and seconded by Mr. Morera, with all in favor of approving the low bidders, highlighted in yellow on the bid tabulation sheet, and awarding contracts for chemical purchases.

FOURTH ORDER OF BUSINESS

Discussion: Quotes from Various Health Insurance Providers

Mr. Wrathell recalled that, at the last meeting, he presented some different health insurance options, one (1) of which was the Aetna plan that he provided to the Board. He indicated, after the meeting, Mr. Selchan had some concerns about the coverage, in comparison to the coverage the employees have under the CSID plan. Mr. Wrathell confirmed there were some differences. He stated, in the interim, and with the Board's approval, Management has asked to remain under the CSID plan for another month, to buy additional time to again look at the health insurance and other benefits to ensure the employees receive the same level of coverage. He indicated he received an email from Jan Zilmer stating CSID is happy to allow the extension of coverage for as long as needed. Mr. Wrathell requested, from the Board, an additional month to work on the insurance coverage. Mr. Morera asked if there is any concern about the enrollment period. Mr. Wrathell stated, between now and the next Board meeting, he wants to work with the insurance provider and Mr. Hulett and conceive some options. He indicated if a plan is found, he would like to go forward with having the employees complete medical questionnaires so Management can obtain a firm quote. He stated this would mean

asking CSID to maintain coverage through November and speculated everything would then be in place for a December 1st start date. Mr. Hulett asked Mr. Wrathell to make sure the employees are enrolled and will be covered on the CSID plan and receive insurance cards.

FIFTH ORDER OF BUSINESS

Consideration/Discussion of Permits/Applications

Mr. Hulett indicated the next item is the consideration/discussion of permits/applications and turned the item over to Mr. Rhon Ernest-Jones.

- **Modification of Surface Water Management System for Coral Springs Fire Station #80 – Public Safety Complex/Mullins Park – SWCD Permit No. 2008-09**

Mr. Ernest-Jones stated there is a modification of surface water management system, requested by the City, for the Public Safety Complex/Mullins Park. He recommended approval, based on the condition that all modifications to the drainage system must be in complete compliance with the previous Sunshine Water Control District permit application approval and the Sunshine Water Control District Permit Criteria Manual, last update. He indicated the outfalls are the same; the modification is some onsite changes on Mullins Park, which appear to be good and appear to yield cleaner water for the District.

<p>On MOTION by Mr. Morera and seconded by Ms. Heafy, with all in favor of approving the modification of Surface Water Management System for Coral Springs Fire Station #80 – Public Safety Complex/Mullins Park – SWCD Permit No. 2008-09, subject to the stated condition.</p>

- **Installation of Electrical Service on Concrete Embankment – Canal West of and Adjacent to 9935 West Sample Road**

Mr. Ernest-Jones stated the City of Coral Springs wants to illuminate an art sculpture on Sample Road, which entails installing an electrical conduit passing over the District’s right-of-way. He said the destination is the art piece and the source is the electric meter on the other side of the canal. He indicated this is a 1” conduit that will be attached to the wall. Mr. Ernest-Jones recommended approval, with the condition that the electrical work be properly permitted through the City of Coral Springs and be in compliance with the District’s Manual. He spoke of

the possibility of a removal agreement, which is typical, for instance, when work is done in an FPL right-of-way and recommended this condition, as well.

On MOTION by Mr. Morera and seconded by Ms. Heafy, with all in favor of approving the issuance of a permit to the City of Coral Springs for Installation of Electrical Service on Concrete Embankment – Canal West of and Adjacent to 9935 West Sample Road, subject to the stated conditions.

- **Royal Gardens of Coral Springs Condominium Association, Inc. – Permit for Existing Irrigation Pump**

Mr. Ernest-Jones turned this item over to Mr. Donahue for discussion.

Mr. Donahue indicated this is for an existing irrigation pump and line out of Canal KK at Royal Gardens of Coral Springs Condominiums, which is on Royal Palm. He stated it is an existing condition and the Board has seen several of these types of requests over the past months because South Florida Water Management District (SFWMD) is cracking down on larger developments, both commercial and residential, to make sure they have water use permits. He said, in doing that, the property owner must get a permit from Sunshine Water Control District. He recommended approval, subject to any modifications being in compliance with the Permit Criteria Manual, Applicant must secure a SFWMD permit and provide a copy to the District; the irrigation withdrawal facilities supply lines shall be installed at a minimum elevation of 0.5’ below the basin control elevation and the estimated quantity, to be withdrawn per day, be consistent with the SFWMD permit and be supplied to Sunshine Water Control District.

On MOTION by Ms. Heafy and seconded by Mr. Morera, with all in favor of approving the issuance of a permit to Royal Gardens of Coral Springs Condominium Association, Inc. – Permit for Existing Irrigation Pump, subject to the stated special conditions.

- **PERMIT/APPLICATION LOG**

Mr. Ernest-Jones noted the Permit/Application Log was included for the Board’s reference.

SIXTH ORDER OF BUSINESS

Approval of September 16, 2009 Regular Meeting Minutes

Mr. Hulett presented the September 16, 2009 Regular Meeting Minutes and asked if there were any additions, corrections or comments.

The Board voiced their approval of the minutes, with Mr. Hulett noting the minutes contained the right amount of information and captured the points of what was discussed. There being no additions, corrections or deletions, Mr. Hulett asked for a motion to approve.

On MOTION by Mr. Morera and seconded by Ms. Heafy, with all in favor of approving the September 16, 2009 Regular Meeting Minutes, as presented.

SEVENTH ORDER OF BUSINESS

Citizens' Requests

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

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

EIGHTH ORDER OF BUSINESS

Supervisors' Requests

Mr. Morera asked if the District has finalized the contracts with Phillips & Jordan and Malcolm Pirnie. Mr. Wrathell replied affirmatively and Mr. Hulett indicated he signed-off on the agreements. Mr. Morera asked the effective date of the contracts. Mr. Wrathell stated they would be effective from the date the Board approved them. Ms. Heafy asked for how long. Mr. Wrathell stated he thought they are initially, for two (2) or three (3) years, with the option to extend. He stated, the District doesn't need to get bids for another five (5) years, if they do not want to. Mr. Hulett asked if the contracts are firmly in place and Mr. Wrathell replied affirmatively. Mr. Morera asked about the context of the contracts and asked for a full copy. Mr. Wrathell offered to meet with Mr. Morera to review the full terms of the contracts.

Mr. Wrathell outlined the basic terms of the contracts, indicating the contractors are not paid until the District contacts them and has a need for their services. Then, the cost depends on the service needed, based on their bid response, which was part of the contract. Mr. Wrathell also noted, should the need arise, the contracts have a termination clause.

NINTH ORDER OF BUSINESS

Staff Reports

a. Attorney

Mr. Capko introduced himself and proceeded with the Attorney's report.

Mr. Capko noted District Counsel would have prepared a resolution for presentation today to set the first public hearing on the Water Control Plan Amendment, but SFWMD had not filed its response, so that resolution will be presented in November. He noted, depending on the Board's desires, possibly holding a public hearing in December.

Mr. Hulett noted receipt of the final version of the Personnel Manual. Mr. Capko indicated there were a few changes based on comments at the last meeting and offered to answer any questions.

A question was raised regarding if employees received copies of the Personnel Manual and had signed-off on it. Copies are to be forwarded to Mr. Selchan for distribution and employee signatures.

b. Engineer

i. Monthly Engineer's Report - 9/9/09 to 10/6/09

Mr. Ernest-Jones reviewed the Monthly Engineers Report, indicating the Board already addressed the permit applications.

Regarding the East-West Basin Interconnect, Mr. Ernest-Jones stated they had meetings over the last month and concluded they need to get the work done to see the complexity, estimate the cost, and so forth. He indicated the operations and the conditions under which the interconnect would operate were discussed and there was concern about how SFWMD would permit the operation of the interconnect and whether they would allow the District to operate it in the future. Mr. Ernest-Jones concluded, based on current discussions, it does not appear to be cost effective, for the District, to implement this project.

Regarding Canal Restoration Phase 2, Mr. Ernest-Jones stated the cross-sections and survey work have been completed. He said they will complete the construction documents this month, get the permits and everything will be ready for utilization, should the District decide to go forward with bond money, and so forth.

Regarding Culvert Replacement/Repair, Mr. Ernest-Jones indicated calculations have been done and he anticipates completing those plans, including the recommendations for greater efficiency.

Regarding the FASD – EPA Numeric Water Quality Criteria for Nutrients, Mr. Ernest-Jones stated this is a matter that his office and District Counsel are both monitoring and there is a collaborative effort by four (4) districts in South Florida meeting regularly. The concern being that the EPA is being sued and may impose arbitrarily strict phosphate and nitrate levels for discharge into the SFWMD canals, which would be next to impossible to sustain. He stressed this is an extremely serious matter, should the EPA impose these far more stringent criteria, as it would put a significant burden on the District to put greater imposition on the contributing properties to make them comply. He reiterated that his firm is working with District Counsel to strategize and are lending support to the groups indicating the state should set its own criteria, not the EPA.

Discussion continued regarding Florida Department of Environmental Protection (FDEP) developing criteria for submittal to the EPA for various types of water bodies in Florida. As they have not yet developed criteria for canals in South Florida, drainage districts are concerned that, if FDEP does not develop criteria for canals in South Florida, the EPA will impose values that are unrealistic for the drainage districts to meet. Mr. Hulett summarized the effort is trying to get the state to do something ahead of the EPA. Mr. Donahue noted the EPA's action is lawsuit driven; they were sued and have settled with Earthjustice. Mr. Donahue stated numerous water districts have joined the argument against the EPA, basically requesting the EPA give them time to put together the information, so they can determine realistic criteria. Mr. Donahue indicated that, while the EPA previously set a narrative standard for water quality, they never set specific criteria for phosphates and nitrates. He stated the basis of the lawsuit against the EPA was that Florida should have specific criteria.

Regarding the FEMA 2010 Pre-Disaster Mitigation Program, Mr. Ernest-Jones stated the District appealed the rejection from FEMA, who said the activities are ineligible. He is talking with other districts that have been successful in having some improvements considered. Mr. Ernest-Jones indicated he asked Mike Wood, from South Broward Drainage District to review the District's application; he is doing this at no charge to the District. Mr. Hulett asked about the possibility of having Mr. Lewis' office involved, to obtain more information and expedite the District's applications. Mr. Capko replied affirmatively, noting they worked with the Ranger Drainage District, who had numerous projects approved and would be happy to assist. Mr. Ernest-Jones confirmed he is working with engineers from the Ranger District on this matter.

Regarding District Mapping and GIS, Mr. Ernest-Jones indicated the GIS software is now available for installation on Mr. Selchan's desktop computer. The vendor for the laptop and software package, ESRI, reported delivery delays for the laptop and now promises delivery by November 4, 2009. Mr. Selchan stated the software has not yet been installed on his desktop computer, but will be by the time the laptop arrives.

Regarding the Water Use Permit, Mr. Ernest-Jones stated this is not as easy as it might seem. He indicated the District responded to comments received from South Florida Water Management District (SFWMD) and they must respond by October 29th. He indicated there is a shift on the part of SFWMD to limit these types of impoundment permits, unless they can see a good reason for them. The District has been recharging its system for marginal benefit to the District and major benefit to the city well fields. Mr. Hulett asked for clarification between the Water Use Permit and the Water Control Plan. Mr. Ernest-Jones stated the Water Use Permit is for specific withdrawal from SFWMD's facilities and the Water Control Plan is the overall water management tool for the District, describing the improvements and all of the functioning criteria of the District.

Regarding Pump Stations 1 & 2, Mr. Ernest-Jones indicated they are proceeding and had very constructive discussions with Staff and Pavarini Construction, who is preparing cost estimates, at no cost to the District. Mr. Ernest-Jones indicated he based their cost estimate for future pump stations on the similar stations being constructed for the City of Tamarac. They had three (3) pump stations constructed, at a time when costs were high and they paid \$1.9 million for each pump station. Based on that, he felt it was conservative to estimate \$2.5 million. They received preliminary pricing back from Pavarini on their 30% plans, which came in at about \$3.5 million, each. This caused them to go back and review, as they underestimated the cost of the temporary works; the works they need to pay for to keep the system completely functioning, continuously. He noted there are many things they can do to reduce the cost of the stations to get them back within budget. Mr. Ernest-Jones spoke of Pavarini's findings and the location of Pump Station #2. He concluded that they are working very productively and extremely effectively to cut the costs, to bring them in on budget. He described the construction plans and process and how they will maintain continuous flow.

Mr. Ernest-Jones stated he feels it would be better to have a contractor on board with the project sooner, rather than later, and not have this be a hard bid process. Rather, he suggested to

the Board a Construction Manager at Risk (CM at Risk) arrangement. He stated the value of this is that the contractor is available to review things and give input, which could save money. Mr. Ernest-Jones stated, before the next meeting, he will prepare a memo of comparative ways of delivering projects and present it to the Board and he will propose that the District use a CM at Risk form of delivery for the pump stations. He explained estimates are obtained at the 30% and 60% levels and keep getting better as you progress; so, instead of arriving at a completely engineered set of drawings, you are getting the contractor's input, as you go along, which is extremely beneficial to the District. He stated, typically, with a CM at Risk, you advertise. It is competitive and meets all the requirements for procurement for government purchasing agents and the contractor comes on board. The contractor also gives a "guaranteed maximum price" (GMP), which puts them at risk. Mr. Ernest-Jones continued discussing the benefits and work of a CM at Risk. Mr. Hulett asked Mr. Ernest-Jones to keep Management and District Counsel fully informed, as the project moves along.

Discussion continued regarding Coral Springs projects and other entities that use or have used the CM at Risk process. Mr. Ernest-Jones stated he will put the memo together and wants to have this on the next Agenda, in the form of a motion, so they can propose to advertise for a CM at Risk. Mr. Hulett asked if Management or District Counsel had experience, in other districts, using a CM at Risk. Mr. Wrathell replied he had not. Mr. Capko stated, in most districts, the projects are not so large and complex that the need comes up very often.

Mr. Hulett asked if there is a selection process for picking a CM at Risk. Mr. Ernest-Jones stated the District would advertise and he just went through this process with Southwest Ranches. Mr. Morera asked how the CM at Risk is compensated for their work. Mr. Ernest-Jones stated it is an open book, where the District sees their bids and they have the obligation to hire pre-qualified subcontractors for the major elements of the work. He said there is a prescribed fee, at the beginning, a percentage of the construction costs for pre-construction work. The agreements are split into two (2) parts: pre-construction and construction. The culmination of the pre-construction piece is the GMP, at which point you know exactly what the maximum cost is going to be. Mr. Wrathell asked if the District would set a cap, as part of the bidding process. Mr. Wrathell voiced concern that the methodology for the assessments was based on the five (5)-year CIP and wants to make sure that, at some point, the five (5)-year CIP is locked in. His question was, if they outline the parameters, is this open to change orders or going

beyond the set amount, thus necessitating the need to redo all of this to change the assessment. Mr. Ernest-Jones stated nothing done caused him to change his estimates; he thinks the estimate from Pavarini is high and wants to give it respect, because it is from a contractor. He indicated the idea behind the CM at Risk is that the construction manager critiques the plans and having them reviewed is a plus in terms of having quality plans which, in turn, tend not to lead to change orders. Mr. Ernest-Jones noted, in the industry, the CM at Risk approach is called “teaming”.

Mr. Ernest-Jones summarized the CM at Risk process stating, price is not discussed during the first round, rather, all the criteria and as much information as possible is given and request letters of interest and statements of qualifications from the contractors. The contractors are evaluated, based on qualifications, to determine a short list. There are then presentations by the contractors and the Board, or a selection committee, ranks the contractors, based on a ranking criteria. Then, an attempt is made to negotiate a contract with the ranking entity ranked first, that being negotiating a percentage of the construction costs and it is typical for the contractor to get a pre-construction fee between ¾% and 1.5%. He noted, if that contractor cannot bring the project in to the budget that is acceptable, then, the District can move to the next contractor.

Mr. Wrathell asked for confirmation that, for the work a CM at Risk subcontracts out, they do not bid on the job. Mr. Ernest-Jones provided confirmation that they do not. Mr. Wrathell summarized that the District is hiring a construction manager, just like a developer would, to take care of the entire project and hire all of the subcontractors. Mr. Ernest-Jones agreed, noting the CM at Risk becomes the de facto general contractor (GC). Mr. Wrathell commented that the CM at Risk is very similar to a land developer and explained the similarities in how projects are run and completed.

Discussion continued regarding the process, costs, future needs of the project, and fine-tuning. Mr. Wrathell stated, based on some of Mr. Ernest-Jones comments, he is uncomfortable with the concept of just approving the Drainage Plan and getting a public hearing set at the next meeting, until they get this sorted out. Mr. Hulett agreed. Mr. Wrathell stated, with the CM at Risk, the District can get the construction manager on board and start to get firmer numbers, because he doesn't want to have to turn around and find that the assessments are too low, in relation to what they need to do to do the CIP, the way the Board wants. He suggested, related to next month, to get SFWMD comments back, move forward on the CM at Risk concept, if that is

what the Board wants to do and formulate solid numbers; then, he can work with the five (5)-year CIP and adjust the methodology, so they have what they want.

Mr. Morera asked about another city's pump installations. Mr. Ernest-Jones stated Tamarac installed three (3) pump stations, all at once, which were all relatively similar in shape and design and they were delivered approximately 18 months ago, for a cost of \$1.9 million, each, for a total of \$5.7 million, all together. Mr. Ernest-Jones reaffirmed that the \$1.9 million per pump station cost, of 18 months ago, lead to their estimate of \$2.5 million; the Pavarini estimate of \$3.5 million per pump station has given them a prudent cost-correction. Mr. Morera pointed out the jump from Tamarac's \$1.9 million per pump station to the Pavarini estimate of \$3.5 million seems quite high. Mr. Ernest-Jones stated Pavarini completed a detailed look at the temporary works that will be required to build it. They went through it with him and got a breakdown of temporary works, pumps and etc. Mr. Hulett suggested the opportunity for Mr. Morera to tour one (1) of Tamarac's pump stations might be helpful. Mr. Morera reiterated his concern over the cost differential. Mr. Ernest-Jones and Mr. Hulett noted this project has been many years in development and inflation factors are part of the reason. Mr. Morera voiced his feelings that the construction industry is declining, so there should be a more favorable market.

Mr. Hulett suggested, prior to making any decisions and holding a public hearing, the Board could bring in a construction manager and fine tune the actual costs and get them down to numbers everyone is comfortable with. Mr. Wrathell surmised that bringing in a CM at Risk, to give the Board options, may cost a bit of money at the onset, but it would give the Board the information necessary to make informed decisions about what they want to do, how they want to deal with it and how they want to adjust. He stated, that way, once the Board has done that, they can feel good about what is being bid out and the work that will be done. When they start the plan adoption process, they will have a solid document that they can explain to the public why it costs what it costs. He concluded this would put the Board in the strongest position to make an educated decision.

Brief discussion ensued regarding the process and Mr. Selchan noted he knew the costs would be higher than Tamarac's because the District's pumps are much larger, so the infrastructure, engines and generators are much larger, but he stated he was surprised at how high the numbers were.

Mr. Hulett stated what Mr. Wrathell outlined makes eminent sense. He surmised, if they select a construction manager, they give them the District's budget and then they can develop plans to show what the District can get. Ms. Heafy asked how long this process would delay the project. Mr. Ernest-Jones said it wouldn't delay it, at all. He said he would like to provide the information and work with Mr. Wrathell to create a resolution to authorize advertising for the CM at Risk.

Mr. McKune voiced his support of the CM at Risk process. Mr. Wrathell stated his preference to look at this now, rather than down the line, when it could be a huge problem. Mr. Hulett noted it is better for the District to complete it now, prior to when the bonds are sold. At this point, the District has nothing at risk, so he is comfortable with the CM at Risk process. This way, the District can find out, for sure, and they have not committed anything or put the public on-the-hook for anything. As a Board, they are still in a position to make those decisions and adjustments and go in the best direction for the landholders.

Mr. McKune noted, with the economic times, a construction manager may come in with a lower cost for the current scope of work, then the District could increase the scope.

Mr. Hulett asked for an update on the hydrologic model. Mr. Ernest-Jones stated the final summary report is being prepared. The model is showing that there are significant chances at the top end of the system, where all the head loss is built up to where there is difficulty in draining the furthest part in the system. There are instances at the top end of the model that are showing the water level at the higher end is higher than the District's 100-year finished floor elevation for buildings; meaning, the prediction, from the model, is that in a 100-year rain, the water would be higher than the finish floor of the building. He noted this tells the District they are vulnerable to the impact of a large storm, as far as flooding is concerned, and they would be in seriously bad shape if the pumps broke down for any reason. The fact that the model indicates that type of sensitivity, that the District is not fine, by feet of water, they are very close to being flooded in a 100-year storm, puts an even greater emphasis on the need to have a reliable pump station. Mr. Ernest-Jones indicated this is part of the rationale to be presented in support of the pump stations. Mr. Hulett asked if this is planned for the November 4th meeting and noted Ms. Resta did a great job presenting the findings and felt a similar presentation would be beneficial.

Discussion continued regarding the benefits of a presentation, content to be included, and if adjustments to the model, to reflect changes or improvements, would be possible. Mr. Hulett

concluded this is important, particularly during the public hearing phase, that the District is able to justify the costs and the model is the basis and justification for what the District is doing for infrastructure improvements. Mr. Ernest-Jones confirmed the report will be completed by the next meeting and they will give a presentation.

Regarding the Water Control Plan, Mr. Ernest-Jones indicated SFWMD must give their responses by October 20th. He stated he is not expecting any problems.

Regarding the Permit Criteria Manual, Mr. Ernest-Jones stated they are still putting out the joint Permit Criteria Manual, but recommended, as with the Personnel Manual, the District should modify the current Manual to be relevant to the District and create a Sunshine Water Control District Permit Criteria Manual. He proposed to do this within the District Engineer's general operating budget, not through a specific proposal.

ii. FASD – EPA Numeric Criteria Issue

This item was addressed during the previous item.

c. Field Supervisor

Mr. Selchan stated field operations are operating normally, with nothing out of the ordinary. He noted, as it has not rained in a couple of weeks, they are losing water quickly. He stated, with it being October and there being money available, they are looking at getting a new boat and trailer. Mr. Morera asked if there have been any complaints. Mr. Selchan indicated complaints have been slow; those received were spray complaints, related to weeds growing quickly. He noted, as we move into winter, the weeds do not grow as quickly, so they will get caught up. He stated he attempts to address all complaints the day they are received or by the next day.

Mr. Morera asked if Mr. Selchan encounters situations where new homeowners inadvertently plant trees in the right-of-way. Mr. Selchan stated it happens all the time and not just with new residents. Mr. Morera asked if there is a plan of action for when this happens. Mr. Selchan stated there has been on-going discussion about this for many years and they still have not come together with the City of Coral Springs on how to remove something, once it is there. He noted, usually, if it is new, there is not much resistance to a verbal request. If it is not noticed for a longer period of time, they may refuse to remove it and it becomes a battle because the resident takes it to the city. He concluded it is difficult to remove something, once it is there.

Mr. Morera asked if District Counsel could give some direction on drafting rules or guidelines that could be implemented to the homeowners and the best way to implement/disseminate those rules. Mr. Capko replied affirmatively, adding that is something the Board can direct District Counsel to work with Staff to accomplish. Mr. Wrathell stated there have been extensive discussions about this issue. He indicated the Board was considering, when the District is ready to implement the CIP, using that as the time to send out the educational information touting the benefits of the CIP and explaining, in conjunction, some things will need to be removed and once completed, they cannot replant. He added, when the work begins, things will need to be cleared out to make way for the heavy machinery. Mr. Hulett noted the major problems are where equipment access is impeded. Discussion ensued regarding access issues, lack of homeowner education on the matter and resident responses or refusals to allow access. Mr. Hulett noted this is an item that has been ongoing, but needs to be dealt with. Mr. Selchan felt if enforcement is incremental, starting with the most important and working outward, it would be more palatable. Mr. Morera suggested, for those areas where access is needed to control the daily work without additional burden, notice should be provided to the homeowners, indicating that things need to be cleared. He added, give them warning that the things should not have been there, it needs to be removed and, by the time they return, if it is not removed, the District will remove it for them, at the homeowner's expense. Mr. Morera stated Mr. Selchan should not need to have these problems affecting their ability to do their work. Mr. Selchan stated this happens every day; what they need is a letter or notice. Mr. Morera asked for the Board's agreement to ask District Counsel to formulate a letter to residents.

Mr. Hulett did not disagree with Mr. Morera's statements, but indicated he was not sure of the exact process that needs to be followed. He acknowledged the Board is past the time where they need to give Mr. Selchan their full support in this matter. He agreed that, in areas where reasonable access is an issue, they need to start a process to take care of that. He stressed the need to present it in such a way that it is understandable and does not appear arbitrary or heavy-handed. He suggested a first step might be for Mr. Selchan to identify and submit to the Board, the canal areas that are most critical to him, in terms of access.

Discussion ensued regarding the current limitations of the Coral Springs Code Enforcement Department and their possible inability to be of much assistance, at the present time.

Mr. Selchan felt the important thing is to start or develop a process, as a process is what has been lacking. As a starting point, Mr. Hulett asked Mr. Selchan to identify the most critical areas and present those to the Board, so they can decide, with Management and District Counsel, the best methods to make it happen. Mr. Wrathell interjected that, in his experience, the issues are often specific to a property; thus, it is difficult for District Counsel to draft a blanket letter. He added, having Mr. Selchan's list, at least, gives District Counsel some direction on what kind of letter to draft. Mr. Capko added they could have a standard format that is then tailored to the circumstances. Mr. Capko voiced support for the educational campaign related to the CIP, noting it is a good approach, at that time. Discussion ensued regarding methods of disseminating the information to residents. Mr. Hulett summarized the Board's approach, at this time, is to receive and review Mr. Selchan's list and then address each on an individual basis.

Discussion continued regarding foreclosed or abandoned properties and whether the District can access the property. Mr. Hulett asked if the District removes a fence or such, do they bill the homeowner. Mr. Wrathell said the District can, minimally, place a lien on the property for work done by the District.

Mr. Wrathell summarized the process, indicating the first letter states they have a certain amount of time to remove it and if it is not removed in that time, the District will remove it and send a bill and place a lien on the property.

Mr. Selchan voiced his appreciation for Management's continued efforts to get the employees a good insurance policy. He stated his employees asked him to express their gratitude to the Board for their decision on their retirement plan and are extremely happy with the Board for their generosity and allowing them some control.

d. Manager

i. Unaudited Financial Statements as of August 31, 2009

Mr. Wrathell presented the Unaudited Financial Statements as of August 31, 2009. He referred to Page 1, indicating that is the Balance Sheet through August 31st. He noted the CDARS money in Community Bank of Broward matures on October 29th. The District invested \$1.8 million and by the time it matures, it will be worth \$1,802,335.16. He stated, factoring in the District Engineer's CIP schedule and the cash needed to fund those capital improvements, plus cash needed for the months of October and November, before the assessment collections come in the SunTrust payment due on the loan, Management had to tap into some of the

District's cash. For these reasons, Management is recommending investing only \$1.3 million, of the \$1.8 million, in a four (4)-week CDARS, where it will be FDIC insured and the \$500,000 left in the accounts will get them through the next months. He felt, by February and March, when the bulk of the tax revenues are received, the District will be able to then invest the money further out.

Mr. Wrathell continued reviewing the Unaudited Financial Statements as of August 31, 2009, noting Revenues are at a little over 100% of budget, probably due to a few people not taking advantage of the 4% discount or Tax Certificate sales.

Mr. Morera asked if only \$1.3 million is being reinvested into CDARS, what will happen to the other \$500,000. Mr. Wrathell said some will be put in money markets and some, when it matures, will be transferred into the checking account, to pay the bills, as the District needs operating cash, until the revenues come in later in the fiscal year.

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

ii. Update: Completion of Personnel Manual

Mr. Wrathell noted the Board already received the Personnel Manual and he will distribute it to the employees and get them signed.

iii. Fiscal Year 2010 Meeting Schedule

Mr. Wrathell noted the Meeting Schedule, in calendar form, was provided for the Board's information.

- **NEXT MEETING DATE: November 4, 2009 at 6:30 p.m.**

Mr. Wrathell confirmed the meeting room is available and the next meeting will be November 4, 2009, at this location.

TENTH ORDER OF BUSINESS

Adjournment

There being no additional business, the meeting adjourned at 10:20 p.m.



Secretary/Assistant Secretary



President/Vice President