

**MINUTES OF MEETING
SUNSHINE WATER CONTROL DISTRICT**

A Public Hearing and Regular Meeting of the Sunshine Water Control District's Board of Supervisors was held on **Wednesday, December 8, 2010 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
Doug Paton	Wrathell, Hunt & Associates
Matthew Kozak	Wrathell, Hunt & Associates
Bill Capko	District Counsel
Cory Selchan	Field Superintendent
Tom Donahue	District Engineer
Rhon Ernest Jones	District Engineer
John McKune	McKune & Associates
Wes Bradish	RBC Capital Markets
Pfil Hunt	Gardnyr Michael Capital
Bill Reagan	Raymond James
Tom Greene	Raymond James

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Wrathell called the meeting to order at 6:30 p.m., and called the roll, noting, for the record, that Supervisors Morera and Heafy were present, in person. Supervisor Hulett was not present but expected to attend later in the meeting.

SECOND ORDER OF BUSINESS

Manager's Report

****This item, previously the Tenth Order of Business (Item 10d), was discussed out of order.****

d. Manager

Mr. Wrathell reported the District is just under 100% in revenue collection. Mr. Kozak provided a memo regarding the sale of tax certificates in the District. He reported the reason that revenue is lower than the total monies collected is related to unpaid taxes due to pending litigation. Discussion ensued on the timing of the pending payments.

*****Mr. Hulett arrived at the meeting at 6:40 p.m.*****

i. Unaudited Financial Statements as of October 31, 2010

Mr. Wrathell reviewed the Unaudited Financial Statements as of October 31, 2010 and provided the unreconciled cash and investment balances. He stated there were only three (3) payments left on the SunTrust loan. Mr. Hulett asked if the State Board of Administration has been contacted. Mr. Wrathell stated he will contact the State Board; however, about one (1) year ago, the State Board of Administration estimated it would be about four (4) or five (5) years until the funds were released.

ii. Check Register, October 2010

Mr. Hulett questioned the purpose of the “shared services” fee to CSID. Mr. Wrathell stated he will get specifics on the services for the next meeting. Mr. Morera questioned the payments to Sungas Services. Mr. Selchan explained there was a lot of pumping over the last couple months and the payments may account for two (2) months worth of propane. Discussion followed on the budgeted amount for propane.

iii. Invoices, October 2010

There were no questions regarding this item.

iv. Status of Tax Certificates

This item was discussed earlier in the meeting.

v. NEXT MEETING DATE: January 12, 2011 at 6:30 p.m.

On MOTION by Mr. Hulett and seconded by Ms. Heafy, with all in favor, the Unaudited Financial Statements as of October 31, 2010, were approved.

THIRD ORDER OF BUSINESS

Citizens’ Requests

*****This item, previously the Second Order of Business, was discussed out of order.*****

There were no Citizen’s Requests.

FOURTH ORDER OF BUSINESS

Final Public Hearing for Proposed Water Control Plan Amendment and Engineer's Report

****This item, previously the Third Order of Business, was discussed out of order.****

- **Consideration of Resolution 2011-2, Adopting a District Water Control Plan Amendment**

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

There were no comments.

****Mr. Hulett closed the Public Hearing.****

Mr. Hulett read Resolution 2011-2 into the record. Discussion was held on the significance of the water control plan and the need for the updated efficiencies. Mr. Wrathell noted the resolution outlines the steps taken in the approval process.

On MOTION by Mr. Morera and seconded by Ms. Heafy, with all in favor, Resolution 2011-2, Adopting a District Water Control Plan Amendment, was approved.

FIFTH ORDER OF BUSINESS

Presentations from Underwriters

****This item, previously the Fourth Order of Business, was discussed out of order.****

Mr. Wrathell stated each firm will make their respective presentation. The Board will then have an opportunity for a question and answer session with both firms. Mr. Wrathell noted that both firms are highly qualified.

- **Raymond James & Associates, Inc.**

Mr. Bill Reagan, managing director, introduced himself to the Board. He discussed his experience and the firm's background. He stated they did not ask or take any TARP funds and noted the importance of having adequate groups of bond buyers. He discussed that the costs include yield of the bond, cost of issuance and underwriter's discounts. He stated the cost of issuance can be controlled by the District, such as the selection of bond counsel, engineer, manager, etc. The underwriter is paid via a portion of the bonds; in this particular case, the discount is set at 1.2% but the actual scope of service has not been determined and this is something that can be discussed. The yield of the bond is the interest rate. Discussion followed on the S&P rating. Mr. Greene stated he had preliminary discussions with the bond insurance

company, in which they were wary of a Florida special assessment deal. He believed there could be some benefit to having insurance but it depends on the pricing of the insurance policy. He explained that the methodology assumed unrated bonds with a 2.0% underwriter's discount. Typically, the cost of issuance for the transactions can range from \$135,000 to \$150,000; however, we do not know what the District has committed as far as engineering expenses, etc., that are part of the transaction. Mr. Ernest-Jones asked what TIC indicated. Mr. Greene replied TIC is for True Interest Cost and there are several versions of the TIC. He discussed the three (3) different scenarios provided in the proposal on Pages 4, 5 and 6. Mr. Greene stated the insurance company is Assured Guaranteed. Discussion followed on the need for insurance. Mr. Greene explained that the purchase of insurance can increase the number of potential investors. Discussion ensued on the remaining steps to complete the transaction. Mr. Reagan estimated about two (2) months until the bonds could be sold.

Mr. Hulett questioned if anyone was surprised that there were not more firms present. Mr. Reagan explained that deals pertaining to special assessments are not popular right now, due to the high number of defaults. He discussed the additional steps needed for special assessment bonds versus a revenue bond. He stated that Raymond James specializes in special assessment, land-based, nonrated or rated bonds. Mr. Reagan explained that the competitive bidding process is generally done with the best of credits; you throw it out there and see who buys it. With a solid, high rating, no-risk bond, there would be more competition. Discussion followed on the cost to the landowner and the actual price of the assessment.

- **Gardnyr Michael Capital/RBC Capital Markets Corporation**

Mr. Pfil Hunt and Mr. Wes Bradish introduced themselves. Mr. Bradish discussed RBC Capital Markets background. He envisioned that RBC and Gardnyr Michael will serve as Co-Senior Underwriters to manager the transaction. He stated the team effort will help the District get the lowest possible TIC. Mr. Hunt discussed the background of Gardnyr Michael Capital, Inc., (GMC). He noted RBC's strong national and retail reach and GMC's strong institutional reach in selling special assessment bonds. Mr. Hunt discussed the S&P rating provided from GMC. Mr. Hulett questioned if a rating higher than an A- rating can be expected. Mr. Hunt responded affirmatively and stated that he expected an A+. Discussion followed on the specifics of the District. Mr. Bradish reviewed the discount structure provided on Page 12. He stated the goal was to provide the lowest TIC to the District. Discussion ensued on the role of bond

insurance. In response to a question, Mr. Bradish estimated the insurance cost for an A rating to be around 50 basis points of the total principal and interest. Mr. Bradish and Mr. Hunt discussed the current bond market and estimated the first quarter to be a good time to issue bonds. Mr. Hulett questioned if the Build America Bonds Program is only for municipalities. Mr. Bradish stated that the bond counsel can make the decision as to whether the District is qualified for that program. Mr. Hulett noted the program expires December 31st. Mr. Bradish stated the program may be extended. Discussion followed on the Build America Bonds Program and the possible return from the federal government when a taxable bond is issued. Mr. Hulett noted the significance of the interest rate and finding the firm that can provide the District with the lowest interest rate. Discussion was held on having two (2) responses. Mr. Hunt discussed the electronic process and the use of websites for selling and buying bonds. Mr. Bradish discussed that the offering statements are usually electronic documents. Mr. Hulett questioned the electronic competitive bidding process. Mr. Hunt explained that this is a specialized, finite security that is an assessment backed by dirt and the intricacies that are necessary to complete the deal. Mr. Bradish discussed the volatility of the market and that a competitive sale limits the bonds to a specific date, whereas a negotiated transaction market date can be advised and altered. Mr. Hunt explained that if the competitive bid process is used, the bid can be accepted or the bid can be pulled and re-advertised; however, there are advertising requirements. Mr. Hulett commented that the competitive bidding process would be used by a municipality. Mr. Hunt and Mr. Bradish stated they did not know of a special assessment bond in Florida that ever used the competitive bid process. Mr. Morera questioned how many bonds were expected to be issued. Mr. Hunt estimated about 13,440,000.

Mr. Hulett questioned if there is any conflict of interest because Mr. Hunt is a partner with Mr. Wrathell. Mr. Capko responded that there is not; however, the requirement to disclose the relationship to the decision maker has been met. The Board thanked the firms for their proposals.

Mr. Hulett stated he would like to defer a decision until the January meeting. Ms. Heafy stated she would like to keep moving. Mr. Morera expressed his concern in only having two (2) firms present. Discussion ensued on when to make a decision. Ms. Heafy stated she is ready to vote. Discussion followed on the decisions made by the Board to get the firms to present in December, rather than advertising and delaying presentations to January. Mr. Wrathell

encouraged the Board to feel comfortable in their decision and noted the selected firm will need appropriate time to structure the bond.

Mr. Capko noted the need for the District to select their bond counsel. Mr. Morera questioned if there were any potential problems with delaying the project. Mr. Ernest-Jones stated there is no indication of rising prices in commodities such as steel and cement. He stated, Weiss would love to get started. Mr. Morera questioned the District Engineer about any potential delays in the construction. Mr. Ernest-Jones explained that potential delays have been included in the timeline. He questioned whether the cash was needed to break ground. Mr. Wrathell suggested getting the bond deal closed, to have the cash in the bank prior to construction, and that the funds would be available the same day as the bonds closed. Discussion ensued on the need for a circuit court bond validation. Mr. Capko noted that a bond validation is not needed. Mr. Ernest-Jones noted the long-term permits are in hand already; the city permits are needed.

Mr. John McKune noted the potential for commodities to increase and discussed his experience with increased prices on other projects.

Ms. Heafy made a motion to vote on the underwriter. There was not a second and the motion died.

Mr. Hulett stated he will funnel questions through Mr. Capko's office.

SIXTH ORDER OF BUSINESS

Update: FEMA Funding for Disaster Damages Resulting from Hurricane Frances

******This item, previously the Fifth Order of Business, was discussed out of order.******

Mr. Paton reported that the deadline for an appeal is December 15th. He stated the letter will be filed tomorrow. Mr. Hulett questioned if copies are going to be sent to the local representative and state senator. Mr. Paton responded affirmatively. Mr. Paton reported that the letter was reviewed and edited by Mr. Lewis.

SEVENTH ORDER OF BUSINESS

**Consideration/Discussion:
Recommendations for Bond Counsel**

******This item, previously the Sixth Order of Business, was discussed out of order.******

Mr. Capko reported that he spoke with three (3) firms: Greenberg Traurig; Edwards, Angel, Palmer and Dodge; and Squires, Sanders and Dempsey. All three (3) expressed interest in serving as bond counsel for the District. He requested fee quotes from the firms and their relevant experience. He recommended the firm of Greenberg Traurig, who quoted \$40,000 for the transaction. The highest quote provided was \$50,000. Mr. Capko confirmed this is a package deal and is not billed hourly.

On MOTION by Mr. Hulett and seconded by Ms. Heafy, with all in favor, appointment of Greenberg Traurig to serve as District Bond Counsel, for \$40,000, was approved.

Mr. Capko reported that an engagement letter will be provided for execution at the next meeting.

EIGHTH ORDER OF BUSINESS

Consideration/Discussion of Permits/Applications/Letters of No Objection

****This item, previously the Seventh Order of Business, was discussed out of order.****

• **PERMIT/APPLICATION LOG**

Mr. Ernest-Jones reported that the previous application for Burger King appears to have died, as additional information was requested and the process is not moving forward. He noted that the city is referring homeowners to the District for fence installations. He reported the District is taking the recommendation that fences be installed outside of the right-of-way and easement. If the homeowner places it in the easement, then a removal agreement will have to be signed, giving the District no obligation to put it back in. He stated a letter of no objection along those lines was issued to 11291 NW 43rd Street. A permit was issued to Chen & Associates for Coral Springs Parks and Recreation. He stated a letter of no objection was issued for 9751 NW 37th Street and 9703 NW 43rd Street. Mr. Donahue stated the Mele letter went out today and agreed to stay out of the easement.

NINTH ORDER OF BUSINESS

Approval of Minutes

****This item, previously the Eighth Order of Business, was discussed out of order.****

- **October 27, 2010 Public Hearing**

The October 27, 2010 Public Hearing Meeting Minutes were presented for the Board's approval.

On MOTION by Mr. Morera and seconded by Ms. Heafy, with all in favor, the October 27, 2010 Public Hearing Meeting Minutes, as presented, were approved.

- **November 17, 2010 Regular Meeting**

The November 17, 2010 Regular Meeting Minutes were presented for the Board's approval.

On MOTION by Ms. Heafy and seconded by Mr. Morera, with all in favor, the November 17, 2010 Regular Meeting Minutes, as presented, were approved.

TENTH ORDER OF BUSINESS

Supervisors' Requests

******This item, previously the Ninth Order of Business, was discussed out of order.******

Mr. Morera questioned if the canal behind Lyons Park, at Sample and Riverside, is in the District. Mr. Selchan confirmed that it is part of the District. He noted a community club expressed interest in cleaning up the park and the canal. Mr. Selchan did not recommend the District allow local groups or citizens to go into the waterway; however, he offered to assist them in working around waterways. Mr. Selchan noted the area is a problem area and the high volume of debris in that area is due to the close proximity of the shopping plaza. Mr. Selchan confirmed that the existing fence was placed by the city. He discussed the need to increase access to such areas to make maintenance easier. Discussion ensued on the possibility of using a boat ramp.

ELEVENTH ORDER OF BUSINESS

Staff Reports

******This item, previously the Tenth Order of Business, was discussed out of order.******

a. Attorney

Mr. Capko stated the Board requested a review of the Broward County Ethics Ordinance to see if there is any applicability. He stated he does not know the results, but the county agenda

included directing the county attorney to begin preparing an ordinance making the ethics ordinance prevailing over the conflicting municipal ordinances. He stated he will continue to monitor the situation.

Mr. Capko noted the numeric nutrient standards issues and that the state filed suit against the EPA to block the imposition of the new standards on Florida. He stated he has not reviewed the complaint but this will be discussed in the coming months.

b. Engineer

i. Monthly Engineer's Report – 11/09/10 to 11/30/10

Mr. Ernest-Jones reported they are working constructively with the city on their fire station. Mr. Hulett questioned the District's responsibility to the project. Mr. Ernest-Jones explained the District is to impose the conditions of the permit manual. He stated the District has the ability to help them solve their issues if the District would like to take a constructive approach. He stated the circumstances are similar to the Incredible Ice project, where the District was able to excavate a piece of canal for \$30,000 and the District placed the funds in escrow. In this case, the city would pay a certain amount of money. Mr. Ernest-Jones noted there are portions of the canal system that are not excavated, especially in the Corporate Park. By excavating, the District has the ability to provide additional water storage that can be allocated. Mr. Hulett questioned if the District was exceeding their obligations. Mr. Ernest-Jones stated the city is doing most of the work.

Mr. Ernest-Jones reported the East West Basin Interconnect, Option 2, was selected. He stated the Board will review the details at the January meeting and anticipated submitting the plans to the county in the spring. He reported a memo was emailed to the Board regarding the meeting with the city. He stated that the draft right-of-way policy is definitely where the District wants to go. He noted the need to consider the amount of time it will take for the District to get there. Mr. Ernest-Jones noted zero tolerance is reasonable on a going forward basis. He noted the potential for accusations of unfair treatment if special accommodations are made. Mr. Hulett suggested establishing a moratorium for the existing items in the right-of-ways. Discussion ensued on establishing a policy. Mr. Ernest-Jones noted the guard rail issues throughout the District. Mr. Morera noted the issue of new plantings in the right-of-ways. Discussion continued on the use of tree tags and stakes. Ms. Heafy questioned how the letters worked for the Lake Worth District. Mr. Ernest-Jones stated the managers noted an active communication

with the Board is important. The Staff and the Board are comfortable with the policy and the clearing of the canal banks are a work in progress. Mr. Hulett noted the issue of the timing.

Mr. Ernest-Jones reported the Coral Springs Corporate Park is still trying to obtain bids regarding the common swale. Mr. Hulett questioned if they are calling anyone. Mr. Ernest-Jones stated he did not believe it was moving very fast. Mr. Hulett suggested not investing anymore time in the Corporate Park project.

Mr. Ernest-Jones noted he has been trading calls with a resident regarding the canals and guard rails. The resident is interested in starting a petition to have the city evaluate the guard rails on waterways. Mr. Wrathell's office directed her to the City of Coral Springs, but the resident requested to speak to someone from the District. Mr. Selchan confirmed the District did not install the guard rails and did not have any input on the installation.

c. Field Supervisor

Mr. Selchan recalled that a resident requested the canals be cleaned up behind his residence and presented pictures of the area to the Board. He noted the rapid growth of trees and Florida holly.

Mr. Selchan thanked the Board for continual support.

Mr. Wrathell requested District Counsel to review if the District falls under the Chapter 112.0801 Post Employment Benefits. Discussion followed on the specifics of the statute and the District's retirement program.

TWELFTH ORDER OF BUSINESS

Adjournment

****This item, previously the Eleventh Order of Business, was discussed out of order.****

There being no additional business, the meeting adjourned at 10:00 p.m.



Secretary/Assistant Secretary



President/Vice President