

**MINUTES OF MEETING  
SUNSHINE WATER CONTROL DISTRICT**

A Regular Meeting of the Sunshine Water Control District's Board of Supervisors was held on **Wednesday, March 9, 2011**, immediately following the landowners' meeting 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, LLC
Matthew Kozak	Wrathell, Hunt & Associates, LLC
Michael Szymonowicz	Wrathell, Hunt & Associates, LLC
Bill Capko	District Counsel
Cory Selchan	Field Superintendent
Tom Donahue	District Engineer
Rhon Ernest-Jones	District Engineer
Steve Sanford	Greenburg Traurig
John McKune	McKune & Associates
Craig Dunlap	President, Dunlap & Associates, Inc.
Dan Clark	Resident
Stephanie Pravata-Clark	Resident
Phil Hylander	Resident
Jamie Mohrland	Resident
David Rinker	Resident
Mark Martyak	PowerSecure, Inc.
Len Hernandez	Florida Detroit Diesel-Allison
Kurt Norbat	Florida Detroit Diesel-Allison
Jonathan Sharon	The Weitz Company
Jim Wells	The Weitz Company
Michelle Blackstock	Grau & Associates
Rich Michaud	Director of Public Works, City of Coral Springs

**FIRST ORDER OF BUSINESS**

**Call to Order/Roll Call**

Mr. Hulett called the meeting to order at 7:16 p.m.

Mr. Wrathell called the roll, noting, for the record, that Supervisors Hulett and Morera and Supervisor-elect Heafy were present, in person.

**SECOND ORDER OF BUSINESS**

**Oath of Office for Newly Elected Supervisor**

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

Mr. Wrathell, a notary of the State of Florida and duly authorized, administered the oath of office to Supervisor Heafy and provided and explained the following items:

- **Guide to the Sunshine Amendment and Code of Ethics**
- **Form 1 – Statement of Financial Interests**
- **Form 1X – Amendment to Form 1 - Statement of Financial Interests**
- **Form 1F – Final Statement of Financial Interests**

**THIRD ORDER OF BUSINESS**

**Consideration of Resolution 2011-4, Electing the Officers of the District**

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

Mr. Hulett asked for nominations for President. Ms. Heafy nominated Mr. Hulett. Mr. Wrathell suggested nominating the entire slate of officers and asked that he remain as Treasurer and Assistant Secretary and that Mr. Doug Paton be elected as an Assistant Secretary. Ms. Heafy nominated the following slate of officers:

President	<u>Dave Hulett</u>
Vice President	<u>Joe Morera</u>
Secretary	<u>Emily Heafy</u>
Treasurer	<u>Craig Wrathell</u>
Assistant Secretary	<u>Craig Wrathell</u>
Assistant Secretary	<u>Doug Paton</u>

There being no other nominations, Mr. Wrathell called for a motion to elect the slate of officers.

**On MOTION by Ms. Heafy and seconded by Mr. Morera, with all in favor, Resolution 2011-4, Electing the Officers of the District, as nominated, was adopted.**

**FOURTH ORDER OF BUSINESS**

**Consideration of Resolution 2011-3, Canvassing and Certifying the Results of the Landowners' Election**

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

Mr. Wrathell indicated Ms. Heafy was successfully elected to fill the vacant position, receiving 81 confirmed votes.

**On MOTION by Ms. Heafy and seconded by Mr. Morera, with all in favor, Resolution 2011-3, Canvassing and Certifying the Results of the Landowners' Election, whereby Ms. Heafy was successfully elected as a Supervisor of the Sunshine Water Control District with 81 confirmed votes, was adopted.**

**FIFTH ORDER OF BUSINESS**

**Citizens' Requests**

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

Mr. Phil Hylander, 6993 NW 5<sup>th</sup> Place, Margate, and a District landowner, speaking on behalf of a homeowners association, as their manager, indicated he has tried, for over six (6) months, to get straight answers from the District's office. He indicated he visited management's office in September and it took six (6) weeks for his phone call to be returned. He indicated, since that time, he has communicated with Mr. Donahue, the District Engineer, to obtain facts on the maintenance of a particular canal. Mr. Hylander implicated that Mr. Donahue provided emails containing gibberish and unnecessary reports. Mr. Hylander asked for "straight" answers. The canal is located on NW 38<sup>th</sup> Drive in the 8900 block; one side is the now defunct Brokenwoods Golf Course and the other side is for the homeowners that he represents. Mr. Hylander indicated the water is six (6) feet deep and other parts are dry, even during the rainy season. Mr. Hylander wants to know when the canals will be repaired, dredged and requested a list of the canal's required depths. He discussed canal requirements and standards in Margate. Mr. Hulett asked Mr. Hylander to contact the District Manager's office and arrange for a meeting and site visit to the canals with Mr. Selchan. Mr. Hulett reminded Mr. Hylander that the canals

are drainage canals and there is no guarantee that there will ever be water in them. Mr. Hylander felt Mr. Hulett's explanation was also gibberish. Mr. Hulett indicated he will be happy to meet with Mr. Hylander and management to address his specific concerns.

Mr. Dan Clark, 10772 La Placida Drive, spoke regarding a building planned in La Placida. Mr. Morera indicated he received an email from Mr. Clark regarding a conversation he had with the mayor expressing his concerns about the future development of La Placida and issues he foresees, due to the previous developer and the impact on the current drainage within the property. Mr. Morera indicated he spoke to Mr. Clark regarding the matter and recommended he attend today's meeting, to present his concerns.

Mr. Hulett felt this is more an issue about the property; if it is related to the city getting the water into the District's canals, it is not within the District's jurisdiction.

Mr. Clark indicated his concern is that the city does not address stormwater issues and the builder was seeking a special exemption to build on a retention area in the middle of the site. Mr. Clark indicated the builder does not own the property but was able to obtain a special exemption to build on it, anyway, if they can show title to it. Mr. Clark voiced his concerns about flooding and spoke about unauthorized work and changes to the infrastructure by the previous developer. Mr. Clark spoke of canals needing work. Mr. Hulett asked the District Engineer and Mr. Selchan to meet with Mr. Clark to view the areas of concern, specifically related to the District's property. Mr. Ernest-Jones indicated he met with Mr. Clark and did his best to explain to him how the system functions and the interplay between the District and South Florida Water Management District (SFWMD). Mr. Ernest-Jones indicated, for the record, he had discussions with SFWMD and the city planning division, letting them know the District will take a long and appropriate look at the application for a permit for the proposed construction on La Placida.

Ms. Stephanie Pravata-Clark, 10772 La Placida Drive, Apartment 103, voiced her confusion in that, during their discussion with Mr. Ernest-Jones, he spoke of being grandfathered in and there being no permit. She indicated the city said the same thing. She indicated the builder says they are not changing the infrastructure, so no permit is necessary; however, the infrastructure was illegally changed three (3) years ago so, if there is no permit for the city or District to review, what happens.

In response to Mr. Hulett's question, Mr. Ernest-Jones confirmed a permit will be necessary and stated, for the record, that Ms. Pravata-Clark has misquoted him. Mr. Hulett summarized, and Mr. Ernest-Jones confirmed, if additional buildings are built on the property, they will have to apply for a permit, in regard to the retention and drainage issues, and the District will review the application. Regarding the grandfathered in issue, Mr. Ernest-Jones stated he has not indicated anything would be grandfathered in; rather, SFWMD mentioned to him that would likely be their stance on the issue. Mr. Ernest-Jones assured that someone will keep oversight of the project, within their jurisdiction and, if necessary, they will bring any concerns to either SFWMD or the city.

Ms. Jamie Mohrland, 10683 La Placida Drive, speaking as a homeowner and board member of the La Placida Homeowners Association, informed the Board that their association fully supports the builder, recognizing they are working closely with the city.

Mr. David Rinker, 10691 La Placida Drive, resident and vice president of the La Placida Homeowners Association indicated he has never experienced drainage problems. He felt that Mr. Clark and Ms. Pravata-Clark misstated the facts in the meeting they attended last night and voiced his confidence in the District to do what needs to be done so the project can move along.

## SIXTH ORDER OF BUSINESS

### **Presentation of Audited Financial Report for Fiscal Year Ended September 30, 2010, Prepared by Grau & Associates**

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

Ms. Michelle Blackstock, of Grau & Associates, indicated this is an unqualified audit, meaning it is a clean opinion. She referred to the balance sheet on Page 8, noting, at the end of the fiscal year ending September 30, 2010, the District had total assets of nearly \$2.9 million. She indicated \$2.7 million was cash. Total liabilities were \$378,000, leaving a total fund balance of \$2.5 million. Ms. Blackstock referred to the statement of revenues, expenditures and changes in fund balances, on Page 10, noting total revenues of approximately \$2.2 million and expenditures of about \$2.25 million, reflecting a slight deficiency of about \$59,000, for the fiscal year, leaving the fund balance at \$2.5 million. She referred to the report on internal controls over financial reporting and compliance, on Page 22, and indicated it is a clean opinion. The

management letter, on Pages 23 through 24, stated there were no current or prior year findings for the District.

The Board and Mr. Wrathell thanked Ms. Blackstock and voiced their appreciation to Grau & Associates.

**SEVENTH ORDER OF BUSINESS**

**Consideration of Resolution 2011-6, Accepting the Audited Financial Report for the Fiscal Year Ended September 30, 2010**

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

**On MOTION by Mr. Morera and seconded by Ms. Heafy, with all in favor, Resolution 2011-6, Accepting the Audited Financial Report for the Fiscal Year Ended September 30, 2010, was adopted.**

**EIGHTH ORDER OF BUSINESS**

**East-West Basin Interconnect Discussion with Rich Michaud, Director of Public Works**

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

Mr. Michaud introduced himself and summarized his view of the report by the District Engineer, as part of a partnership between the city and the District to evaluate the feasibility of an east-west basin interconnect. He indicated the report was funded by a Broward County grant with the intention of investigating the feasibility of providing additional recharge by redirecting surface water in the west basin to the east basin, to contribute to the City of Coral Springs' well fields. Mr. Michaud commended the District Engineer and his staff for an excellent job and the thoroughness of the report.

Mr. Michaud indicated the project was formalized through an interlocal agreement (ILA) between the city and the District on July 23, 2010. He indicated he, the utilities staff and the city's water and wastewater consultant read the report and agree with its findings. Mr. Michaud indicated the city agrees with the potential benefits found in the report, including redistribution of the water resources that will increase the water availability, recharge the Biscayne aquifer,

supports the implementation of a dependable, sustainable water supply, encourages the regionalization of local water supplies and the interconnect provides a simple approach to connecting both basins.

Mr. Michaud noted the report lists four (4) possible locations and two (2) are north on Coral Springs Drive, one (1) west of University on 28<sup>th</sup> Street and the last is west of University on Royal Palm Boulevard. He indicated the city agrees with the recommendation that location #2, on Coral Hills Drive, around 37<sup>th</sup> Street, is the best place to build the interconnect. Mr. Michaud felt the next step is to evaluate the criteria on which the interconnect would be opened and closed and agree on some of the potential benefits of the operations of the interconnect. He discussed trying to obtain grants to fund the construction. The city is prepared to fund, in next year's budget, a portion of the design, to get it started, should a grant become available. Mr. Michaud indicated the city and the District can then discuss cost sharing.

Mr. Ernest-Jones concurred with Mr. Michaud's suggested next step of setting the operational criteria. He voiced his opinion about the benefits of the project.

Discussion ensued regarding the grant process, timeline and requirements.

**NINTH ORDER OF BUSINESS**

**Discussion: Bond Sizing: Board Confirmation of Construction Account Sizing**

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

Mr. Wrathell recalled previous Board discussions setting \$68, per unit, as the maximum amount. He referred to the pages behind Tab 7, reflecting an interest rate of 6% and indicated the preliminary assessment methodology will need to be updated to assume this lower interest rate. Mr. Wrathell reviewed Tables 1 through 4 regarding the 5-Year CIP, noting, with the 6% interest rate, the new targeted annual debt service per EDU amount would be \$60.18. Mr. Wrathell referred to the preliminary special assessment methodology in the agenda package and asked the Board to approve this methodology, which will be included in the official statement that is mailed to the potential bond buyers. Mr. Wrathell confirmed a final methodology will be completed around the time frame the bonds are issued.

Mr. Morera referred to Table 1 and asked if this assumes the District will absorb all of the ROW encroachment clearing costs. Mr. Wrathell indicated the Board has the option to prioritize

the 5-Year CIP. In response to Mr. Morera's question, Mr. Wrathell confirmed this line item is a proposed amount; in the overall plan, some line items might go over and others might go under.

Mr. Wrathell stated, for the record, the required public hearings regarding the updated drainage plan and assessments were held, so they are operating under the first methodology, which was purposefully conservative. Now, as long as the annual assessment stays under \$68 and the principal, per unit, stays under the original number, everything is okay.

**On MOTION by Ms. Heafy and seconded by Mr. Morera, with all in favor, Preliminary Special Assessment Methodology Report, dated February 28, 2011, was approved.**

**TENTH ORDER OF BUSINESS**

**Discussion: Estimated Bond Financing Timetable and Working Group Distribution List**

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

Mr. Dunlap reviewed the timetable for bond financing. He indicated, if Resolution 2011-5 is approved tonight, he intends to send those documents and a package of information to Standard & Poor's (S&P), no later than this Friday, to possibly obtain assured guarantee of an insurer on the bonds. He noted March 22<sup>nd</sup> as the ratings due date and an anticipated closing date of April 11<sup>th</sup> and 12<sup>th</sup>. He felt, barring any problems, the money should be received by April 12<sup>th</sup>.

**ELEVENTH ORDER OF BUSINESS**

**Consideration of Resolution 2011-5, Bond Resolution**

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

Mr. Wrathell indicated this resolution begins the financing process and, due to timing issues, asked the Board to delegate authority to the Chair/President to work with Staff to finalize the documents, terms of the deal and sign the resolution.

Mr. Sanford indicated this resolution builds in all possibilities so they would not need to wait to bring it before the Board. It includes provisions for bond insurance and funding the reserve fund with a surety bond, rather than cash. In response to Mr. Hulett's question, Mr.



Sanford confirmed the decision regarding bond insurance will be based on the rating and premium, and whether there is a cost benefit to having the insurance.

Mr. Sanford indicated the resolution authorizes up to \$15 million of the special assessment revenue bonds to finance a portion of the District's CIP. He pointed out, under federal tax law, in order to issue tax-exempt bonds, you must finance capital projects, so the pump stations and such comply. He recommended that other items that are more maintenance related be paid as they go, rather than be financed with bond proceeds.

Mr. Sanford summarized the resolution authorizes the issuance of bonds to finance a portion of the project, appoints the three (3) underwriters and provides a provision for bond insurance. He noted, under Florida Law, you cannot delegate to a member of a governing body discretion in making decisions on behalf of the Board, outside of a public meeting; therefore, in order to give Mr. Hulett the necessary authority to make decisions on finalizing the documents and accepting the final pricing terms of the bonds, they must specify parameters. As long as the pricing comes in within the parameters of the resolution, Mr. Hulett has the authority to sign a bond purchase agreement with the underwriters and complete the transaction without the necessity of bringing it back to the Board.

Mr. Sanford reviewed the parameters, starting on Page 48 of the resolution. Parameters included an optional redemption provision, starting in 2020, at a maximum premium of 2%, sale of the bonds where the true interest costs of the bonds cannot exceed 6%, the underwriters spread set not to exceed \$7.50 per thousand, the principal amount of the bonds does not exceed \$15 million and the final maturity of the bonds will not go beyond May 1, 2041.

Mr. Morera asked if the \$7.50 underwriter discount applies to all of the bond underwriters. Mr. Sanford indicated the underwriter should be viewed as one (1) unit; therefore, it applies to all and clarified the \$7.50 per thousand is the total compensation the underwriters will charge the District for selling the bonds. Mr. Morera recalled the various underwriters proposed different amounts. Mr. Capko indicated RBC/Gardnyr Michael's quoted underwriter discount was \$6.00 per thousand and, since they were named the senior manager, he expects their quote to govern.

Mr. Sanford indicated the District will need a registrar to deal with the changing of ownership of the bonds, a paying agent to deal with the actual semiannual payment to the bondholders and a trustee to hold the construction funds. He presented a quote from Wells Fargo

for those services. As the quote from Wells Fargo was favorable, the resolution also appoints Wells Fargo to act in the capacities of paying agent, registrar and trustee. Mr. Wrathell noted Wells Fargo waived the acceptance fee and routine legal counsel fees and expenses, resulting in an annual fee of \$1,500, which is very good.

Mr. Sanford reviewed the resolution exhibits, including the bond purchase agreement, the preliminary official statement, the trust agreement between the District and Wells Fargo, the insurance agreement and the form agreement with the depository trust company utilizing the book entry only system with the broker/dealer.

Mr. Capko voiced his support for approving the resolution.

**On MOTION by Ms. Heafy and seconded by Mr. Morera, with all in favor, Sunshine Water Control District Special Assessment Revenue Improvement Bonds, Series 2011, Bond Resolution 2011-5, was adopted.**

**TWELFTH ORDER OF BUSINESS**

**Discussion: Email Regarding Slice of the Springs Meetings**

Mr. Hulett indicated the Slice of the Springs March meeting includes a large portion of the District's area and recommended the District have a representative present at the meeting. Mr. Hulett or Mr. Morera will notify management of who will attend.

**THIRTEENTH ORDER OF BUSINESS**

**Approval of February 9, 2011 Regular Meeting Minutes**

Mr. Hulett presented the February 9, 2011 Regular Meeting Minutes and asked for any additions, corrections or deletions.

**On MOTION by Mr. Morera and seconded by Ms. Heafy, with all in favor, the February 9, 2011 Regular Meeting Minutes, as presented, were approved.**

**FOURTEENTH ORDER OF BUSINESS**

**Supervisors' Requests**

Mr. Morera welcomed Ms. Heafy back to the Board, indicating she is a valuable asset to the process and he is glad she will remain to see the project progress. He felt the Board has been very proactive in dealing with issues the District had not attended to for many years.

Mr. Morera noted the Taste of Coral Springs was a successful event, thanked those who attended and encouraged everyone to attend in the future. Mr. Morera indicated he will attend the March 29<sup>th</sup> through 30<sup>th</sup> Florida Association of Special Districts (FASD) meeting in Tallahassee. Mr. Morera reminded the Board that the Festival of the Arts will be held March 19<sup>th</sup> through 20<sup>th</sup> at The Walk.

**FIFTEENTH ORDER OF BUSINESS**

**Staff Reports**

**A. Attorney**

There being nothing additional to report, the next item followed.

**B. Engineer**

**i. Monthly Engineer's Report - 02/01/11 to 03/01/11**

Mr. Ernest-Jones presented the monthly Engineer's Report. There were no new permit applications requiring Board action. There have been numerous inquires regarding fences and Mr. Donahue is handling those. If there is no controversy and the fence is outside the District's right-of-way, a letter of no objection is issued. If the fence is within the right-of-way or easement, they discuss it with Mr. Selchan, visit the site and use their best judgment regarding a recommendation to the Board.

Mr. Ernest-Jones recalled discussion, at the last meeting, regarding bank repairs at 44<sup>th</sup> Court.

Mr. Donahue gave a presentation showing the canal bank damage behind 7541 NW 44<sup>th</sup> Court. Fish Tec, Inc., performed an underwater inspection on February 15<sup>th</sup> and provided photos, videos, canal cross sections and technical input. Mr. Donahue explained the history of the canals, ground surfaces and changes over the years. He indicated, over the years, the lower sidewalls of the canal have eroded away. Mr. Donahue confirmed the patio of the adjacent building has not been undermined. Discussion ensued regarding what type of canal this is and possible repair methods. Mr. Morera asked if Fish Tech inspected adjacent areas to determine if

this scenario is happening elsewhere in the canal. Mr. Donahue indicated there is a section to the left where they could start to see the undermining, so this area will be included in the work. Discussion ensued regarding funding the work with the feeling that it would come from the canal maintenance budget. Mr. Ernest-Jones pointed out it also brings up the District's canal access issues. Mr. Morera asked if the owner was informed of what is happening. Mr. Donahue indicated he left a message with the property manager's office but has not heard back. Mr. Donahue confirmed they will inform them when construction is ready to begin. Based on the inspection, the District Engineer is developing a plan for repairs, which it will review with Mr. Selchan and report back to the Board with a recommendation.

**ii. Canal Clearing Update**

***\*\*\*This item, previously Item 15B.iii., was presented out of order.\*\*\****

Mr. Ernest-Jones reported he met with Mr. Michaud and the city last week. He referred to a letter, noting they will start sending them to the homeowners on the trial sections, canals AA and BB. The city suggested the letter reintroduce SWCD, explain their responsibilities, inform the homeowners of their responsibilities and illustrate the trial sections. Mr. Morera felt the letters should be sent certified, otherwise, homeowners could say they did not receive it. Mr. Hulett noted many residents are renters, so the District should make every effort to send the notice to the owner, not just the property address. Mr. Hulett also concurred with Mr. Morera that there needs to be some reassurance that the property owner has received the letter. Mr. Hulett questioned why the letters need to go out immediately and identified problems with the letter, such as typos, etc. Mr. Ernest-Jones indicated he will finalize the letter and forward it to Mr. Wrathell for dissemination to the Board.

Mr. Michaud indicated the delicate issue from the meeting with the city was tree removal and whether the District is a utility, which would exempt it from permitting or mitigation. The conflict was that the city would be asking a non-property owner (the District) to submit a permit for tree removal on property they do not own. Mr. Hulett confirmed that the city's forester, Mr. Mark Westfall, wants clarification of the law regarding what he can do.

Mr. Capko indicated there are several approaches the District could use to justify why it does not have to go through the tree removal process. The first is for the city manager to exercise his ability to grant a permit for a broad variety of reasons related to the necessity of removing obstructions. Mr. Capko felt the District's need to remove obstructions in the canal's

right-of-ways would fit. There are exemption provisions within the tree removal ordinance which may not fit this circumstance exactly but could still be argued. Mr. Capko indicated governmental entities are exempt from any of the fees or bonding requirements. Utilities are exempt from not only the fees and bonding requirements but also the tree replacement requirements. He noted there is also an exemption for developed single-family and duplex properties, including townhouse and zero-lot line development, with the exception of specimen tree removal. Mr. Capko noted an exemption for emergency conditions or to protect the public safety and felt the District could argue that its goal is to protect the public safety by clearing the obstructions from its right-of-way to effectively maintain the water control system and avoid flooding problems.

Mr. Michaud recommended District Counsel communicate with the city's attorney, Mr. John Hearn, and follow up with a letter to him explaining the District's program and stating its case regarding why it feels it should be exempt from the tree removal permitting and requirements. Mr. Hearn is aware of this issue.

Mr. Hulett reiterated Mr. Westfall had no problem with the removal of nuisance trees; his concern was about native trees. Mr. Wrathell felt the District's stance is that the trees are on District property and need to be removed, regardless of type, and the District should be able to remove them without pulling permits or paying any type of mitigation. Mr. Hulett stressed his feeling that Mr. Westfall is just seeking guidance regarding this. Mr. Wrathell suggested resolving this issue with the city prior to the District Engineer sending the letters to the property owners. Mr. Ernest-Jones suggested reducing the grace period from six (6) to three (3) months, if the District takes this approach.

Mr. Morera stressed the need for understanding how the code enforcement part of this works so the District can know each party's responsibility to avoid these types of problems in the future. Mr. Ernest-Jones indicated they discussed this in terms of an interlocal agreement defining the jurisdictional issues and responsibilities of the parties. Mr. Hulett stressed that the city's cooperation is required and they will need to know what is happening, as they will receive calls, too.

Mr. Hulett summarized District Counsel will proceed with contacting Mr. Hearn to resolve the tree permitting and mitigation issue and, once that is done, the project is ready to commence.

**iii. Pump Station Update**

**\*\*\*This item, previously Item 13Bii., was presented out of order.\*\*\***

Mr. Ernest-Jones asked the generator companies to give their presentations.

**▪ Presentation by PowerSource, Inc.**

**\*\*\*This item was an addition to the agenda.\*\*\***

Mr. Mike Martyak, of PowerSecure, Inc., introduced himself and gave a brief history of the company and its distributed generation capabilities. He showcased various generation systems, noting PowerSecure is Publix's standby power supplier, having installed every generator at every Publix store in the state. Mr. Martyak indicated the company performs all work in-house, from engineering to manufacturing to construction to remote monitoring. He discussed PowerSecure's power capacity in the State of Florida and the company's strong relationship with FPL, including 115 employees residing in Florida. In addition to the previously named Florida clients, he noted Lynn University, Wal-Mart, the City of Leesburg, Food Lion and various hospitals are also clients. He highlighted various other projects around the country.

On the engine generation side, Mr. Martyak indicated PowerSource's offering, for both pump stations, is capacity 800 kW, with two (2) 400 kW engine generators with paralleling controls on board in the unit to meet the specifications of 60 dba, at 50 feet, and 72 hours of fuel and subbase fuel tank. This will be combined with two (2) automatic transfer switches. He presented pictures of the entire system and enclosures. Mr. Martyak indicated the benefit of two (2) generators is that they would always have 50% capacity, should there be a single generator failure. He stressed that these systems are highly robust and are not just standby; they are utility grade packages. He noted other advantages include aluminum enclosures, stainless steel hardware, patented louver design and internal mufflers. Mr. Martyak discussed the recommended transfer switch which eliminates the need for the main generator circuit breakers, currently on the plans, which will save the District money. The proposed system serves as the main switchboard, generator main and the main transfer switch.

In summary, Mr. Martyak indicated the District will receive the highest quality at a competitive price, extraordinary customer service, unmatched presence and experience in Florida and the benefit of turnkey development.

Mr. Ernest-Jones asked Mr. Martyak to discuss PowerSource's 24/7 monitoring. Mr. Martyak indicated, for a nominal charge, 24/7 monitoring service is available, if the District

wishes to have it. This service enables them to notify the District and FPL when there is a problem, power outage, etc.

Discussion ensued regarding the location and appearance of the generators and enclosures. In response to Mr. Morera's question, Mr. Martyak indicated these are diesel generators and the life expectancy is 30 years, if they are well maintained. The typical warranty is two (2) years, with the opportunity to purchase an extended warranty. Mr. Martyak confirmed instruction and training will be provided to Mr. Selchan and his staff.

▪ **Presentation by Florida Detroit Diesel-Allison**

*\*\*\*This item was an addition to the agenda.\*\*\**

Mr. Len Hernandez, of Florida Detroit Diesel-Allison (FDDA), introduced himself and Mr. Kurt Norbat and gave an overview of the company and its history. Mr. Hernandez noted FDDA is a local, South Florida based company, with branches throughout the state. Mr. Hernandez indicated the company is the only authorized distributor of MTU Onsite Energy in Florida. He discussed the Miami and Orlando call centers for servicing the state and the primary engine and training facility in Fort Lauderdale.

Mr. Hernandez stressed their critical focus is on product support. He indicated everything is available to provide diagnostic and warranty repairs, troubleshoot generator problems and they have a large in-house parts inventory to provide backup power for repairs or a disaster. He noted they have training facilities in Miami and Tampa, in addition to Fort Lauderdale, with each facility dedicated to a particular engine type.

Mr. Hernandez indicated FDDA offers the largest high-speed generator set, which is 3250 kW. The company also offers digital generator controls, generator enclosures, fuel tanks, automatic transfer switches, a full line of accessories and custom options. As a 25-year-old company, they have a long history of installing generators across Florida. Mr. Hernandez discussed the MTU approved average load factor of 85%, while competitors only approve 70% meaning, with the MTU generator, more kW is available for an extended power outage. The MTU generators can be run at a higher kW, without voiding the warranty.

Mr. Hernandez indicated their clients include data centers, hospitals, water treatment plants, waste water plants, pump stations, and schools. Local clients include Miami International Airport, the American Airlines Arena, Office Depot's Global Headquarters in Boca Raton, turnpike service plazas, Samsung Electronics, Blue Lake Corporate Park (IBM Facility),

Miccosukee Casino, Ironbridge Water Treatment Plant and Halifax Hospital. Mr. Hernandez stressed FDDA specializes in critical facilities.

In response to Mr. Morera's question, Mr. Hernandez indicated the warranty is from two (2) to five (5) years; it is job specific, depending on the engineer's specifications. Regarding off-site monitoring, Mr. Hernandez indicated it can be done and customized to the type and detail the District wants. He noted the controls are what make each system unique, which is why it is customized.

In response to Mr. Hulett's question, Mr. Hernandez indicated the life span of the equipment is about 30 years and noted, usually, it is not a matter of the equipment going bad; rather, new technology surpasses the system.

Mr. Hulett asked Mr. Ernest-Jones if the Board is to make the decision between the two (2) companies. Mr. Ernest-Jones indicated there will be discussion and a recommendation, based on what was seen. Mr. Ernest-Jones stated there is an approximate price differential of \$20,000 per generator; however, he is not comfortable simply going with the lowest bidder, based on the operational characteristics and the reliability. In response to Mr. Hulett's question, Mr. Ernest-Jones indicated the total price point of the generators is approximately \$600,000. Mr. Ernest-Jones stated, under the circumstances, he is leaning towards recommending the more expensive bid, which is PowerSecure, for reasons related to their relationship with FPL and his general, overall feeling of the sophistication and reliability of their systems.

Mr. Hulett asked if Mr. Selchan and Mr. McKune were involved in reviewing the proposals. Mr. Ernest-Jones replied affirmatively. Mr. Selchan felt the difference between the suppliers is that FDDA does not do any engineering or planning on the motors, whereas PowerSecure follows the project through, beginning to end, and provides a monitoring service that is unique. Mr. Selchan felt PowerSecure's monitoring abilities is a benefit. Mr. McKune supported Mr. Selchan's comments and stated that his counterparts in the engineering business recommend PowerSecure. Mr. Ernest-Jones reiterated PowerSecure's alliance with FPL as a benefit and recommended PowerSecure.

Mr. Morera asked if Mr. Ernest-Jones knows the "nominal fee" that PowerSecure charges for the 24/7 monitoring. Mr. Ernest-Jones replied no. Mr. Morera noted he asks because the service could be good but thought the fee could be high so he wants to know the additional cost to the District. Mr. Morera questioned if the District could negotiate with PowerSecure to



include the monitoring for a few years, as part of their contract, considering they are the higher bidder. Mr. Ernest-Jones indicated negotiations could take place once the District selects the provider; however, they need to determine if they want to utilize the monitoring option and if it would be beneficial to the operating side.

Mr. Hulett indicated he was most impressed with PowerSecure's presentation. He felt it made more sense, as it was specific to the District and its needs and the descriptions of the unit and their services were clear. Ms. Hulett and Mr. Morera concurred. Mr. Morera reiterated the need to leverage for more when finalizing the contract.

Mr. Ernest-Jones confirmed the difference in price will likely be \$20,000 to \$25,000, per generator.

**On MOTION by Ms. Heafy and seconded by Mr. Morera, with all in favor, acceptance of Staff's recommendations and authorizing Staff to enter into final negotiations with PowerSecure, Inc., for generators for Pump Stations 1 and 2, was approved.**

▪ **Presentation by The Weitz Company**

**\*\*\*This item was an addition to the agenda.\*\*\***

Mr. Ernest-Jones opened the floor to The Weitz Company, noting he is pleased with their work, to date.

Mr. Jim Wells, of The Weitz Company, thanked the District and introduced himself and Mr. Jonathan Sharon. He indicated Mr. Sharon is the project manager and will continue to oversee the project. Mr. Wells recapped the work, to date, and options evaluated for the project. MWI was selected as the pump supplier.

Mr. Wells presented interim closure documents for the guaranteed maximum price (GMP). The closure documents compile all of the backup information into a format that makes it transparent. He discussed the bidding processes and backup information. The next steps will be the buyout process. They included the lowest evaluated bidders and explained this is not a straight lowest bidder process. The intent is to provide the GMP. He explained the buyout process and whether the District wants a representative to sign off on the recommendations and work.

Mr. Wells noted there are slight differences between the pump stations. The GMPs are \$3,224,808 and \$3,414,223 for Pump Stations 1 and 2, respectively. The combined total is \$6,639,031. Mr. Ernest-Jones indicated a 2½% contingency, amounting to \$160,000, is figured in to the GMP. Mr. Ernest-Jones felt this is prudent, in case of unexpected conditions. Mr. Ernest-Jones discussed the 5% construction fee and the construction management general conditions fee.

Mr. Ernest-Jones indicated Murray Logan was selected as the general contractor and will need lower supervision than other contractors, which enabled The Weitz Company to reduce their supervision fees by about \$30,000. Mr. Wells indicated the current market conditions of various materials and the impact on pricing and voiced his opinion that the current market is prime for building.

Mr. Wells explained as opposed to the GMP part where The Weitz Company will receive the benefit of any savings, any remaining part of the contingency portion of the GMP contract will be returned to the District.

Mr. Morera questioned the risk of any contractors pulling out. Mr. Wells believed they have great coverage, with at least three (3) or four (4) bids for each phase; if someone drops out, they have backup. Mr. Wells explained the bonding process of The Weitz Company and the requirements and prequalification of their subcontractors.

Mr. Morera asked Mr. Ernest-Jones about disposal of the existing pumps. Mr. Ernest-Jones acknowledged Mr. Morera brought this issue up and apologized, indicating he did not get an answer. Mr. Wells indicated it is up to the District to determine what it wants to do with the existing materials. Mr. Ernest-Jones indicated they will try to get the best salvage value possible for the pumps. Mr. Morera suggested there could be a secondary market for things such as the motors.

Mr. Ernest-Jones indicated the contract is nearly complete, with only a few minor parts still being worked out. Mr. Ernest-Jones recommended the Board accept The Weitz Company's GMP of \$6,639,031, the amount be incorporated into the contract and the Board give the District's President the authority to execute the construction contract.

In response to Mr. Morera's question, Mr. Ernest-Jones confirmed this process does not allow for change orders. Discussion ensued regarding signing the contract prior to receiving the bond money.

Mr. Selchan noted The Weitz Company has performed behind-the-scenes work, congratulated them on their work and indicated he has no problems or issues with them. He feels they have done an outstanding job to date. Mr. McKune indicated the District will have a functional station that will work better than most.

**On MOTION by Mr. Morera and seconded by Ms. Heafy, with all in favor, acceptance of The Weitz Company's guaranteed maximum price (GMP) of \$6,639,031 and authorizing the Board President to execute the agreement with The Weitz Company, upon completion, was approved.**

**iv. Permit Application Log**

There were no new permits to discuss.

**C. Field Supervisor**

Mr. Selchan indicated his staff participated in the city's recent waterway cleanup.

**D. Manager**

**i. Unaudited Financial Statements as of January 31, 2011**

Mr. Wrathell presented the Unaudited Financial Statements as of January 31, 2011. He noted, collections, through January 31<sup>st</sup>, are at about 80%.

Mr. Morera suggested holding a ground breaking ceremony commemorating the pump stations project and the undertakings of the Board. Mr. Ernest-Jones volunteered to fund such an event.

**On MOTION by Mr. Morera and seconded by Ms. Heafy, with all in favor, the Unaudited Financial Statements as of January 31, 2011, were approved.**

**ii. Check Detail, January 2011**

Mr. Wrathell presented the check detail for January, 2011.

**iii. Invoices, January 2011**

This item was not discussed.

**iv. Article from Florida Trend Regarding Worker Pensions (*for informational purposes*)**

Mr. Wrathell reviewed the article from Florida Trend.

**v. Article from Sun-Sentinel Regarding Special Tax Board Members**

Mr. Wrathell noted management was contacted by the Sun-Sentinel but there was little interest, once they were told the Board Members are only paid \$50 per meeting and the District does not have pensions or insurance for the Board. Mr. Wrathell spoke about a bill submitted in the state legislature calling for the merger or dissolution of independent special districts. Discussion ensued regarding why this bill came about and the possible impact.

**vi. Insert for City Magazine**

Mr. Paton presented the draft insert for the Board's review. This item will be discussed further at the next meeting.

**vii. NEXT MEETING DATE: April 13, 2011 at 6:30 P.M.**

Mr. Wrathell indicated the next meeting will be April 13, 2011.

**SIXTEENTH ORDER OF BUSINESS**

**Adjournment**

There being no further business, the meeting adjourned at 11:16 p.m.



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Secretary/Assistant Secretary



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President/Vice President