

**MINUTES OF MEETING
SUNSHINE WATER CONTROL DISTRICT**

A Regular Meeting of the Sunshine Water Control District's Board of Supervisors was held on **Wednesday, April 13, 2011, 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:

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| 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 |
| Bill Capko | District Counsel |
| Cory Selchan | Field Superintendent |
| Tom Donahue | District Engineer |
| Rhon Ernest-Jones | District Engineer |
| Theodore J. David | David & Gerchar, Inc. |
| John McKune | McKune & Associates |
| Pfil Hunt | Gardnyr Michael Capital |

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Hulett called the meeting to order at 6:30 p.m.

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

SECOND ORDER OF BUSINESS

Citizens' Requests

There being no citizens' requests, the next item followed.

THIRD ORDER OF BUSINESS

Discussion: Status of Bond Rating

Mr. Wrathell indicated the District received an A- rating. He noted they were optimistic for a better rating. Mr. Wrathell indicated Standard & Poor's (S&P) and the bond insurers

thought this was a general obligation deal and were under the belief that the District could go back and reassess paying property owners to make up for any delinquent or nonpayment by others. Once it was explained to S&P that this was not the structure of the deal, they issued the A- rating. Other factors influencing the rating were the delinquency rate/percentage of nonpayment or on-time payment. Mr. Wrathell discussed a quote from Assured Guarantee for bond insurance. The District tried to insure 100% of the debt service reserve fund so it would not have to maintain a debt service reserve fund; however, in order to obtain 100%, Assured Guarantee wanted a covenant stating that the District would reassess all property owners to make up for any shortfall, before tapping into the reserve insurance. Mr. Wrathell indicated, with that covenant requirement, it no longer made sense to acquire 100% insurance for the debt service reserve fund and the District did not want to punish the paying property owners.

Mr. Wrathell indicated the deal is currently being structured so the Assured Guarantee would cover half the debt service reserve requirement. Under this structure, the annual debt service is just under \$900,000 per year and half of that amount would be covered by the insurance and the other half would be cash funded. He explained if there was nonpayment of assessments, the first source of revenue tapped would be the cash in the debt service reserve and, once that is depleted, they would tap into the insurance. Lastly, there is final insurance to cover the bond issue, should the debt service reserve cash and insurance become completely depleted.

Mr. Wrathell indicated Mr. Hunt ran the numbers and, with an A- rating and based upon these assumptions, the District is looking at around \$53 per unit plus 4% for costs of issuance, bringing the total to about \$58 per unit. In response to Mr. Hulett's question, Mr. Wrathell indicated Mr. Dunlap would not be attending tonight's meeting. Mr. Hulett asked why not. Mr. Wrathell advised that Mr. Dunlap indicated he had a prior engagement. Mr. Hulett voiced his disappointment.

Mr. Hulett asked if the A- rating is the private rating. Mr. Wrathell indicated it is the public rating. Mr. Hulett asked when the public rating was authorized. Mr. Wrathell indicated he was not sure who authorized it but there was discussion between Mr. Dunlap and the underwriters. Mr. Hulett asked if this means the District now has no recourse to seek a better rating from S&P. Mr. Wrathell replied affirmatively, noting numerous telephone conversations with S&P, over the past week, providing additional information, in an attempt to get the rating changed from the A- to an A; however, S&P would not change the rating. Mr. Morera asked the

percentage of delinquencies. Mr. Wrathell felt it was close to 8%, over the last three (3) years, and it was lower, prior to that. Mr. Morera summarized S&P looked at the delinquencies as of March 31st and did not consider that the District collected the funds at a later time. Mr. Wrathell indicated it was taken into consideration but there is more scrutiny now.

Mr. Morera asked how the public rating came about. Mr. Hulett explained S&P was to have first given a private rating so the District could make a decision whether to accept it, prior to it becoming public. Mr. Hulett indicated he was never contacted to see if he, or the District, wanted to accept the A- rating. Mr. Wrathell confirmed he was not contacted either. Mr. Hulett voiced his disappointment that Mr. Dunlap and the underwriters were not at the meeting to explain the situation and numbers of the bond deal. Ms. Heafy and Mr. Morera voiced their agreement with Mr. Hulett. The Board Members questioned whether the bond advisor, Mr. Dunlap, views the District as important and why the rating was made public, rather than private, without the Board's input. Mr. Hulett stated, regardless of emails received, someone should have attended tonight to explain the bond situation to the Board.

Mr. Hulett sought explanation of the insurance aspect of the bonds. Mr. Wrathell noted he asked and Mr. Dunlap responded that the A- rating is a standalone rating. Mr. Capko indicated there are two (2) ratings that will be on the bond issue. The insured rating, with the Assured Guarantee Municipal Policy will be AA+ rated; the underlying rating of the bonds is the A-. Mr. Wrathell discussed the annual debt service amounts and the insurance premium cost to the District and concluded that the bond deal, with the insurance, equates to about \$3 in savings, per unit, per year. Mr. Wrathell explained that the benefit of insurance is that insurance makes the bonds more saleable and it allows the District to fund the debt service reserve at \$420,000, rather than being required to fund it at \$840,000, with no insurance. Mr. Wrathell indicated the all-inclusive cost, with insurance, would be 5.88%, and without insurance, it is 6.11%. The premium would be absorbed, with a final result of \$1.6 million in savings.

Mr. Hulett wondered what the Board is to do, as the draft of the final official statement is next Tuesday, according to the timeline. Mr. Wrathell indicated the timetable is slightly behind. Mr. Capko indicated everything is worked in and ready to go. Mr. Wrathell acknowledged the Board's frustration, noting he is a bit unaccustomed to the current process, as he is usually more involved in the middle of the process; however, he indicated the deal before the Board is a good deal.

Mr. Hulett stressed his dismay that the financial advisor, Mr. Dunlap, nor any of his associates, or any of the underwriters, were present tonight. Ms. Heafy agreed.

Mr. Capko indicated the Board does not need to take any action tonight, on this matter, as they authorized the transaction to proceed, with the bond resolution adopted at the last meeting. He noted, built in to the bond resolution was the ability to have bond insurance and a debt service reserve insurance policy, if it made economic sense. Mr. Hulett questioned if the Board can determine whether to have bond insurance. Mr. Capko indicated the Board can decide but noted the professionals involved did the calculations and ran the numbers, under various scenarios, to see which option would result in the lowest cost to the District. Mr. Hulett summarized Mr. Capko's recommendation is that the District proceed with the insured bonds, with the A- rating. Discussion ensued regarding the rating and insurance and their impact on the saleability of the bonds.

FOURTH ORDER OF BUSINESS

Discussion: Estimated Bond Financing Timetable

This item was discussed during the Third Order of Business.

FIFTH ORDER OF BUSINESS

Informational Update: FASD

- **Adoption of Policy Number 3.6**
- **March 30, 2011 Legislative Forum**

Mr. Morera reported on his attendance at the March FASD meeting, noting there is discussion taking place regarding certain policies and bills currently in the legislature. He indicated FASD supports Senate Bill 1120/House Bill 713, relating to the involuntary merger/dissolution of special districts and requiring that, before an independent special district can be involuntarily dissolved or merged, the residents of the affected areas must approve the merger or dissolution at referendum. He advised that the bills related to the numeric nutrient criteria are still being discussed, there are several lawsuits and it appears the bill may not advance. Mr. Morera indicated the bills most likely to impact the District relate to property tax reform. These bills restrict the amount of non ad valorem taxes that the District could collect by putting a cap on the amount of taxes a municipality can impose on its residents. This could create a scenario where special districts will have difficulty obtaining additional dollars. Mr.

Wrathell indicated the bills look to putting a cap on the value of the property; basically, all total combined county, city, special districts, etc., taxes cannot exceed 2% of the assessed or taxable value. Mr. Wrathell suggested the District draft a letter to the Florida Legislators regarding their displeasure with the proposed tax reform bill. Mr. Morera suggested the District join other FASD members in presenting their position to the legislators.

Mr. Morera referred to the presentation on the legislative process contained in the agenda and presented by Mr. Lewis, at the FASD meeting.

SIXTH ORDER OF BUSINESS**Informational Update: Slice of the Springs Meeting**

Mr. Selchan reported that Ms. Barbara Lasky was at the meeting, as she is upset about the silt buildup behind her house. He indicated he is scheduling a meeting for Mr. Donahue to look at the sites and give the Board insight regarding possible costs. In response to Ms. Heafy's question, Mr. Selchan confirmed residents are mostly unaware that these are drainage ditches. Mr. Selchan indicated the residents claim the conditions have worsened over a long period of time.

Mr. Hulett indicated the residents at the Slice meeting seemed most concerned about the amount of litter in the canals. He felt the Board needs to consider adding a crew of two (2) and another truck for garbage cleanup in the canals. Mr. Wrathell indicated he will include those figures in the draft budget.

Mr. Selchan noted all issues brought up by residents, at the meeting, were addressed the next day. Two (2) issues that were not addressed included a resident who wanted a wall installed between the street and the canal, which is not viable, due to access issues. The other issue was related to aesthetics of the canal. In response to Mr. Hulett's question, Mr. Selchan confirmed at least 50% of the east basin would be dry if they were not back pumping. Mr. Selchan indicated, with a severe drought, they are losing 1/10th every two (2) days; the effect will be more dramatic, if it does not rain soon. Mr. Hulett questioned if this is a good time for crews to remove things in the canals. Mr. Selchan indicated it does not necessarily make it easier but the low conditions certainly highlight the garbage in the canals.

Mr. Hulett indicated the city manager ran the Slice meeting and it was good to have the District represented, which can work to enhance their working relationship with the city.

SEVENTH ORDER OF BUSINESS

Approval of Minutes

- **March 9, 2011 Landowners' Meeting**

Mr. Hulett presented the March 9, 2011 Landowners' 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 March 9, 2011 Landowners' Meeting Minutes, as presented, were approved.

- **March 9, 2011 Regular Meeting**

Mr. Hulett presented the March 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 March 9, 2011 Regular Meeting Minutes, as presented, were approved.

EIGHTH ORDER OF BUSINESS

Supervisors' Requests

Mr. Morera thanked Mr. Hulett for allowing him to speak, on behalf of the District, at the Slice of the Springs meeting. He reported that the 8th Annual WorldFest, which took place at the Sportsplex on April 3, was a successful city event. Mr. Morera indicated the 2011 Annual FASD Conference will be held June 14 through 16, in Key Largo, and an early registration discount is available through May 15. Early registration is \$375 and it is \$400, after May 15.

Mr. Hulett informed Mr. Selchan that Mr. Joe McKenzie, in the Dells, contacted him requesting removal of a Florida holly tree, on the east bank, behind his house, as he is allergic to it. He provided Mr. Selchan with Mr. McKenzie's address and phone number.

NINTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Mr. Capko distributed a copy of District Counsel's memorandum to the city regarding the city's tree protection ordinance. He indicated they called the city and forwarded them a copy to

review. Mr. Capko explained the contents of the memorandum and was hopeful the city will understand the importance of the District's tree removal situation and allow them to bypass the ordinance. He discussed possible positions the city might take, in this matter.

Mr. Ernest-Jones stressed that more direct contact with the city manager may be necessary, in order to receive a timely response.

B. Engineer

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

- ***Permit Application Review: Chase Bank – 8264 Wiles Road, Riverside Square Shopping Center***

Mr. Ernest-Jones recommended approval of the Chase Bank permit application, subject to the conditions listed in his recommendation letter.

On MOTION by Ms. Heafy and seconded by Mr. Morera, with all in favor, issuance of a permit to Chase Bank – 8264 Wiles Road, Riverside Square Shopping Center, was approved.

ii. Permit Application Log

iii. Monthly Engineer's Report - 03/01/11 to 04/05/11

Mr. Ernest-Jones presented the monthly Engineer's Report.

Mr. Ernest-Jones recommended issuing letters of no objection for 4131 NW 99th Avenue and 10010 NW 36th Street. Mr. Donahue indicated both were fence inquiries and both were amenable to moving their fences out of the easements, if necessary.

Mr. Ernest-Jones recalled discussion, at the last meeting, regarding bank repairs, 7541 NW 44th Court. Fish Tec, Inc., performed an underwater inspection on February 15 and provided photos, videos, canal cross sections and technical input. Mr. Ernest-Jones indicated his office is developing a plan for repairs, will review the recommendations with Mr. Selchan and will provide the plans to contractors for bidding and construction.

Mr. Donahue indicated their repair plan proposes reconstruction of 75 feet of bank. He discussed how the work might be completed, as there is no access available from the property. He explained the work to be completed. One area involves a tree collapsing and sliding into the canal where they are proposing the bank be lined with geofilter fabric, compacted with four (4) inches of stone or lime rock to restore the bank to 1½:1 slope and sod the area. Mr. Donahue

explained there are areas on both sides, just underneath the water level, where a cavity has developed. They are proposing to backfill the cavity to stabilize it.

Mr. Ernest-Jones noted awarding a contract for any work over \$4,000 is required to go to bid and suggested the Board consider raising the limit. Mr. McKune spoke of other districts in Florida who raised their limits. Mr. Wrathell spoke of districts with two (2) thresholds; one for emergency situations and the other for non-emergency. Mr. Ernest-Jones estimated a cost of \$20,000 for the big repair, which would require bids, under the District's current situation. In response to Mr. Hulett's question, Mr. Ernest-Jones confirmed the area is not in imminent danger. Mr. Hulett felt this project will need to go to bid but asked Mr. Wrathell to bring suggestions for changing the limits, for emergency and non-emergency situations, to the next meeting. Mr. Ernest-Jones stressed to Mr. Hulett that the bid process can often cost the District more than the work to be completed, given the low \$4,000 limit. Mr. Wrathell asked Mr. Capko to research the matter, as it appears a change in the bid requirement threshold may require a change to the District's charter. Mr. Wrathell discussed the possibility of changing the charter requiring conformance with the state bidding requirements, then allowing the Board to adopt a more stringent policy but still allowing the Board the flexibility to reevaluate it, in the future, without another change to the charter.

Regarding the East-West Basin Interconnect, Mr. Ernest-Jones indicated the final standard operating procedures for the project will be presented at the May meeting. The issue of who pays for what is not completely resolved but all parties are working on it.

- o **Canal Clearing Update**

******This item was presented out of order.******

Mr. Ernest-Jones referred to the draft notice to be sent to the homeowners in the trial sections, canals AA and BB. He indicated they are still on target for launching the program on May 1. In response to Mr. Hulett's question, Mr. Wrathell confirmed the mail-out will be processed by the District Manager's office.

- **Canal AA-BB Notices**

For continuity, Mr. Morera suggested switching Paragraphs 5 and 6, in the official notice; the Board was in agreement. Mr. Selchan asked about the courtesy notices referenced in the Notice to Homeowners. Mr. Hulett indicated it will need to be prepared. Mr. Ernest-Jones asked the Board to approve the notice package, with the noted revision. The Board was in agreement

with the notice package, as revised. In response to Mr. Morera's question, Mr. Ernest-Jones reiterated the target mailing date is May 1.

▪ **David & Gerchar Survey Proposal for Canal AA-BB**

Mr. Ernest-Jones presented the David & Gerchar proposal to stake the Canal AA and BB areas.

On MOTION by Mr. Morera and seconded by Ms. Heafy, with all in favor, acceptance of the David & Gerchar Survey Proposal for Canal AA-BB, D&G Job No. 07-586-AA-BB, was approved.

Mr. Ernest-Jones reported on the site visit to 8965 through 8985 NW 38th Drive. He reminded the Board of comments made by Mr. Phil Hylander, at the March 9, 2011 meeting, noting this is the location he spoke about. Mr. Donahue indicated Mr. Hylander has been concerned that Canal F, between the subject property and Broken Woods, is in need of dredging because of its shallow flow even in wet conditions. Mr. Hulett had advised Mr. Hylander that the District Engineer would look into options for improving the canal. Mr. Hulett also wanted a determination of the level of silt on the canal bottom. Mr. Donahue reported they identified that a portion of the 90 degree turn, in the canal, has slid in. Mr. Donahue indicated the area will be cleaned. They also explained to Mr. Hylander that silt is not really restricting the water flow. Discussion ensued regarding work to be completed, costs and access to the area.

Mr. Hulett recapped Mr. Hylander's concerns and his agreement that the District should attempt to remedy the problems. Brief discussion ensued regarding the scope of work. Mr. Ernest-Jones estimated the costs of the surveyor determining the level of silt to be approximately \$3,000. Mr. Selchan noted a contractor will evaluate the area and suggested tabling the matter, pending the contractor's estimate.

○ **Pump Station Update**

******This item was presented out of order.******

Mr. Ernest-Jones reviewed the status of the project. He indicated The Weitz Company is in the process of ordering products, contracting for the work to be completed, preparing and submitting permit applications, etc., in preparation for work to begin. Mr. Ernest-Jones noted the contractor wants someone to sign off, on behalf of the District, approving their selections for

subcontractors, etc. Mr. Ernest-Jones suggested that he, or Mr. Donahue, would be in the best position to sign off. Mr. Hulett suggested a team approach.

Mr. Hulett asked the status of the generator company selected. In consideration of PowerSecure being the company selected but the more expensive contractor, Mr. Ernest-Jones indicated they were agreeable to including two (2) years of monitoring and maintenance into the contract, at no extra charge.

Mr. Donahue indicated some items are advance procurement and the District is buying them and turning them over to The Weitz Company. Those items include the pump, generators and control equipment in the station. It was noted that The Weitz Company is recommending the selection of C.C. Control Corporation to provide all of the controls to the pump stations and administrative building at a total cost of \$178,100. He indicated their mechanical, electrical and power engineer reviewed this and approved it, with only a few minor suggestions, which were already referred to the contractor. This item was also referred to Mr. McKune and Mr. Selchan for their comments. Mr. Ernest-Jones advised that they elected to use the 800 amp service for the generators. Mr. Donahue confirmed pump station #2 can be stepped down to a slightly smaller generator, from 1000 kVA to 800 kVA. Mr. Ernest-Jones noted the change will result in savings of approximately \$19,000.

Mr. Morera asked if Mr. Selchan will have the ability to operate the pump stations using a phone app. Mr. Donahue was unsure if a phone app is available but confirmed Mr. Selchan will be able to operate the pump stations from his laptop. Mr. Selchan explained the setup. In response to Mr. Hulett's question, Mr. Donahue confirmed the contractor will bring the duct, wire and cable work into the building. The control contractor takes the connections from there to install the controls, monitors, telemetry and radio equipment. Mr. Donahue explained there is a control panel in each pump station, with remote access equipment at Mr. Selchan's office. Mr. Hulett questioned if this will allow Mr. Selchan to operate the system from his laptop, at home. Mr. Donahue replied affirmatively.

Mr. Donahue indicated this cost is an advance procurement for which he is asking the Board to approve purchasing it directly, as was done with the pumps and generators. Mr. Ernest-Jones noted they will avoid sales tax, if the District makes the purchase directly. In response to Mr. Hulett's question about the selection of C.C. Control Corporation, Mr. Ernest-Jones assured the Board that the contractor was selected based upon an evaluation of an exhaustive set of

proposals. Mr. Ernest-Jones explained presentations were not made to the Board, as this is a supply contract and not necessarily worthy of a presentation. In response to Mr. Hulett's question, Mr. Donahue indicated The Weitz Company had three (3) control companies provide proposals and qualifications. Mr. McKune indicated subcontractors are always selected by the general contractor and engineers and owners can disqualify them but only if there is good reason. Mr. McKune confirmed this is the normal course of business.

On MOTION by Ms. Heafy and seconded by Mr. Morera, with all in favor, authorizing the selection of C.C. Control Corporation and direct procurement of materials, by the District, in the amount of \$178,100, was approved.

Mr. Donahue indicated they are proceeding with the building permits and everything is coming into place.

Mr. Hulett asked the status of security for the project. Mr. Ernest-Jones confirmed there are fences surrounding all areas and access points. Mr. Donahue indicated there are alarms on the doors. In response to Mr. Hulett's question, Mr. Ernest-Jones indicated state law does not allow razor wire to be used on the top of the fences.

Mr. Ernest-Jones noted the city building permit fees will be \$40,000 and \$50,000 for the pump stations. The city will complete inspections.

In response to Mr. Morera's question, Mr. Donahue confirmed that The Weitz Company knows to try selling the pumps and motors, once the time comes, along with disposing of debris in the most "green" way possible.

Regarding the status of the FEMA reimbursement situation, Mr. Paton indicated he received an email from the state representative coordinating with FEMA on the District's appeal. The representative informed Mr. Paton that the District should allow six (6) months for FEMA to decide whether to agree with or turn down the appeal. If the District is turned down, it can file a second appeal. Mr. Ernest-Jones suggested approaching Representative Allen West, while he is in town, next week. Mr. Paton noted that a copy of the appeal was sent to Representative West's office but the District did not receive a response.

▪ **Discussion: Status of Bond Rating**

******Mr. Hunt arrived at the meeting and discussion of the bond rating resumed.******

Mr. Hulett asked Mr. Hunt to explain the bond rating process, including why the rating was public, prior to the Board giving its input on whether it wanted it made public, along with a discussion of the difference between insured and uninsured and an explanation of marketing strategies to sell the bonds.

Mr. Hunt acknowledged the Board gave approval to obtain a private rating, with the Board reviewing it and explained the District received an A- rating, which was appealed but remained an A-. Mr. Hulett asked if the rating process was coordinated through Mr. Dunlap's office and asked who was responsible for guiding the District. Mr. Hunt indicated both parties were responsible and confirmed he and Mr. Dunlap were working together, with Mr. Dunlap being the front man. Mr. Hulett questioned why the Board did not have the opportunity to approve or reject the A- rating, prior to it being made public. Mr. Hunt indicated he spoke with Mr. Dunlap and, as the appeal still came back with an A- rating, Mr. Dunlap said to release the rating. Mr. Hunt apologized for not contacting the Board to notify them of his conversation with Mr. Dunlap. Mr. Hulett asked what happened to change the anticipated rating of an A or A+. Mr. Hunt confirmed S&P has become stricter, along with Assured Guarantee possibly being downgraded. Mr. Hunt felt the District received a deflated rating, compared to districts over the last few years, based on the current situation with the market. Mr. Hulett asked if Assured Guarantee will be around next year. Mr. Hunt indicated it only matters that they are around at the time of the pricing and closing, to satisfy the bond buyers. Mr. Hunt confirmed the current market situation fueled the decision to move quickly, going forward to release the rating, to stay on schedule to price next Tuesday and close on April 28.

Mr. Hunt explained the insurance company came back with two (2) bids, one with 110 basis points for the bond insurance. If the District wants half of a policy to fund half of the reserve fund, they will do the half surety policy with no covenants. They would require the covenants if the District wants a full surety policy. After running the numbers for the various scenarios, Mr. Hunt indicated it made the best sense to take the half surety policy and this option saves the District about \$1.6 million, net, over the life of the deal and makes the bonds more saleable. Mr. Morera referred to the S&P and insurance ratings and asked which rating bond buyers look at. Mr. Hunt indicated buyers look at both, now; they are more diligent. Mr. Hunt confirmed having the insurance is not only better for the District but it opens it up to a world of

buyers who would not buy with an A-, stand alone rating. In response to Mr. Morera's question, Mr. Hunt confirmed the District is selling to institutional and retail buyers.

Mr. Hulett asked who negotiates the maturities, Mr. Dunlap or the underwriters. Mr. Hunt indicated the underwriters do it, in conjunction with the financial advisor. The goal is to get as many maturities as possible, meaning, serial maturities are better. If they can get one (1) maturity each year, to the year 2029, with two (2) term bonds in 2035 and 2041, it would be better. Mr. Hulett asked Mr. Hunt's opinion of the percentage of bonds sold institutionally and retail. Mr. Hunt felt two-thirds institutional and one-third retail. Mr. Hunt confirmed he spoke to Raymond James regarding this matter.

Ms. Heafy asked the anticipated rate. Mr. Hunt advised that, right now, the true interest cost was about 5.6%, with insurance.

Mr. Hunt and Mr. Capko confirmed they are still set according to their timeline, assuming there are no extraneous issues. Mr. Hunt reiterated they could price next Tuesday and close on the 28.

C. Field Supervisor

Mr. Selchan had nothing additional to report.

Mr. Hulett asked Mr. Selchan to thank his crew for their efforts and pass along the Board's appreciation.

D. Manager

i. Unaudited Financial Statements as of February 28, 2011

Mr. Wrathell indicated he owes the Board the unreconciled cash balances and those will be emailed tomorrow.

Mr. Wrathell presented the Unaudited Financial Statements as of February 28, 2011, noting collections, through February 28, were at about 84%, which is on target. Mr. Hulett referred to the legal line item, under expenditures and asked if this shows both sides of the legal on the statement of revenues, expenditures and changes in fund balances. Mr. Hulett clarified the District has day-to-day legal fees and legal fees related to the bond issue and wondered if those are listed in two (2) separate categories. Mr. Capko indicated his firm set up a separate matter to bill and track any expenses billed in relation to the bond issue. Mr. Wrathell indicated Management decided to tag the invoices and will submit them for reimbursement when the

requisition for costs of issuance goes in. Mr. Wrathell indicated the expenses will probably be reclassified and recoded to the capital projects fund, once the bonds are issued.

Mr. Hulett referred to the amortization schedule on the SunTrust loan and asked that the ones that have already been paid be dropped from the schedule.

On MOTION by Mr. Morera and seconded by Ms. Heafy, with all in favor, the Unaudited Financial Statements as of February 28, 2011 as amended, were approved.

ii. Check Detail, February 2011

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

iii. Invoices, February 2011

This item was not discussed.

iv. Insert for City Magazine

Mr. Wrathell presented the draft insert for the Board's review.

v. Bank Star Rating: Community Bank of Broward (for informational purposes)

Mr. Wrathell noted that Community Bank of Broward's Bank Star Rating has dropped to 2 stars. Mr. Wrathell reassured the Board the District's funds are FDIC insured.

vi. Resident Inquiry Log

Mr. Wrathell presented the resident inquiry log.

vii. NEXT MEETING DATE: May 11, 2011 at 6:30 P.M.

Mr. Wrathell indicated the next meeting will be May 11, 2011.

TENTH ORDER OF BUSINESS

Adjournment

There being no further business, the meeting adjourned at 9:14 p.m.



Secretary/Assistant Secretary



President/Vice President