

**MINUTES OF MEETING
SUNSHINE WATER CONTROL DISTRICT**

A Regular Meeting of the Sunshine Water Control District's Board of Supervisors was held on **Wednesday, December 21, 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:

David Hulett	President
Joe Morera	Vice President
Emily Heafy	Secretary

Also present were:

Craig Wrathell	District Manager
Matt Kozak	Wrathell, Hunt and Associates, LLC
Doug Paton	Wrathell, Hunt and Associates, LLC
Terry Lewis	District Counsel
Cory Selchan	Field Superintendent
Tom Donahue	District Engineer
Rhon Ernest-Jones	District Engineer
John McKune	McKune & Associates

FIRST ORDER OF BUSINESS

Call to Order/Roll Call

Mr. Hulett called the meeting to order at 6:30 p.m. Mr. Wrathell indicated, for the record, that Supervisors Heafy, Hulett and Morera were present, in person.

SECOND ORDER OF BUSINESS

Citizens' Request

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

THIRD ORDER OF BUSINESS

Investment of Debt Service Reserve Funds: Discussion with Trustee Regarding \$300 Fee Per CD

Mr. Wrathell recalled ongoing discussions about investing the bond proceeds in CDs. He indicated the trustee fee was \$300 per CD; therefore, CDs made no economic sense, as the fees are about the same as the interest that would be earned. Mr. Wrathell further discussed this

matter with the trustee who offered the option of having a certified securities trader or broker buy CDs in bulk, assign and make tradable securities. He indicated this approach gets around the trustee's requirement to enter into numerous agreements and enables them to not charge the \$300 per CD fee. Mr. Wrathell noted Florida Municipal Securities (FMS) does this for a number of special districts. He asked for the Board's input and direction on the matter.

Mr. Hulett asked if the CDARS Program can accomplish this. Mr. Wrathell indicated the problem with CDARS is that they buy CDs from all over the country. Mr. Wrathell noted the District's CDs must be purchased from a qualified public depository (QPD), in Florida, in order to adhere to the trust indenture requirement.

Mr. Hulett asked the benefit of buying CDs rather than buying treasuries directly. Mr. Wrathell indicated there is a big gap. Regardless of the bank's location, Mr. Wrathell reiterated the CDs must be from a qualified bank under the Florida QPD program. Mr. Hulett questioned if there are enough banks in Florida to purchase the CDs and stay within the \$250,000 FDIC insurance coverage. Mr. Wrathell acknowledged concern about the number of banks the funds would need to be spread over. Mr. Hulett discussed his concerns about cyber-crimes, if the District does not have hard copy proof of its purchases or investments. Mr. Wrathell confirmed that Management receives paper statements which are filed in the District's records.

Mr. Wrathell indicated that the District's funds are currently held in treasury-based money markets through Wells Fargo, which are earning a small amount of interest. Discussion ensued regarding any true benefit to moving the funds, as the yields will still be small.

In response to Mr. Hulett's question, Mr. Wrathell estimated yields of about \$5,000 with CDs versus about \$1,200 per year staying with the current money markets. Mr. Hulett noted the gain would only be about \$3,500 and Mr. Wrathell confirmed that, while Management provides the service as part of its fees, its time invested would far exceed the value of the return. Mr. Hulett asked, from the standpoint of pure convenience and ease of operation, which is the best option. Mr. Wrathell replied the current money market option is the most convenient. Mr. Hulett questioned the worth of making changes, given the low benefit. Ms. Heafy agreed. Mr. Wrathell indicated Management will continue monitoring for worthwhile investment opportunities.

FOURTH ORDER OF BUSINESS

Update: FEMA Appeal

Mr. Paton referred to a response received from Mr. Evan Rosenberg, at FEMA, advising the District that FEMA currently has approximately 20 second appeals that have been in FEMA's hands for more than a year. He explained that the School Board of Broward County and Palm Beach County were successful in their appeals by making a reasonable case without all of the documentation, which is the District's current argument. Mr. Paton noted, while FEMA has 90 days to respond to the appeal, Mr. Rosenberg advised him that the deadline is not enforced, so it may take longer than expected.

FIFTH ORDER OF BUSINESS

FEMA Subgrantee Closeout Letters

- **FEMA - 1602-DE-FL**
- **FEMA - 1609-DR-FL**

Mr. Paton reviewed the closeout letters for FEMA claims arising from two (2) other hurricanes.

SIXTH ORDER OF BUSINESS

Update: Bid to Provide Vehicles/Light Trucks (Fleet Purchase)

Mr. Selchan indicated one (1) bid was received from Plantation Ford. He noted the price is lower than the last truck purchased and recommended approving the purchase. Mr. Selchan advised that the quote includes an extended warranty.

Mr. Morera asked if the District accrues equipment replacement monies in its reserve fund, given the need to replace equipment periodically. Mr. Wrathell replied no but equipment is depreciated on a yearly basis. Mr. Selchan advised that the purchase was included in the fiscal year budget.

On MOTION by Ms. Heafy and seconded by Mr. Morera, with all in favor, acceptance of Plantation Ford's bid for the Ford F150 truck, with the equipment and warranty, as stated in the bid paperwork, was approved.

SEVENTH ORDER OF BUSINESS**Discussion: Joint Meeting of Boards of the Water/Sewer and Drainage Districts and City of Coral Springs**

- **Tuesday, January 31, 2012, 4:00 p.m. - 7:00 p.m. (location to be determined)**

Mr. Wrathell indicated Ms. Susan Gula, with the City of Coral Springs, emailed him indicating the city commission requested a joint meeting of the city's boards, along with the water/sewer and drainage districts within the boundaries of the city. He noted he was not provided with an agenda or any additional information regarding the scope of the meeting. Mr. Hulett advised that he discussed this request with Dr. Shank, at CSID. Mr. Hulett indicated he informed the city sources that such a meeting will be arranged by the Districts and the city will be invited to attend. Mr. Hulett directed Management to decline the City of Coral Springs' offer and stating there will be further discussion among the districts regarding scheduling a meeting for discussion of common interests.

EIGHTH ORDER OF BUSINESS**Discussion: Newsletter**

Mr. Paton recalled prior conversation on a District newsletter. He presented examples from CSID, Lake Worth Drainage District and Ranger Drainage District.

Mr. Hulett recommended a biannual newsletter to the residents. Mr. Wrathell indicated Management will draft a newsletter and bring it back for the Board's input at the January or February meeting. Mr. Lewis spoke about the benefits of a newsletter. Discussion ensued regarding newsletter content.

NINTH ORDER OF BUSINESS**Approval of November 16, 2011 Regular Meeting Minutes**

Mr. Wrathell presented the November 16, 2011 Regular Meeting Minutes and asked for any additions, deletions or corrections. The following changes were made:

Line 54: Change "given drain" to "District canal"

Line 329: Change "Mr. Ernest-Jones" to "Mr. Donahue"

On MOTION by Mr. Morera and seconded by Ms. Heafy, with all in favor, the November 16, 2011 Regular Meeting Minutes, as amended, were approved.

TENTH ORDER OF BUSINESS**Supervisors' Requests**

Ms. Heafy asked the status of the trash bonds. Mr. Wrathell advised one (1) sits on the balance sheet, which relates to Incredible Ice monies being held until the District begins working in a particular part of the canal as part of the CIP.

Mr. Morera indicated the parade was a success and thanked the Staff for their work.

Mr. Ernest-Jones thanked the Board for their leadership.

Mr. Hulett felt the District website is minimalistic and needs a complete update. He asked that a quote be solicited from Mr. Pelatero at Strange Zone. Discussion ensued regarding content and contacts for website design. Mr. Wrathell discussed employing a marketing firm that specializes in local governments, to tie the website and newsletter together. Mr. Lewis recommended Mr. Wrathell review the FASD website. Mr. Morera commented that CSID's website is very good and contains links with answers.

Mr. Hulett recalled Mr. Poore's questions at the last meeting and asked the status of the 'no trespassing' signs. Mr. Paton indicated that he obtained quotes from three (3) sign companies and all were similar. The signs were about \$70 each and installation was about \$30 per sign; however, only one (1) company does installation. Mr. Wrathell stated, based on his experience, when improvements are funded with public funds, many attorneys advise that 'no trespassing' signs cannot be installed on public property. Mr. Lewis indicated Mr. Wrathell is correct but it is really a matter of maintaining consistency. Mr. Hulett felt the District should educate the residents that the canals are not to be used for recreational purposes. Mr. Lewis confirmed there is an attorney general opinion, in a water district case, stating the district can control ingress and egress and provide security to its right-of-ways. Mr. Lewis noted, if the SWCD does this, as a discretionary planning function, it will be obligated to continue maintaining the system of signs, and briefly discussed potential liability. Mr. Selchan felt 'no trespassing' signs are a bad idea because it becomes a maintenance nightmare and there is public backlash every time signs are installed, regardless of the sign's intent. Mr. Wrathell suggested writing a letter to the police chief informing that the District's right-of-ways are not for recreation, fishing or other uses and asking them to act on reports. Mr. Selchan advised that that type of letter is sent each time there is a new police chief. Ms. Heafy suggested the letter also be sent to the dispatch supervisor. Mr. Selchan indicated his staff approaches people, if they see them; otherwise, the residents should call the police. Mr. Hulett voiced his support of District

Staff also calling the police, when necessary. Mr. Lewis recommended sending a follow-up letter to Mr. Poore.

ELEVENTH ORDER OF BUSINESS

Staff Reports

A. Attorney

Related to the recent unemployment compensation appeal, Mr. Lewis reported that the hearing officer found that there was not cause to terminate the employee; therefore, he is entitled to unemployment benefits. He indicated that Mr. Selchan's testimony and the evidence presented was satisfactory; however, he was not surprised by the outcome, as the agency seems to heavily favor employees over employers. Mr. Lewis advised the Board and Staff that he does not recommend further appeal of the decision.

Mr. Lewis advised that he will be absent from meetings for the next three (3) months, as the legislature convenes January 10, 2012. Mr. Capko will represent the firm during this time. He anticipates redistricting and the budget to be the focus of this session. Mr. Lewis spoke of Governor Scott's beliefs about special districts and noted he has spent the past two (2) months educating the governor's staff on the oversight mechanisms related to districts. Mr. Lewis indicated the governor has a committee that is currently working specifically on hospital and healthcare districts, as he is of the notion that there is something wrong with publically funded health care operations and they should all be privatized. He voiced his understanding that Governor Scott plans to issue an executive order regarding special districts, in general, which he anticipates will not be good news; it will likely deal with oversight of budgets and how districts tax and spend. Mr. Lewis felt special districts will have significant legislative fights coming up in 2013.

Mr. Lewis speculated that the five (5) large water management districts are what initially sparked the governor's interest, although they are all state agencies, because their budgets combined, prior to Governor Scott, represented more than a billion dollars of the state budget. Those agencies have now shed over 300 employees because the governor's office now has final approval over their budgets and more employees will be let go this year.

Regarding the pending lawsuit, Mr. Lewis indicated the matter is being covered by the District's insurance carrier and asked Mr. Wrathell if he knows whether an attorney has been assigned. Mr. Wrathell stated he has not received information but will check with the insurance

agent. Mr. Wrathell confirmed the District has been served. Mr. Lewis advised that, since the District was served, it has 20 days to interpose an answer to the complaint but noted the response is really the responsibility of the insurance carrier's attorney. Mr. Wrathell will follow up with the insurance carrier. Mr. Wrathell advised that there was question as to whether the District owns the right-of-way that was traversed; this may be a frivolous lawsuit, as they have confirmed the city is responsible for the right-of-way and entry point. Mr. Hulett asked to be copied on all related information. Mr. Ernest-Jones provided the Board with a right-of-way map distributed by the city.

B. Engineer

i. Permit Application Log

Mr. Ernest-Jones reported that the Cumber Professional Plaza, at the corner of Sample Road and Coral Ridge Drive, received a certificate of occupancy without the District signing off. The District is reviewing the matter and Mr. Ernest-Jones noted they are requesting permission to park on the site's retention areas, due to an extreme shortage of parking. He indicated this impacts the quality and quantity of water discharged into the District's system. He met with them but does not have a formal recommendation; however, one (1) possibility is to have them pay a fee to the District to offset the costs of construction work related to widening the canal.

Mr. Ernest-Jones questioned if the District has a process for recertifying property to ensure the drainage is functioning as designed and recommended they develop one, if it is not already established.

ii. Monthly Engineer's Report – 11/09/11 to 12/13/11

Mr. Donahue discussed the pump stations and reviewed pictures. He noted everything is moving along, as planned. Construction was begun on Pump Station 1, the bypass is operating well, concrete was poured, the operating floor was completed, lintels above the doors and louvers were poured and hollow core roof slabs were delivered to the site. Mr. Donahue reviewed details of Pump Station 1's construction status.

Mr. Donahue reviewed the November 7, 2011 aerial photo of Pump Station 2. He noted the widened bypass is three (3) times the size of the bypass at Pump Station 1. Two (2) foundation slabs were poured and the side foundation walls are being formed. The hollow core roof slabs were delivered.

Mr. Ernest-Jones and Mr. Donahue explained the concrete testing that takes place every time concrete is poured. Mr. Hulett asked if the City of Coral Springs Building Department is conducting inspections. Mr. Ernest-Jones indicated they will inspect the buildings as they are constructed. Mr. Donahue advised that they tend to look at the initial foundation slab but leave the vertical construction of the foundation to the special inspector. It was indicated that the special and city inspectors will work together; the city signs off on Weitz's work, plans, paperwork, etc.

Mr. Donahue reported that Mr. Selchan, Weitz and IBI witnessed testing of the Pump Station 1 pumps at the MWI facility on December 9, 2011 and testing of the Pump Station 2 pumps on December 15, 2011. He reviewed the details, design and performance of the pumps.

Mr. Ernest-Jones addressed concerns regarding large items entering the pumps and how grates on the bottom of the pumps can be cleaned, should they become clogged. In response to a question, Mr. Ernest-Jones confirmed the pump company wants the grate, as does he, on the presumption that a maintenance problem can be handled easier than the damage due to a large item, such as a tire, damaging the pump. He will provide a recommendation in the next month or two (2) regarding the pros and cons of grates. Mr. Hulett asked when the pumps are scheduled to be installed. Mr. Donahue stated that the Pump Station 1 pumps are scheduled for the end of January and Pump Station 2 will be a month to six (6) weeks following. Discussion ensued regarding whether grates are necessary. In response to a question, Mr. Selchan confirmed he could not recall issues with tires, etc., in the past ten (10) years; however, he indicated he will defer to the District Engineer.

Mr. Donahue indicated the generators are completed and explained their design and capacity.

Mr. Ernest-Jones advised that the geotechnical conditions caused him to direct Weitz to install additional sheet piling at the downstream end of both pump station outfalls to minimize long-term foundation erosion. Additionally, based on discussions with the pump manufacturer, Weitz was directed to enlarge the roof hatches to facilitate future pump maintenance. Costs for both of these activities will come from the contingency funds in the construction manager at risk contract. Mr. Ernest-Jones discussed other items and concluded the project is on budget.

The asbestos survey results are pending but are expected to be satisfactory.

Regarding the canal/culvert program, Mr. Ernest-Jones indicated he and Mr. Hulett looked at some of the proposed culvert locations and he is still analyzing the soil borings. He met with several contractors regarding boring for large diameter pipes and the costs are high, due to certain specific conditions. Mr. Ernest-Jones is still working on a recommendation of the most cost-effective method to improve the culverts and canals. Mr. Hulett asked if the problem is the capacity or the elevation of the culverts. Mr. Ernest-Jones replied that the elevation of the culverts causes them to act inefficiently; they do not have the desired smooth flow through, and he further explained the problems surrounding borings, etc. Mr. Hulett felt the goal is to be able to empty the system throughout, so there is no chance of major flooding. Mr. Ernest-Jones indicated there are four (4) culverts at the higher elevations. Discussion ensued regarding underground boring or open cut and Mr. Ernest-Jones indicated he is leaning towards open cut, which would require coordination around the school district's schedule, to avoid major inconveniences to the schools. Mr. Ernest-Jones confirmed Royal Palm and Coral Ridge, the affected roads, are county owned.

Mr. Donahue reviewed before and after pictures and reported that the bank repair along Canal F at Broken Woods is complete. He discussed the conditions and depth of the canal, noting it is a shallow canal. In response to Mr. Morera's question, Mr. Donahue confirmed the development of Broken Woods will address the canal area.

Mr. Hulett referred to this month's FASD magazine and examples of the Indian Trail Improvement District's slip lining project; he questioned if that is the approach being considered. Mr. Lewis indicated the slip lining has a long lifespan. Mr. Ernest-Jones referred to the Ranger District and noted they received a \$3.5 million grant from FEMA for improvements to their system and he feels that everything this District is talking about falls into the improvements category, so he feels the District should be on good ground to receive grant money for some of the work.

Mr. Hulett asked the status of the East-West Basin interconnect. Mr. Donahue indicated the report was approved by the county and the final paperwork was submitted to receive the \$20,000 grant. The final invoice and reports were submitted to Mr. Rich Michaud, with the City of Coral Springs. The next step is for the District and the city to determine who will take the lead and/or put up the majority of the money for the final construction plans and actual construction.

Regarding the Canal AA and BB right-of-way encroachment issue, Mr. Hulett asked about the coordination meeting on December 16. Mr. Paton indicated the current plan is to offer residents three (3) options: 1) clean it themselves, 2) have the District do it and 3) keep certain obstructions with the District working around them. During the meeting, it was decided that a letter would be drafted to each resident asking them to make a choice regarding how they want to handle their right-of-way obstructions. The goal is to send the letters as soon as possible, so residents can respond. Mr. Paton felt the letters should be sent after the January meeting, so the Board can review the content. Mr. Hulett felt there is no sense in delaying the letters beyond January 1 or 2, as long as all parties are comfortable. Mr. Paton noted, once the residents' responses are received, field visits will likely be necessary for those who select Options 2 or 3. Regarding issues such as illegal fences, the group felt that the District should not be paying for fences to be removed and replaced legally onto the resident's property. Mr. Paton indicated Mr. Selchan feels many residents with this issue will come to the District as a hardship case, putting the District in a tough position. Mr. Wrathell clarified that Option 2 was to simply remove the obstruction; his recommendation was that the District could remove the fence but it will not reinstall it.

Mr. Selchan indicated the concerns relate to liability issues related to removal of a fence enclosing a pool. Mr. Wrathell reiterated that the resident is selecting that option and recommended Mr. Lewis include language in the agreement related to liability. Mr. Lewis felt the District has no liability if it removes a structure that is on the District's right-of-way; the resident will be responsible for things that happen on their property. Discussion ensued regarding what to do with obstructions that are removed. In the case of a fence, Mr. Wrathell suggested having residents specify in writing what they want done with the fence, after it is removed.

Mr. Paton indicated that Mr. Ernest-Jones is working with the city on two (2) master permits related to removal of nuisance and non-nuisance trees. Mr. Ernest-Jones indicated the city received the applications several weeks ago. Mr. Hulett asked what is holding things up and directed Mr. Ernest-Jones to follow up with the city immediately. In response to Mr. Hulett's question, Mr. Wrathell noted minor technical issues with the options. Mr. Hulett then asked that everything be fully finalized and ready by the January 11, 2012 meeting so the notices can be sent without further delay.

C. Field Supervisor

Mr. Selchan thanked the Board, Management, Mr. McKune and the District Engineers and Counsel for their work and support this past year.

D. Manager

i. Unaudited Financial Statements as of October 31, 2011

Mr. Wrathell presented the Unaudited Financial Statements as of October 31, 2011. He indicated the audit is underway and should be ready by April or May. The last payment on the SunTrust loan will be made on May 1, 2012.

Mr. Hulett referred to a handout reflecting what was spent, to date, from the bond proceeds.

Discussion ensued regarding costs related to cost of issuance of the bonds. Mr. Morera asked that Management include explanations for acronyms used.

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

ii. Check Register, October 2011

The October 2011 Check Register was included for the Board's information.

iii. Invoices, October 2011

The October 2011 Invoices were included for the Board's information.

iv. Resident Inquiry Log

The Resident Inquiry Log was included for the Board's information.

Mr. Wrathell thanked the Board for the opportunity to work with them over the past year.

TWELFTH ORDER OF BUSINESS

Adjournment

The meeting adjourned at 9:20 p.m.

Tore E. Morua
Secretary/Assistant Secretary

David L. Hatlett
Chair/Vice Chair