

**MINUTES OF MEETING
SUNSHINE WATER CONTROL DISTRICT**

The Board of Supervisors of the Sunshine Water Control District held a Regular Meeting on January 12, 2022 at 6:30 p.m., at the La Quinta Inn Coral Springs, 3701 N. University Drive, Coral Springs, Florida 33065.

Present were:

Joe Morera	President
Ivan Ortiz	Vice President
Daniel Prudhomme	Secretary

Also present were:

Cindy Cerbone (via telephone)	District Manager
Jamie Sanchez	Wrathell, Hunt and Associates, LLC (WHA)
Al Malefatto	District Counsel
Janice Rustin (via telephone)	Lewis, Longman & Walker, P.A.
Orlando Rubio	District Engineer
Steve Smith	Craig A. Smith & Associates
Cory Selchan	Field Superintendent

FIRST ORDER OF BUSINESS

Call to Order

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

SECOND ORDER OF BUSINESS

Roll Call

All Supervisors were present, in person.

THIRD ORDER OF BUSINESS

Pledge of Allegiance

All present recited the Pledge of Allegiance.

FOURTH ORDER OF BUSINESS

Public Comments [3-Minute Time Limit]

No members of the public spoke.

FIFTH ORDER OF BUSINESS

Consideration of First Amendment to Interlocal Agreement Between City of Coral Springs and The Sunshine Water Control District for Stormwater Improvements Within the Westchester Community

Mr. Malefatto presented the Interlocal Agreement between the City and the District for stormwater improvements within the Westchester community. The total cost of improvements would be \$576,250, to be split equally between the parties. The cost to the District would be \$288,125. Mr. Malefatto stated the City accepted and incorporated his comments into the final document, including the District being equal partners with the City for the review and approval of change orders and final approval of the Amendment. The version in the agenda contained the updated language.

Mr. Morera noted this has been a longstanding problem. He believed the partnership with the City to alleviate benefits both parties and, in his opinion, this is a good outcome.

On MOTION by Mr. Ortiz and seconded by Mr. Prudhomme, with all in favor, the First Amendment to the Interlocal Agreement Between the City of Coral Springs and The Sunshine Water Control District for Stormwater Improvements Within the Westchester Community, was approved.

SIXTH ORDER OF BUSINESS

Consideration of PowerSecure, Inc., Proposal AV.21.P419.1 Maintenance Agreement

Mr. Selchan presented the Maintenance Agreement with PowerSecure for annual maintenance and routine repairs of the District’s generators and pump stations. The team reviewed the contract renewal and approval was recommended, subject to revisions suggested by Mr. Malefatto.

Mr. Malefatto stated the revisions were not substantive; rather, they were in the boilerplate fine print of the contract. He suggested the following changes:

Page 3: Strike the last paragraph, which states the customer agrees to indemnify PowerSecure, since the District’s ability to indemnify is limited.

Page 3: Change next-to-last paragraph to reflect that the Agreement shall be governed by the laws of the State of Florida.

Mr. Malefatto recommended approval, subject to the suggested revisions.

Mr. Morera noted this Agreement applies to the current generators and asked if there would be an overlap of service agreements if new generators are acquired. Mr. Selchan stated this Agreement applies only to the generators specified and the District can terminate the contract. It was noted that new generators would have their own warranty. Mr. Selchan stated, if a covered generator is replaced, written notice terminating the contract would be provided.

On MOTION by Mr. Prudhomme and seconded by Mr. Ortiz, with all in favor, PowerSecure, Inc., Proposal AV.21.P419.1 Maintenance Agreement, in substantial form and subject to the suggested revisions, was approved.

SEVENTH ORDER OF BUSINESS

Acceptance of Unaudited Financial Statements as of November 30, 2021

Ms. Sanchez presented the Unaudited Financial Statements as of November 30, 2021.

Mr. Morera asked why the “Insurance” line item was at 114% of budget. Ms. Cerbone stated the insurance company performed a review and provided information regarding some necessary adjustments. Mr. Selchan stated the insurance company reviewed the District’s new infrastructure and made safety recommendations; all were addressed and the additional costs were necessary to ensure the facilities are fully covered for any situations that may arise.

On MOTION by Mr. Ortiz and seconded by Mr. Prudhomme, with all in favor, the Unaudited Financial Statements as of November 30, 2021, were accepted.

EIGHTH ORDER OF BUSINESS

Approval of December 8, 2021 Regular Meeting Minutes

Ms. Sanchez presented the December 8, 2021 Regular Meeting Minutes. She distributed Mr. Malefatto’s requested revisions. No additional revisions were requested.

On MOTION by Mr. Prudhomme and seconded by Mr. Ortiz, with all in favor, the December 8, 2021 Regular Meeting Minutes, as amended to include the edits submitted to Management, were approved.

NINTH ORDER OF BUSINESS

Supervisors' Communications

Mr. Prudhomme welcomed all in attendance and wished everyone a Happy New Year.

Mr. Ortiz echoed the sentiment and wished everyone good health and continued safety.

Mr. Morera welcomed everyone and wished all good health and a good new year.

Mr. Morera stated he attended the Coral Springs Improvement District (CSID) luncheon and, following a conversation with the CSID Board President and a review of the CSID budget, he asked Mr. Malefatto to research a certain matter.

Mr. Malefatto stated he researched a 2015 Resolution adopted by the CSID authorizing providing health and dental benefits to the CSID Board of Supervisors. He found that Section 112.08 of the Florida Statutes states that every local government unit, including Special Districts, is authorized to provide and pay out of its available funds for all or part of the insurance premiums for life, health, accident, hospitalization, annuity and other types of insurance, including dependents. The CSID Board voted to pay the Board Members' health insurance, equivalent to the insurance provided for CSID employees.

Mr. Morera stated, while he was surprised to find this information, Mr. Malefatto's research concluded that Board Members are eligible to join the District's employee benefit program. Mr. Malefatto distributed a draft Resolution for consideration. Mr. Morera stated adoption of this Resolution would not obligate any SWCD Board Members to participate. He reiterated the CSID implemented such a policy in 2015.

Mr. Ortiz asked if any other Special Districts have a similar policy. Ms. Cerbone stated she was not aware of any other Districts with this type of policy. Mr. Selchan recalled public outcry when the Board of another Special District voted themselves a lifetime benefit, which was ultimately rejected by the Governor. Mr. Malefatto stated he would verify and report his findings at the next meeting.

Mr. Ortiz asked how such a benefit would be treated from a tax perspective. Mr. Malefatto stated he did not have specific information regarding the tax implications of providing these types of insurance benefits to Board Members; he would need to research it and report his findings.

Mr. Morera reiterated that, if adopted, each individual Board Member, would be able to determine whether to take advantage of the optional benefit.

Mr. Prudhomme expressed his belief that SWCD employees pay a portion of their health insurance premiums. Mr. Selchan stated that Mr. Prudhomme was not correct. Mr. Prudhomme asked if the SWCD Board Members would receive the same benefits. Mr. Selchan believed it would be the same. Mr. Morera stated that this has been permitted by Statute for some time. Mr. Prudhomme asked if the SWCD Board Members would be in violation of the compensation limit of \$50 per meeting. Mr. Malefatto believed the insurance benefit would be separate from that limit.

Discussion ensued. The consensus was to table this discussion to later in the meeting.

Mr. Morera discussed potential plans between the CSID and the City Commission for a mitigation program that would provide up to \$1 million to clean all the banks and right-of-ways (ROWS) for a flat fee. He discussed the benefits of this type of program and previous obstacles with the expenses. Mr. Prudhomme expressed doubt in this type of program and recalled issues in 2013. Mr. Morera felt that this potential program could make Mr. Selchan's job easier and save the District time and money associated with storm-related cleanup, tree removal and legal expenses for facilitating reimbursement requests.

Mr. Selchan stated his understanding was that the CSID made suggestions to which the City did not react favorably; he liked the fact that discussions are underway and stated he would like to share his ideas for a program that he believed may achieve the same result for less than \$1 million. In his opinion, it is important to note that, in addition to mitigation at a cost of \$1 million, the costs for removal would be additional and could be in the millions. He agreed that the issue could become a "firestorm" should the need to increase assessments arise.

Mr. Morera suggested that Mr. Selchan discuss his ideas with Staff and stakeholders to see if there is an interest in proceeding or waiting for the time being.

Mr. Selchan stated the \$1 million estimated for mitigation costs would be much higher at the current rates, which was why the CSID wanted to negotiate a flat fee.

Discussion ensued regarding tree mitigation, budgeting and planning for tree removal and other expenditures, the per-tree mitigation fee imposed by the City and the benefits of proactive tree mitigation and removal versus reacting following a storm at higher costs.

Mr. Morera stated no action would be taken now but he was hopeful that, if this proposal is successful in a neighboring District it may benefit the SWCD.

Mr. Selchan discussed the need to be proactive in removing potential obstructions in flowways and canal banks and expressed frustration that necessary work could not be done due to difficulty working with state and local governments. He recalled that, following Hurricane Wilma, there were complaints that work should have been done proactively. He expressed frustration that, although the District now has a fund for proactive work, the work cannot begin until approved. Mr. Selchan stated he would like to see progress and felt that the other District may have similar difficulties.

Discussion ensued regarding funds paid to the City, the City's tree fund and designation as Tree City USA and the City's ability to waive mitigation fees.

Mr. Selchan noted that, in the event of a hurricane, fallen trees would be considered an act of God; therefore, no mitigation fees would be imposed by the City and replacement would not be required; however, routine removals require payment of the mitigation fee, removal costs and replanting.

Mr. Malefatto recalled that the SWCD issued a legal Memorandum in 2011 stating that, per the Code, the SWCD should be exempt from having to pay permit and mitigation fees and the City rejected the argument. Mr. Selchan recalled that the Attorney General refused to intervene. Mr. Malefatto felt that it may be worth revisiting, as the argument is still valid. Mr. Selchan expressed doubt that the City would relent and stated he was advised that all tree removals require a permit.

Mr. Morera felt that the discussion was productive and he hoped that changes could be implemented.

TENTH ORDER OF BUSINESS

Staff Reports

A. District Counsel: *Lewis, Longman & Walker, P.A.*

Mr. Malefatto stated he would need to research the tax implications of the SWCD providing healthcare benefits to its Board Members, as previously discussed.

Further discussion of the item was tabled to the next meeting.

I. Discussion: Maintenance of Canal Adjacent to Briarwood Club

Mr. Malefatto stated he was drafting an Access Agreement to grant access to cross the easement area. Mr. Selchan stated he met with the Briarwood Club's Property Manager and they agreed upon where access would be, for maintenance purposes, so the Agreement can be

drafted accordingly. Mr. Malefatto stated the Agreement would be presented at the next meeting.

II. Discussion: Employee Pension Plan

Ms. Rustin presented a Memorandum regarding the three District-sponsored retirement plans outlined in documents she reviewed, as follows:

- 401(a) Defined Contribution Plan: The District contributes 10% of the employee's salary to the employee's individual retirement account. Contributions are invested in funds selected by the employee. The employee becomes fully vested after five years.
- 457(b) Plan: This is a deferred compensation plan for government employees only. Employees voluntarily contribute a certain amount through payroll deductions to an individual retirement account and selects the funds in which to invest.
- Payroll Deduction IRA Program: Employees voluntarily contribute a specified amount of after-tax dollars through payroll deductions and selects the funds in which to invest.

Ms. Rustin discussed the features and tax considerations for each of the plans and stated the plans are administered by ICMA, a firm that manages many government plans throughout the country and serves as recordkeeper and Plan Administrator. As sponsor of the plan, the District is the plan Fiduciary and is responsible for ensuring efficient operation of the plan for the benefit of the employees, making sure the plans offer a diverse selection of funds, monitoring performance of funds, reviewing fees, educating and communicating with plan members and keeping plan documents up to date. She stated that a number of local clients have hired a Fiduciary Management Consultant to review their plans, investment options and fees. This is an option for the District.

Mr. Ortiz asked if the District's Fiduciary function is being performed currently. Mr. Malefatto stated, while District Management, Wrathell, Hunt and Associates, LLC (WHA), is effectively the administrative Staff, he suggested engaging a professional Fiduciary to assume this responsibility and review how funds may be changed or modified.

Ms. Cerbone stated that WHA's Fiduciary responsibility includes ensuring that contributions are made timely and accurately. If employees have questions or concerns that Staff can answer they would do so but WHA does not specialize in benefit options and administration; therefore, WHA was in agreement regarding obtaining proposals from consultants to review the plans and make recommendations.

Mr. Ortiz asked if employees have participated in any recent investment webinars or seminars. Mr. Selchan stated they have not and he was unable to reach a representative of ICMA; furthermore, employees have not heard from anyone from ICMA since the day the plan was opened. He supported having a consultant review the plans and fees and develop an employee communication and education component.

Mr. Ortiz felt that it would be beneficial to obtain proposals as suggested.

Ms. Rustin responded to questions about the plan features available to employees and noted that, because the plan was executed in 2009 and current documents are not available, she would need to contact ICMA for updated plan documents.

Discussion ensued regarding balancing the need to provide competitive investment options, education and quarterly follow-up.

Ms. Rustin stated she was surprised that ICMA had not followed up in this regard because quarterly meetings are generally performed. She noted that, while ICMA expressly stated they serve as Administrator but not Fiduciary, as Administrator, ICMA typically conducts educational meetings but there was some disconnect in this instance. She noted that ICMA is now known as Mission Square, which is another reason that updated documents are necessary.

Discussion ensued regarding the level of service provided and whether non-responsiveness may be due to the small size of the District's plan. Ms. Rustin voiced her opinion that it is worth calling the local representative for an update. She responded to questions regarding the current plans and other plans that may be available to employees, including State plans, and stated she would need to research the options further, given tax considerations.

Ms. Cerbone stated the proposed Fiscal Year 2023 budget would be presented in May and stated that she committed to coming to the Board in April to discuss salary increases and benefits. She recommended requesting proposals to analyze the current offerings and propose other applicable options.

The consensus was for Staff to work together accordingly in this regard.

Mr. Prudhomme felt that it would not be productive to contact ICMA, given the previous lack of responsiveness. Mr. Selchan agreed, which was the consensus.

Mr. Malefatto stated the new office opening reception scheduled for January 27, 2022 was postponed until further notice.

B. District Engineer: *Craig A. Smith & Associates*

I. Presentation: Monthly Engineer’s Report

Mr. Rubio presented the Report and reported the following:

- Electrical Repairs at Pump Stations 1 and 2: CCI’s updated delivery schedule reflects delays due to the ongoing pandemic and manufacturing delays; however, the generator for Pump Station 2 might be delivered two months earlier than anticipated. It was hoped that the vendor would build the enclosure quickly. An updated schedule was requested. The existing concrete slab needs to be widened by 12” on each side to accommodate the new generator so a proposal was requested. The Convault fuel tank also requires a slab and piping to be connected to the new generator; the location of the slab is to be determined.
- West Outfall Canal Phase 2B Improvements: Rio-Bak has been mobilizing and many inquiries were addressed. The high school Vice Principal and maintenance staff were informed that the two irrigation lines would be capped. While the project was scheduled to take six months, Rio-Bak stated they may be able to complete it within two months. The County ROW permit was issued for staging and all affected residents were notified.
- Westchester Culvert Replacement Project: This item was discussed during the Fifth Order of Business.

II. Permit Application

- **Synergy Thermal Foils, Inc. Adjacent to SWCD Lake Property Abutting Canal “MM” 12175 NW 39th Street – Site Modifications**

Mr. Rubio presented a site modification permit for 12175 NW 39th Street adjacent to Canal “MM” for approval. As a condition of the permit, a segment of the canal bank is to be backfilled and stabilized for SWCD access. A picture was submitted. This permit was requested in conjunction with parking lot modifications and a building addition.

On MOTION by Mr. Morera and seconded by Mr. Ortiz, with all in favor, the CAS Project No. 15-1826-P30 ROW Permit Application submitted by Engenuity Group, Inc., on behalf of Synergy Thermal Foils, Inc., for site modifications adjacent to SWCD Lake Property Abutting Canal “MM”, including an addition to an existing building and minor modifications to the existing parking lot, at 122175 NW 39th Street , subject to the Special Conditions set forth in the January 4, 2022 recommendation letter, was approved.

III. Consideration of Proposal for Stormwater Needs Analysis

Mr. Rubio presented the proposal for preparation of the Stormwater Needs Analysis, which is due by June 30, 2022.

On MOTION by Mr. Ortiz and seconded by Mr. Prudhomme, with all in favor, CAS Proposal # 4231 for preparation of the Stormwater Needs Analysis, in a not-to-exceed amount of \$6,640, was approved.

C. District Engineering Consultant: *John McKune*

There was no report.

D. District Field Supervisor: *Cory Selchan*

Mr. Selchan reported the following:

- The District received very little rainfall thus far this month; water levels were falling each day and water is typically lost each day. The recharge pipe would be opened soon to maintain a reasonable water level.
- The new West Outfall project was underway. The Superintendent from the last job is working on this job and is in touch daily. The Bluestream cable in the ROW is live and needs to be moved right away. It was discovered that the two homeowners that were asked to move plantings damaged some cable television wiring and part of the City's control electronics; the electronic valves that open different valves to be irrigated were damaged. A very irate homeowner called complaining about the irrigation work being done. As it might be a new homeowner who had not received any communications yet, Mr. Selchan would follow up with the resident. The Superintendent expected to begin installing the mud dike within the next week; watering and canal excavation would follow.

Mr. Morera asked if the irrigation and pump issues with homeowners were resolved. Mr. Selchan stated a professional sprinkler contractor was hired and due diligence was done to ensure everything was operational before the work was done. Mr. Morera hoped all who draw water from the canal understand it is a privilege and not a right. Mr. Selchan stated that the issue would be addressed right away.

Discussion ensued regarding informing residents about the ROWs, an irate homeowner's response to sprinkler contractors working behind their home, increased homeowner turnover and the need to ensure that new residents are informed accordingly.

Mr. Morera asked that field representatives assist Mr. Selchan with the notifications.

Discussion ensued about work in progress related to homeowners encroaching on the easement and informing City representatives about ongoing projects in case they receive complaints. Mr. Selchan stated the appropriate City officials are kept informed.

Mr. Selchan stated that, following the last meeting, he let the employees know that, while a difficult conversation was held regarding health insurance, the Board understood the importance of maintaining the current level of health insurance, given the salary differential between the SWCD and other Districts and ongoing retention issues. He discussed the need to remain competitive with salary and benefits and stated the employees asked him to convey their appreciation that the Board valued them enough to maintain their current benefits level.

Mr. Morera recalled the previous discussion about extending insurance benefits to the Board Members and suggested Mr. Malefatto gather the information and draft a Resolution for the Board’s consideration. Ms. Cerbone was directed to speak with each Board Member individually to gather necessary information. Mr. Malefatto was directed to draft a Resolution.

E. District Manager: *Wrathell, Hunt & Associates, LLC*

- **NEXT MEETING DATE: February 9, 2022 at 6:30 P.M.**
 - **QUORUM CHECK**

The next meeting would be held on February 9, 2022. Ms. Sanchez noted that a Landowners’ Meeting would be held on March 9, 2022, prior to the Regular Meeting. Mr. Prudhomme’s seat is up for election. Forms and proxies would be provided upon request.

ELEVENTH ORDER OF BUSINESS

Adjournment

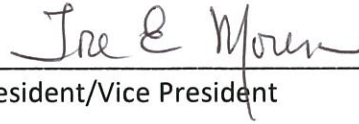
There being no further business to discuss, the meeting adjourned.

On MOTION by Mr. Morera and seconded by Mr. Prudhomme, with all in favor, the meeting adjourned at 8:56 p.m.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

Handwritten signature of Cindy Gebmel in blue ink.

Secretary/Assistant Secretary

Handwritten signature of Joe E. Moran in black ink.

President/Vice President