

**MINUTES OF MEETING
SUNSHINE WATER CONTROL DISTRICT**

The Board of Supervisors of the Sunshine Water Control District held a Regular Meeting on February 9, 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	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
John McKune (via telephone)	Consultant Engineer
Mark Sirchio	Rio-Bak Corporation
Richard Snyder (via telephone)	Burgess Chambers
Jamie Hayes (via telephone)	NFP

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

Update: PS1, PS2 and WOFC Phase 2B Project

Mr. Rubio and Mr. Sirchio of Rio-Bak reported that, with mobilization of the West Outfall Canal (WOFC) Phase 2B project completed, the project is progressing smoothly. Frankie is on-site full time and Mr. Selchan is monitoring the project daily.

Mr. Rubio and Mr. Selchan discussed an opportunity for the District to save hauling costs by transporting materials to a contractor working on a project in the City of Tamarac; the materials were tested and deemed good for commercial use. As work is planned for Friday, Mr. Rubio asked for approval to proceed with negotiations and, if successful, execute a negative Change Order with Rio-Bak.

On MOTION by Mr. Prudhomme and seconded by Mr. Ortiz, with all in favor, authorizing negotiations related to hauling costs and execution of a negative Change Order with Rio-Bak, outside of a District Meeting, in conjunction with the District Engineer, Rio-Bak and Operations Superintendent, with ratification at the next meeting, was approved.

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

This item, previously Item 12B, was represented out of order.

I. Presentation: Monthly Engineer’s Report

Mr. Rubio reported the following:

- The electrical repairs were incorporated for Pump Stations #1 and #2 (PS #1/PS #2).
- The CCI Electric Services existing project schedule was unchanged.
- Contractor proposals to install a new slab for the new generator at PS #2, a pipe connection and building a security enclosure for the fuel tank, were pending. Upon receipt and Staff review, a Change Order would be presented at the next meeting.
- MWI Pumps - Retrofit Status: MWI delivered the two new retrofitted pumps for PS #1.

Mr. Rubio asked Mr. Selchan if MWI picked up any other pumps. Mr. Selchan stated that MWI retrieved the last one at PS #1 to be retrofitted yesterday and another at PS #2 today. MWI planned to finish any outstanding items on Friday.

Mr. Selchan stated that the old belts do not fit on the retrofitted pumps nor was there sufficient wiring to connect to the motor. Due to unforeseen events and the pandemic causing ongoing delays in getting the new materials, Current Connections was directed to complete an inspection of PS #1 and PS #2 tomorrow and proceed with the retrofit. This would require additional wiring and a new junction box to get the equipment operational but the costs would be minimal. MWI was instructed to order the new belts.

II. Permit Application

- **ROW Permit Application - Blue Stream Communications, LLC to Install 210 LF of (2) 2" HDPE Conduit and Fiber Optic Cable, Via Directional Bore Under Canals "KK", "LL" and "SS"**

This item was an addition to the agenda.

Mr. Rubio distributed and presented the recommendation letter related to the ROW permit application submitted by Blue Stream Communications, LLC.

On MOTION by Mr. Ortiz and seconded by Mr. Prudhomme, with all in favor the CAS Project No. 15-1826, ROW Permit Application, submitted by Blue Streams Communications, LLC, via KMV Fibertelecom, Inc., for 210 LF of (2) 2" HDPE conduit and fiber optic cable installation directly bored under Canals "KK", "LL", and "SS", at 12409 N.W. 35th Street, Coral Springs, Florida 33065, subject to the Special Conditions set forth in the February 7, 2022 recommendation letter, was approved.

Mr. Rubio stated, based on an on-site meeting with Mr. Selchan and representatives of Castle Group and the City, Castle Group began drilling today to install a new line and replace a pipe. The project was expected to be completed this Friday. Drawings, dive inspection reports and videos will be provided to the District. Mr. Selchan stated that Castle Group volunteered to engage a third party to inspect the work.

SIXTH ORDER OF BUSINESS

Consideration of The Briarwood Club Association, Inc., Canal Access and Maintenance License Agreement

Mr. Malefatto presented the Canal Access and Maintenance License Agreement, which included comments from Mr. Selchan and the Briarwood Club Association Attorney, Mr.

Robbins. Mr. Selchan and the Property Manager finalized the terms for crossing the property for access to maintain the canal.

On MOTION by Mr. Prudhomme and seconded by Mr. Ortiz, with all in favor, the Canal Access and Maintenance License Agreement between The Briarwood Club Association, Inc. #4 and the Sunshine Water Control District, was approved.

SEVENTH ORDER OF BUSINESS

Update/Discussion: Board Member Participation in the Employee Health Care Benefits

This item was presented following Item 13E.

EIGHTH ORDER OF BUSINESS

Continued Discussion: Employee Pension Proposals

This item was presented following Item 13E.

NINTH ORDER OF BUSINESS

Acceptance of Unaudited Financial Statements as of December 31, 2021

Ms. Cerbone presented the Unaudited Financial Statements as of December 31, 2021.

On MOTION by Mr. Ortiz and seconded by Mr. Prudhomme, with all in favor, the Unaudited Financial Statements as of December 31, 2021, were accepted.

TENTH ORDER OF BUSINESS

Approval of January 12, 2022 Regular Meeting Minutes

Mr. Morera presented the January 12, 2022 Regular Meeting Minutes.

On MOTION by Mr. Prudhomme and seconded by Mr. Ortiz, with all in favor, the January 12, 2022 Regular Meeting Minutes, as presented, were approved.

ELEVENTH ORDER OF BUSINESS

Supervisors' Communications

Mr. Prudhomme raised awareness of the upcoming anniversary of the Marjory Stoneman Douglas High School (MSDHS) tragedy and expressed his heart felt sympathies to anyone that was affected. He asked for the hotel to display an American Flag in the meeting room during District meetings.

Mr. Ortiz thanked the community and the Board Members who attended the Saint Andrew Parish event, which was a success. He noted the anniversary of the MSDHS tragedy.

Mr. Morera echoed the above sentiments and stated that February is also Black History Month and Heart Health Month. Invitations were made to attend the City of Parkland event honoring the fourth anniversary of the MSDHS tragedy and to support the families in the community that were affected. He thanked everyone, Field Staff and District Staff, for their continuing support of the District.

TWELFTH ORDER OF BUSINESS

Staff Reports

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

Mr. Malefatto providing the following update:

- His firm represents the Coral Springs Improvement District (CSID).
- The CSID Board asked his firm to request an Attorney General Opinion related to the City of Coral Springs’ continued requirement for tree removal permits and mitigation fees when trees are removed from the District’s ROW and the requirement to perform a tree survey.
- The SWCD, via District Counsel, made the same request about 10 years ago but the Attorney General at the time declined to render an opinion, which is why the SWCD has tried to work things out with the City directly.
- A copy of the CSID formal request and response would be provided at the next meeting. The dispute between the CSID and the City of Coral Springs remains open.
- Ms. Janice Rustin, will join the meeting later, via telephone, to discuss the Employee Health Care Benefits and Pension Plan proposals.

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

- **Presentation: Monthly Engineer’s Report**

This item was presented following the Fifth Order of Business.

C. District Engineering Consultant: *John McKune*

Mr. McKune stated he hoped to attend the next meeting, in person.

D. District Field Supervisor: *Cory Selchan*

Mr. Selchan reported the following:

- Two significant rain events helped delay having to open the recharge pipe at the East Basin to maintain a reasonable water level but it might need to be opened soon, as the water level at PS #1 is at 5.9' and above 7' at PS #2.
- The process of retrofitting the pumps at PS #1 went smoothly; the two pumps at PS #2 still need to be modified. Vendors were remedying the additional issues.
- Daily operations and the two other projects were progressing smoothly.

Mr. Selchan discussed the hurdles Mr. Sirchio aided in when resolving issues with the cable company. He noted Rio-Bak was finally willing to discuss a Change Order for Phase 2 hauling costs once he presented a contractor's interest in taking the earth materials; Rio-Bak typically does not want to take on liability of any kind. The contract will include certain language and the District will realize another significant cost savings instead of incurring expenses to haul all the materials to the dump.

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

- **NEXT MEETING DATE: March 9, 2022 at 6:30 P.M. (*Landowners' Meeting and Regular Meeting*)**
 - **QUORUM CHECK**

The Landowners' Meeting would be held on March 9, 2022 prior to the Regular Meeting. Mr. Prudhomme's seat is up for election. For ease, Ms. Cerbone suggested submitting proxy votes to District Management's office to be verified and validated prior to the Landowners' Meeting. Proxies will be accepted on the day of the meeting.

- **Continued Discussion: Employee Pension Plan Proposals**

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

Ms. Sanchez contacted each firm's Representative, individually, to join the meeting via telephone and present their proposals.

Ms. Cerbone recapped the Board's direction at the last meeting to obtain proposals to engage a Fiduciary Management Consultant to review the District's existing employee pension plan and provide alternatives for the Board to consider. Two of three vendors submitted proposals of \$5,000 to perform this review and one declined due to the small size of the

District's plan. The two that submitted proposals both included other costs if they are engaged for the long term. The proposals were distributed during the meeting.

Mr. Morera left the meeting at 7:10 p.m.

Mr. Richard Snyder, of Burgess Chambers, joined the meeting via telephone.

Mr. Snyder gave an overview of his firm's experience and services provided. He discussed his firm's process, including reviewing the existing plan and disseminating information to the marketplace in order to obtain competitive bids. Burgess Chambers then reviews the plan designs and determines if they are compliant under certain rules, regulations and tax codes. Employees would be given a Service Level Guarantee, which includes an educational statement and financial planning services that hold the provider accountable to those standards. He discussed the 60-to-120-day timeline for implementation and Burgess Chambers' ability to extend services on a long-term basis to monitor and oversee the plans and provide a progress report to the Board on a quarterly basis.

Mr. Morera returned to the meeting at 7:19 p.m.

Ms. Cerbone asked Mr. Snyder to recap what Burgess Chambers provides for the \$5,000 fee to review the plan and how long would it take. Mr. Snyder stated services include sending a blind confidential benchmarking, blind "RFI", comparing each respondent's fees and services, providing recommendations to the District, inviting respondents for a Board interview and then beginning negotiations.

Ms. Cerbone asked how many firms would be interested in managing the District's small fund size. Mr. Snyder estimated that, because it is an existing plan, they might receive five or six proposals from a governmental provider; they plan to send it to 10 to 15 firms. He discussed options that may include piggybacking on other existing or pool plans. Mr. Snyder felt that the fee structure to manage a plan of this size would be 50 to 75 basis points, exclusive of investment expenses, and the "all in" expenses would be about 80 to 100 basis points.

Ms. Cerbone advised Mr. Snyder that the Board will hear from both presenters and she would notify them of the Board's decision tomorrow.

Mr. Richard Snyder of Burgess Chambers left the meeting.

Ms. Cerbone distributed an ICMA 2007 document containing information pertaining to compensation for the 401k, contributing 10%, the Plan Administrative Fee and the Mutual Fund

Service Fee; no other amended documents were found. In her opinion, the District needs to engage a consultant to review this information.

Ms. Jamie Hayes, of NFP, joined the meeting via telephone.

Ms. Cerbone asked Ms. Hayes to focus on the review of the existing plan and options.

Ms. Hayes gave an overview of the services a Fiduciary Management Consultant provides. NFP's fee is to provide a comprehensive audit of the existing plan to ensure its provider is compliant with all rules and regulations and that it is the most successful plan for the participants. As a nationwide firm, NFP can leverage, negotiate and drive the administrative costs for record keeping lower and obtain exclusive pricing with underlying Money Managers, more so than other institutional organization firms can. Provide recommendations, solutions and strategies to enhance the plan's long-term success for the benefit of the employees, including a cost containment program and reducing record keeping and record management costs while maximizing the District and Board's fiduciary protection.

The following questions were posed and answered:

- How long would the process take, given the size of the plan and the District?

Ms. Hayes stated that it typically takes about 15 to 20 hours because several team specialists are involved.

- How does the plan fit in without being lost in the larger plans?

Ms. Hayes stated that NFP provides local services to local governments, ranging from small to large, and NFP's fees are governed by regulations.

- How can the District employees obtain access to Advisors?

Ms. Hayes stated that two options are available. The employee can be given a direct line to a dedicated Advisor or they can call the 800 number to schedule a meeting with an Independent License Financial Professional; however, they cannot make any recommendations to the employee.

- How would NFP analyze and make recommendations within the scope of the initial services?

Ms. Hayes stated that NFP would review its database, which contains plans and record keeping pricing and is updated every month so NFP is able to negotiate fees. She felt that sending a blind or public "RFI" is unnecessary, unless the District wants them to do it. In her opinion, negotiating pricing with Mission Square is possible.

➤ How many firms would be interested in Managing a fund of this size?

Ms. Hayes stated that there are about three to four record keeping firms equivalent to ICMA, Nationwide, GOYA and Empower. She recommended being charged a flat fee to administrate the plan, until it is beneficial for them to change to basis point fees.

Mr. Morera advised Ms. Hayes that, after the Board has discussed the two proposals, Ms. Cerbone would notify her of what would be the next steps.

Ms. Jamie Hayes of NFP left the meeting.

Mr. Morera asked Ms. Rustin if she had any recommendations. Ms. Rustin stated she has worked with both firms and each offers different strengths and weaknesses; she had no preference, as both firms are really good.

The Board and District Staff discussed the differences of each presentation, in relation to the RFI process, timeline, basis point fee approach versus a flat fee and the number of providers interested in working for a small entity like this District.

In response to a question, Ms. Cerbone stated that Mission Square is a record keeping firm. She explained that it is unlawful for the District Management firm to provide the District with any financial advice, consultation or guidance. If the Board wants more information about the existing pension plan and other options, the Board needs to engage a Financial Adviser Consultant, as it would protect the District and its Board Members. Mr. Malefatto agreed with Ms. Cerbone's statement and voiced his opinion that the Board should retain one of the firms to provide this service, give an analysis and assume responsibility as the Fiduciary, on behalf of the District and District employees.

Regarding personal liability, Ms. Rustin discussed Florida Chapter 768, which protects Board Members of local governmental agencies from liability for actions taken within the scope of their authority as a Board Member.

Discussion ensued regarding the prior Board transferring the pension plan to ICMA. Ms. Cerbone recommended proceeding with short-term goals, beginning with engaging a Financial Advisor before considering other options. She noted that the Board might decide to stay with ICMA, now known as Mission Square.

Mr. Selchan spoke from the employee perspective and asked if other firms offer other types of investment vehicles with different yields, as he believed ICMA changed its name because of a negative reputation. He stated that the employees want the Board to determine if

ICMA is treating the employees fairly and if they are being offered a good variety of investment choices for their salary structure.

The Board Members noted their preferences. Mr. Malefatto felt that both firms would be a good choice.

The Board decided to defer this item to the next meeting to allow sufficient time to review both proposals. The Board Members were asked to submit questions to Ms. Cerbone to forward to the firms and then email the responses to the requestor. She was asked to then compile the information and present it at the next meeting.

- **Update/Discussion: Board Member Participation in the Employee Health Care Benefits**
This item, previously the Seventh Order of Business, was presented out of order.

Ms. Cerbone recalled direction at the last meeting to draft a Resolution that, if adopted, would extend the District's healthcare benefits option to the Board Members, similar to what CSID adopted. After speaking with Mr. Gallagher and Ms. Villaran, of Arthur Gallagher Risk Management Services, the Resolution was omitted from the agenda because this request would require the Board to consider other healthcare plans and those plans would not be as robust as the existing AV-Med plan. It was noted that the CSID was able to add its Board Members because it has more employees and a less restrictive healthcare plan.

Mr. Malefatto identified Indian River Mosquito Control District (IRMCD), as similar in size to the SWCD, and stated the IRMCD obtained a new policy covering employees and Board Members, through the League of Cities Insurance Company, which is a Florida Municipal Insurance Trust. He suggested keeping the Av-Med plan for District employees and setting up a completely different healthcare policy for just the Board Members. Mr. Morera and Mr. Ortiz stated they would not consider changing or impacting the employee's current healthcare plan.

Although there was no question that the District can extend healthcare benefits to the Board, Mr. Morera referred to the Advisory Legal Opinion AGO 2017-04 and asked Mr. Malefatto to review it. Mr. Malefatto referred to Florida Statute, Chapter 112, Section 08, and read portions of the statute referring to Special Districts as a unit of local government and the City of Coral Springs continuing to state that it does not recognize this District in its ordinances.

Ms. Cerbone stated that she would contact the Board Members individually to obtain their information in order for Ms. Villaran to prepare a proposal. A presentation would be conducted via telephone in March. Ms. Cerbone would also contact Mr. Phill Wardell, who was

engaged by the CSID to make a comprehensive presentation. Ms. Cerbone thought Mr. Wardell would not be able to provide a group plan for the Board, as it has less than five people; therefore, they would most likely present individual plans.

▪ **DISCUSSION: EMPLOYEE WAGES**

Mr. Selchan stated that, to remain competitive, the employee hourly rates need to be reviewed and increased. He noted that other Districts are hiring inexperienced workers. One District tried to poach a SWCD employee by offering \$25 per hour. He recommended a flat \$3 per hour increase for all employees. Ms. Cerbone would provide the Board with an employee hourly rate sheet with the proposed wage increase.

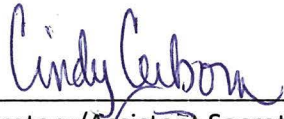
THIRTEENTH ORDER OF BUSINESS

Adjournment

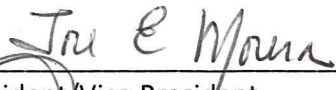
There being no further business to discuss, the meeting adjourned.

On MOTION by Mr. Morera and seconded by Mr. Prudhomme, with all in favor, the meeting adjourned at 9:00 p.m.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]



Secretary/Assistant Secretary



President/Vice President