

**MINUTES OF MEETING
SUNSHINE WATER CONTROL DISTRICT**

A Regular Meeting of the Sunshine Water Control District's Board of Supervisors was held on **Wednesday, August 11, 2010 at 6:30 p.m.**, in the **Commission Chambers, Coral Springs City Hall, 9551 West Sample Road, Coral Springs, Florida 33065.**

Present at the meeting were:

David Hulett	President
Emily Heafy	Vice President
Joe Morera	Secretary

Also present were:

Craig Wrathell	District Manager
Matt Kozak	Wrathell, Hunt & Associates
Bill Capko	District Counsel
Cory Selchan	Field Superintendent
John McKune	McKune & Associates
Rhon Ernest-Jones	District Engineer
Tom Donahue	District Engineer
John McKune	McKune & Associates
Chris Hoffman	SWCD Staff
Jeff Mason	SWCD Staff
Charles Wendling	SWCD Staff
Ernie Holweg	SWCD Staff
Richard Ohaviano	SWCD Staff
Vincent Modica	SWCD Staff
J.B. Pellicer	Fish Tec, Inc., President

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 Supervisor Hulett, Morera and Heafy were present, in person.

SECOND ORDER OF BUSINESS

Citizens' Requests

There being no Citizens' Requests, the next item followed.

THIRD ORDER OF BUSINESS

Introduction to SWCD Staff to Board of Supervisors

Mr. Selchan introduced the SWCD Staff to the Board of Supervisors and described their duties. Mr. Morera thanked the Staff and commended them for their hard work. Ms. Heafy echoed Mr. Morera's comments. Mr. Hulett voiced the District's appreciation for their work and thanked them for coming to the meeting.

FOURTH ORDER OF BUSINESS

Update: Culvert Cleaning

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

Mr. J.B. Pellicer, President of Fish Tec, Inc., introduced himself. Mr. Donahue reported that Fish Tec completed approximately 50, of the 74, culverts. The entire west basin is complete and they are headed to the east basin and northeast corner. Mr. Donahue explained the cleaning equipment, process and types of debris found. Mr. Pellicer presented an update on the culvert cleaning, noting they have removed a lot of debris. In response to Mr. Morera's question regarding silt, buildup and possible clogging, Mr. Pellicer and Mr. Rhon Ernest-Jones described the suction process and what happens to the flow. Mr. Pellicer explained the condition of the pipes. Mr. Hulett asked how often the canals should be cleaned. Mr. Pellicer indicated it depends on the amount of flow. Pipes with less flow need cleaning more often. Mr. Selchan agreed and noted, once the pipes are cleaned, they become somewhat self-cleaning, if there is regular flow. Once the project is complete, Ms. Heafy asked if Fish Tec could identify those pipes/areas that were particularly bad. Mr. Pellicer recommended not cleaning or inspecting the canals/culverts again until the canal restoration project is finished. In response to Mr. Hulett's question, Mr. Pellicer indicated his company does some canal cleanout work but nothing where it would be land-based; they are a marine based company. Ms. Heafy asked about screening the ends of culverts. Mr. Pellicer indicated the problem with screening is that, in the event of a high flow situation, such as a hurricane, there would be a huge amount of trash that could clog the ends of the pipes, creating a worse situation.

Mr. Morera asked Mr. Ernest-Jones about having a sock at the end of the pipe as a catch. Mr. Ernest-Jones indicated the Fish Tec work is the compromise to that approach, as the cost would have been greatly increased, otherwise. Discussion continued regarding silt levels. Mr. Morera asked that pictures of the work be posted on the District's website.

Mr. Donahue spoke of inspecting the culvert cleaning and documenting about ten (10) with video. He said he spoke with an independent company who quoted a price of approximately \$7,800. Fish Tec has offered to video tape/document ten (10) pipes for a cost of \$2,000. Mr. Donahue asked the Board to consider a change order with Fish Tec to cover those costs.

On MOTION by Ms. Heafy and seconded by Mr. Morera, with all in favor, a change order, in an amount not to exceed \$2,000, for Fish Tec to provide video inspection of ten (10) culvert locations, to be determined by the District Engineer, was approved.

Discussion ensued regarding a pipe with difficult access near Wiles and University.

Mr. Selchan indicated the Mayor of Coral Springs observed the culvert cleaning work and was impressed with the program.

FIFTH ORDER OF BUSINESS

Discussion: Revised Capital Improvement Program

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

- **Consideration of Updated Drainage Plan**

Mr. Ernest-Jones noted the revised capital improvement plan (CIP) includes canal restoration and right-of-way encroachment clearing. He explained Page 2 includes a priority plan for Fiscal Year 2011; the \$10 million figure will be District bonds. He indicated the balance of the costs was shifted to come out of the annual assessment. Page 3 provides the secondary options which total \$9 million, \$7 million of which is the canal restoration, comes from the annual assessment.

Discussion ensued regarding the funds associated with right-of-way encroachment cleaning, financing and whether any of the money will be recouped from the homeowners. Mr. Wrathell noted the District has not budgeted funds to complete the canal bank cleanups, at this time. He suggested the right-of-way encroachment project will be a pay-as-you-go situation and the Board has plenty of opportunity to decide policy on how to approach it. The CIP says if the District must do it, this is the amount of money it needs to have available. Mr. Morera felt the

District should consider absorbing a percentage of the cost, as some homeowners did not know they were encroaching. Mr. Wrathell explained the process of placing a lien on property where the homeowner does not remove items and the District must do so. Mr. Ernest-Jones discussed an article in the Palm Beach County edition of the Sun Sentinel regarding a similar project and the paper's leaning towards the residents' side of the cause.

Mr. Hulett stressed the need to continue communicating with the City of Coral Springs about the best approach. He feels the project needs to get through the bond issue, go out to bid and begin work on the pump stations; once those items are behind them, they can look more closely at the encroachment issue. Ms. Heafy suggested contacting a Sun Sentinel reporter, explaining what the District plans and asking them to attend a meeting. Mr. Wrathell suggested sending the District's letter on the project to the paper letting them know there is a story.

- **Financing Timeline**

Mr. Wrathell indicated there is nothing new in the financing timeline. He presented examples of 197 and 298 letters to send and they are getting everything ready for the mailings.

Mr. Wrathell reviewed the upcoming meeting schedule, which includes the regular meeting in September and two (2) meetings in October, one (1) on the 13th and the public hearing on the 27th.

- **Confirmation of October 27, 2010 Public Hearing Date**

Mr. Wrathell confirmed October 27th as the public hearing date.

SIXTH ORDER OF BUSINESS

Consideration of Quotation from Rex Three, Inc., for 197 & 298 Mailed Notices and CIP Mailed Notice - \$5,297.85 (Postage Not Included)

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

Mr. Wrathell presented the quote from Rex Three, Inc., for the mail out of the 197 and 298 notices, along with the District newsletter. He indicated, with a project of this size, it makes economic sense to use a mail house. Mr. Wrathell reviewed the process, cost and what the quote includes. He noted it does not include postage.

The Board asked that the outside of the envelope have the District's color logo and Management's address, as the return address.

Mr. Morera noted the quote is from a company in Sunrise and asked if there is a company in Coral Springs that could be used. Mr. Wrathell voiced his confidence in Rex Three but indicated he would welcome any suggestions. Mr. Wrathell asked for the Board's approval to move forward with the lowest cost company. He discussed that a quote was received from JKG Group but it was for more and the company has admitted they are having financial difficulties. Brief discussion ensued regarding using a company in Coral Springs or a Coral Springs government entity. Mr. Wrathell stressed, given the timeframe for sending these letters, he would like to streamline the process and proceed.

The Board was in agreement with Management moving forward with the mailings, negotiating the cost and using the most cost-effective company.

SEVENTH ORDER OF BUSINESS

Update: Pump Station 1 & 2 Replacement

Mr. Donahue gave an update on the pump station replacement project. He indicated Pump Station 1 is at Royal Palm and Riverside and Pump Station 2 is on the west side, further down. He showed pictures of the pump stations and reported about the trash on the intake side. It was noted that all of the windows and doors to the pump stations must be open, due to the extreme heat generated by the pumps; however, there are still problems with overheating.

Mr. Donahue reviewed the design plans process, Weitz' initial estimate of costs of just under \$6 million, engineering options and what was incorporated. He noted the most valuable suggestion was moving Pump Station 2 upstream, rather than downstream, to avoid some FPL overhead power lines and other issues.

Mr. Donahue indicated the 75% plans were received in April and Weitz' cost increased to about \$6.1 million. The 100% design plans were completed at the beginning of August, with a cost of about \$6.4 million. Mr. Donahue noted there some items will be dropped and estimated the guaranteed maximum price (GMP), to be presented to the Board next month, will be around \$6.2 million. Weitz was asked to have the GMP and the final contract to the District Engineer by September 1st, so it can be included in the September Agenda package.

Mr. Donahue indicated the dewatering permit was received from South Florida Water Management District (SFWMD). They will respond this week to SFWMD's comments on the environmental resource permit. The Army Corps of Engineers had mostly administrative

comments and a response will be prepared. Meetings were held with SFWMD, the city fire marshal and zoning department and pump manufacturers.

Mr. Donahue indicated the general design has four (4) pumps maintained at each pump station, with Pump Station 1 running 151,000 gallons per minute and Pump Station 2 running 210,000 gallons per minute, which is consistent with the existing SFWMD permit. The existing structures at the pump stations will be removed. He noted the desired crane system was eliminated in lieu of a motor winch to handle the motors. A flow meter was added to Pump Station 1 on the recharge bypass, as required by the recently renewed water use permit. They are rip rapping the banks around Pump Station 2 to better preserve the canals and the generator enclosure was expanded to hold the largest of possible generators. The generators will have underbelly fuel tanks capable of providing three (3) days of fuel to continuously run the pump stations. Mr. Donahue reviewed access to the pump stations. Discussion ensued regarding the general design of the stations. Mr. Donahue reported the generators, including the fuel system, are running from \$300,000 to \$500,000, a piece. He explained the capabilities of the generators, the trash racks, pump intake and outfall and the building elevations.

Mr. Donahue indicated, once received, the GMP will be guaranteed for 90 days, giving the District until December 1st, which will get the District through the bond funding process. Mr. Morera asked if the \$6.2 million quote is inclusive of all pumps, generators, and etc. Mr. Donahue replied affirmatively. Mr. Morera noted the cost is about 16% to 20% higher than anticipated when they started the process. Mr. Ernest-Jones replied affirmatively, indicating there are additional items, including the size of the pumps. Mr. Ernest-Jones indicated the major change, impacting cost, was the size.

Mr. Hulett asked for comments on the draft agreement in the Agenda package. Mr. Ernest-Jones indicated there are a few items to be resolved, such as requiring six (6) bids on the key components. Mr. Ernest-Jones and Mr. Donahue confirmed the final agreement will be ready for the Board's consideration, at the next meeting.

EIGHTH ORDER OF BUSINESS

Update: Bonding Scenario and Preliminary Special Assessment Methodology

Mr. Wrathell discussed the bonding scenario, explaining how targeting a \$60 per-unit annual payment and the necessary S&P rating on the bonds in order to get a 5.90% interest rate for 30-year bonds. Mr. Wrathell stated an A- rating would be necessary but felt they may be able to obtain a higher rating, such as an A or even higher. His only concern is that, as of June, the District's assessment collections have slowed and are only at about 94%.

Mr. Wrathell indicated the issue date was updated to April 15, 2011 and the capitalized interest period changed to 6.5 months meaning, interest that accrues will be used to pay the interest payments, until the time the assessment is on next November's tax bills. Mr. Wrathell referred to Page 2 indicating the assumption of a \$60 annual per-unit payment on 30-year bonds, at the 5.90% interest rate, will result in about \$11.2 million available for construction; which is more than Mr. Ernest-Jones' figures, resulting in an opportunity to put more funds into the CIP or lower the assessment amount. Page 3 calculates the same but with a 7% interest rate, resulting in approximately \$9.8 million available for construction, which is lower than necessary. Mr. Wrathell explained the disadvantage of noticing at the higher interest rate, with regard to the impact on the principal amount. He referred to Tables 1, 2 and 3 on Pages 10 – 11 of the Preliminary Special Assessment Methodology and explained the District's statutory levy limitations calculations, the projected sources and uses of funds and the 5-Year CIP. Table 4 on Page 12 explained the debt apportionment assuming a coupon of 7%, to be conservative but grossed up the size of the bonds to match the target of \$11.2 million. These figures result in a maximum assessment of \$68.53 per unit.

Mr. Wrathell suggested inviting various investment bankers to make presentations to the Board to explain what they can do, given the District's parameters. He indicated it is important to make sure there is enough in construction to suit the needs and the principal, per unit, and that the ultimate annual assessments do not shortchange the District. It was noted last year's assessment was \$132.77 and is proposed to be \$136.12 this November. Referring to Page 12, Mr. Hulett asked if there was any way, without manipulating the figures too much, to bring the annual debt service assessment amount down to \$60. Mr. Wrathell indicated he could lower the amount of the construction proceeds, as he does not want to lower the interest rate down from 7%. Mr. Wrathell explained the requirements of the 197 and 298 noticing and that lowering the maximum assessment amount to \$60, with a coupon rate of 7%, limits the principal, overall, for the bond issue down to \$11.6 million, rather than the \$13.4 million figure on Page 12. Mr.

Wrathell continued explaining the ramifications of this type of change on the debt apportionment.

Ms. Heafy felt people will be just as unhappy with \$68.53 as they will with \$60 and stressed the need to not shortchange the amount. Mr. Wrathell explained under this scenario, \$68.53 is the most they would pay for this. In response to Mr. Morera's question, Mr. Wrathell explained the homeowner's ability to pay off their total debt service amount as a lump sum and/or in advance.

Mr. Wrathell suggested having investment banker presentations no later than the November meeting. Mr. Wrathell explained the initial process in obtaining a rating from Standard & Poor's (S&P).

Regarding the upcoming public hearings, Mr. Capko cautioned against going into too much detail regarding the financing options; just give basic information regarding the maximum assessment amount and etc. Discussion ensued about notifying residents about the option to prepay the total amount.

Mr. Hulett stressed keeping the assessment as reasonable as possible, as there will likely be increases in the assessment amount for other city services. Mr. Wrathell suggested having a presentation prepared to show residents, at the public hearing, the work the District has completed to illustrate that the \$60 increase is cheap, compared to the work being done. Ms. Heafy indicated the city is raising their water and sewer rates 3% and plans to bill sewer at 100% of consumption, rather than the current 85% of consumption.

NINTH ORDER OF BUSINESS**Discussion/Consideration: CIP Notice to Residents**

Mr. Wrathell presented the CIP notice and asked for comment. It was noted that the projected assessment amount will need to be adjusted. Mr. Wrathell indicated it will be forwarded to Mr. Mike Levinson and Mr. Richard Michaud.

In response to a question from Mr. Morera, Mr. Wrathell indicated the mailed notices are anticipated to go out between August 28th and September 15th, meeting the requirement for the October 27th public hearing.

TENTH ORDER OF BUSINESS

**Continued Discussion/Consideration:
Interlocal Agreement Between SWCD
and City of Coral Springs for Cooperative
Use of the City’s Facilities for Storm
Debris Collection**

Mr. Capko indicated the agreement is finalized except for needing information, from the city, regarding how long the agreement will be in effect and the city’s contact person to receive the notices. Mr. Wrathell indicated the District’s levels of insurance coverage was sent to District Counsel and inserted on Page 6.

On MOTION by Mr. Morera and seconded by Ms. Heafy, with all in favor, the Interlocal Agreement Between SWCD and City of Coral Springs for Cooperative Use of the City’s Facilities for Storm Debris Collection, pending final information from the city, was approved.

ELEVENTH ORDER OF BUSINESS

**Discussion/Consideration: Second
Amendment to Interlocal Agreement
Between SWCD and CSID**

Mr. Wrathell explained the amendment and Exhibit A reflecting the changes to the original and first amendment to the interlocal agreement.

On MOTION by Ms. Heafy and seconded by Mr. Morera, with all in favor, the Second Amendment to the Interlocal Agreement Between SWCD and CSID, was approved.

TWELFTH ORDER OF BUSINESS

**Discussion: Florida Association of
Special Districts General Membership
Meeting – October 29, 2010**

Mr. Wrathell indicated this item is for informational purposes. Mr. Hulett voiced his desire to attend, should his schedule permit. This item was deferred to the next meeting.

THIRTEENTH ORDER OF BUSINESS

**Consideration/Discussion of
Permits/Applications/Letters of No
Objection**

• **PERMIT/APPLICATION LOG**

Mr. Ernest-Jones indicated the log is self-explanatory and no permit applications were received over the past month.

FOURTEENTH ORDER OF BUSINESS

Approval of Minutes of July 14, 2010 Regular Meeting

Mr. Wrathell presented the July 14, 2010 Regular Meeting Minutes for the Board's review. He noted the city made adjustments to its recording system, resulting in last month's meeting not being recorded. Mr. Wrathell indicated he will have Mr. Paton and Mr. Kozak meet with someone from the city to learn how the new recording system works. Mr. Wrathell stated he is recording tonight's meeting with his recorder, so there should be no issues with the audio.

On MOTION by Mr. Morera and seconded by Ms. Heafy, with all in favor, the July 14, 2010 Regular Meeting Minutes, as presented, were approved.

FIFTEENTH ORDER OF BUSINESS

Supervisors' Requests

There being no Supervisors' Requests, the next item followed.

SIXTEENTH ORDER OF BUSINESS

Staff Reports

a. Attorney

There being no report, the next item followed.

b. Engineer

i. Monthly Engineer's Report – 07/06/10 – 08/02/10

Mr. Ernest-Jones indicated permits were already addressed. He reviewed the previous landowner inquiries indicating his office sent certified mail-return receipt requested letters, per the Board's request. The letter to 9099 NW 27th Place, concerning canal issues, was received on June 30, 2010 and there has been no further contact by the homeowner. The letter to 9665 NW 36th Place concerning a hedge to be removed from SWCD right-of-way was returned by the postal service on July 22, 2010, as unclaimed, with indication the homeowner was notified on June 30th, July 5th and July 15th. Mr. Ernest-Jones indicated attempts were made and

recommended Mr. Selchan take whatever action is necessary to gain decent access. The Board agreed. Mr. Morera asked the District’s position should the crew be met with resistance. Mr. Selchan indicated he will pull the crew from the site, contact the police and make a report explaining the situation to the police. Mr. Selchan indicated he will tell the homeowner that he will be back the next day to complete the work and the police will generally be available should there be an issue. Mr. Ernest-Jones suggested contacting the police and having them accompany them in the beginning. Mr. Morera asked what documentation the crew should have with them. Mr. Selchan indicated they could take the letter that was sent to the homeowner.

Mr. Ernest-Jones indicated all of the cost sharing agreements, related to the east-west basin interconnect, have been signed. Mr. Donahue reviewed the status of the project and the cost sharing breakdown:

BC IWRP Grant	\$20,000
SWCD	\$13,333
City of Coral Springs	\$26,667
TOTAL PROJECT	\$60,000

Regarding the Coral Springs Corporate Park, bids are still being obtained and attempts are being made to build consensus with the property owners for a cost sharing arrangement.

Regarding the FASD/EPA Numeric Water Quality Criteria for Nutrients, Mr. Ernest-Jones indicated the date for promulgation has been extended to November 14, 2011, with final adoption by August 15, 2012.

Mr. Ernest-Jones indicated a legal description for the District is needed and, as one has not been located, he has been researching and is preparing one. Mr. Donahue indicated the draft should be completed by tomorrow and circulated to Mr. Capko and Mr. Wrathell; it should be finalized by the following week, as it is needed for the notices being sent. Mr. Ernest-Jones indicated the original enabling legislation did not have a very detailed legal description.

c. Field Supervisor

Mr. Selchan discussed the recent rainfall and the pumping completed in the east and west basins, as a result. He noted the level in the east basin has been allowed to go up to nearly 9 feet, to allow the dredger better access to the culvert pipes. He indicated, as soon as they are finished, the water level will be lowered, as it is hurricane season.

In response to Mr. Morera’s question, Mr. Selchan confirmed the dumpster being used by Fish Tec belongs to them and will be removed at no expense to the District.

Mr. Hulett thanked Mr. Selchan for bringing his crew to tonight’s meeting.

d. Manager

i. Unaudited Financial Statements as of June 30, 2010

Mr. Wrathell presented the Unaudited Financial Statements as of June 30, 2010. He noted the cash balances are missing and will be emailed to the Board first thing tomorrow.

On MOTION by Mr. Morera and seconded by Ms. Heafy, with all in favor, the Unaudited Financial Statements as of June 30, 2010, were approved.

ii. Update: City Public Works as Potential Backup Operations Facility Location

Mr. Wrathell indicated Mr. Paton contacted Mr. Richard Michaud regarding available locations within the city and referred to the email and maps in the agenda.

iii. NEXT MEETING DATE: September 15, 2010 at 6:30 P.M.


Mr. Wrathell stated the next meeting is September 15, 2010.

SEVENTEENTH ORDER OF BUSINESS Adjournment

There being no additional business, the meeting adjourned at 9:25 p.m.



Secretary/Assistant Secretary



President/Vice President