

**MINUTES OF MEETING
SUNSHINE WATER CONTROL DISTRICT**

A special meeting of the Board of Supervisors of the Sunshine Water Control District was held on Thursday, July 26, 2007 at 6:30 p.m. in the Commission Chambers at Coral Springs City Hall, 9551 West Sample Road, Coral Springs, Florida.

Present and constituting a quorum were:

Mary Macomber	President
Dave Hulett	Vice President
Philip Sobers	Secretary

Also present were:

Bob Nanni	Manager - Severn Trent Services
Bob Koncar	General Manager - Severn Trent Services
Ed Goscicki	Severn Trent Services
Bruce Cranmer	Attorney
Dr. Irving Rosenbaum	New Community Strategies
John Petty	District Offices, LLC.
Janice Moen Larned	District Offices, LLC.
John Hunt	Wrathell, Hart, Hunt & Associates
Craig Wrathell	Wrathell, Hart, Hunt & Associates
Michael Szymonowicz	Wrathell, Hart, Hunt & Associates
Diane Manza	Severn Trent Services
Brenda Schurz	Severn Trent Services
Pamela Rower	Severn Trent Services

FIRST ORDER OF BUSINESS

Roll Call

Ms. Macomber called the meeting to order and Mr. Nanni called the roll.

SECOND ORDER OF BUSINESS

Presentation and Review of Proposals for Management Services

Mr. Nanni stated the guidelines are basic. We will have 15 minutes for presentations and 15 minutes for questions. Only the proposers are expected to be in the room.

Mr. Cramner stated this meeting was advertised as a public meeting and the Board has the flexibility to vote and select a candidate. We request anyone employed by or associated with any of the applicants to please leave the room. We turned off the microphone so applicants cannot hear each other's presentations ahead of time. The Board may decide at the end of all presentations to call some of you back for follow-up questions.

Ms. Macomber stated at this time, the only individuals in this room are the Board members, representatives of NCS and members of the public.

A. New Community Strategies (6:30 P.M.)

Dr. Irving Rosenbaum, President of New Community Strategies gave a presentation on his company and highlighted the following:

- Provides services to Special Districts and municipalities.
- Established in 1994.
- Was the City Manager of Broward County for 25 years.
- Participated in the incorporation of Weston and City of Ft. Myers Beach.
- Strategy is to emphasize the value of single purpose districts as there is no clear indication in the Florida Statutes of the value of the purpose and advantage of special districts.
- Uses cutting edge strategies from the university and business setting. Takes a different approach of using different innovations.
- Feels every district has different characteristics and demographics.
- Resident of Broward County for 35 years.
- Feels the environment has changed with infrastructure to be replaced and upgraded and resident demands.
- *Serves the following clients:*
 - Coral Bay CDD (Margate)
 - Belmont Lakes (Davie)
 - Pembroke Harbor (Pembroke Pines)
 - Indian Trail Improvement District (298 Drainage District)
 - City of Miami Gardens - Contract Finance Department Services (New City of 100,000 Residents)
 - Village of Bar Harbor - Contract Finance Director
 - Town of Southwest Ranches – Auditing Services
 - City of West Park - Finance Department Services
 - Town of Loxahatchee Groves – Administrative and Financial Services
 - Town of Hillsborough Beach – Administrative and Financial Services
 - Vivian Trail
 - Board of Broward County Commission – Project Administrator
 - Broward County – Provide Contract Work

- City of Margate – Grants Administration
- Margate CRA – District Manager
- City of Lake Worth - Interim City Manager

- Recently added some financial services.

- Has been offered grant opportunities and provides training and grant proposal writing services as well as tracking applications.

- Works with surrounding cities, districts and local governments, State of Florida and FEMA.

- Develops comprehensive financing strategies and look at alternatives other than conventional bond issues so the financings can be provided at low costs.

- Has licensed financial software to prepare all types of accounting reports. Tailored to meet the GASB requirements.

- Feels the key to a successful relationship with a management company is providing information quickly and responsively.

- *Staff consists of:*
 - Mr. Matthew Lipman – Operations
 - Ms. Mary Dunning – Grants Coordinator
 - Ms. Kathy Deckert – Accounting
 - Mr. Matthew Rosenbaum – Grants Administration & Finance
 - Mr. James DeCocq – District Manager
 - Ms. Patricia Breslau – Accounting Support
 - Mr. Christopher Wallace – Chief of Finance

- *Business Model:*
 - Use of budgeting principles and investments.
 - Providing customer service to the Board and public.

Ms. Macomber asked can you review your pricing proposal?

Mr. Rosenbaum responded I based my pricing proposal on the budget. It is hard to tell from the budget what work is involved. Based on our experience with other districts, I priced the management function at \$36,000. The Recording Secretary price may be high, but we did not know how many meetings you require. One of our Board's meets continually. The Financial Advisory Services involves Mr. Wallace. Based on what I know about this District, you wanted to look at some financial alternatives. I anticipate the District incurring costs for issuing bonds.

I assumed the Board wished to replace the accounting services along with the management services. Depending on what has to be done, I gave you an estimate. All of this is negotiable.

Ms. Macomber asked with the additional shared personnel, accounting and budget services, is the total cost \$37,500?

Mr. Rosenbaum responded I was trying to extrapolate what it would cost. I may have been high but I tried to make an educated guess.

Ms. Macomber asked what is "Assessment Methodology Preparation"?

Mr. Rosenbaum responded you do not need these services as you already have your assessments in place.

Mr. Sobers asked what banks have you been dealing with in the past?

Mr. Rosenbaum responded Bank of America, Wachovia and Regions.

Mr. Sobers asked what is GASB?

Mr. Rosenbaum responded this stands for Government Accounting Standards Board. The Government Finance Officers Association has been revising the government accounting standards and making changes over the past few years. These are the standards we abide by. They change frequently, especially in the past couple of years.

Mr. Hulett stated in your proposal you mentioned Mr. DeCocq will serve as District Manager.

Mr. Rosenbaum stated correct.

Mr. Hulett stated you mentioned communicating the District to the customers. How do you propose to do so?

Mr. Rosenbaum responded the Board has to make a decision on the methodology. In the past, we distributed a newsletter. We also had meetings with the residents so they could learn about the District. We can prepare a webpage, if this is the Board's desire. We used all of these methods. Having public knowledge in the long run is a great advantage to this Board because the government environment is challenging.

Mr. Hulett stated I noticed on your fee structure, under "Other Services" you show an annual assessment for administration of \$2,000. Is this in addition to your other fees?

Mr. Rosenbaum responded no. This is in case of the special assessment.

Mr. Hulett stated we have shared personnel expenses. This year we will have human resources and customer service with CSID. There are 100 employees for the three districts within Coral Springs. Could your firm take over these functions with the corresponding savings?

Mr. Rosenbaum responded our firm has the capability of performing HR functions. We also have the capability to advise you. If you want us to provide these services, we have the ability to do so.

Mr. Hulett stated in your proposal, you propose no subcontractors and you handle everything within your firm.

Mr. Rosenbaum stated everything is handled within the organization.

Ms. Macomber stated thank you! We appreciate your presentation!

The record will reflect that representatives of New Community Services left the room.

The record will reflect that representatives of District Offices, LLC. entered the room.

B. District Offices, LLC (7:00 P.M.)

Mr. John Petty, President of District Offices, LLC. gave a presentation on his company and highlighted the following:

- Formed in March.
- Staff has combined over 50 years experience in local government, 25 years plus years in special districts as well as experience with Sunshine WCD. Has financial experience with Ms. Janice Moen Larned.
- *Offers the following:*
 - “What You See is What You Get” approach
 - No subcontractors
 - Serves at the pleasure of the Board
 - No multi-year contract
 - 60 day termination
 - Supportive component elements following Gary L. Moyer principle of having single employees for each department
 - Great networking experience
 - Will obtain “economically feasible” services and not use “in-house” staff
 - Associated with Fishkind & Associates, a 35 member consulting agency out of Orlando
 - Allows their clients to select their own engineers, attorneys and consultants
 - As a condition of the contract, all work must be acceptable to the Board
- Would not see a repeat of what happened at Severn Trent Services with managers walking away.

- *Priorities of the District:*
 - Canal bank restoration using a geo-sock to shape the canal banks
 - Hurricane damage restoration
 - Creating a Hydrologic profile: Reports how well the system performs after 30 years
 - Regional water plant: Current process of removing rainwater as quickly as possible does not meet SFWMD's expectations. The plan is for the groundwater table to be maintained at the highest level to hold back water in the conservation areas. Increasing the water table another foot will have a huge impact on water availability.
 - Communication with residents
 - Efficiencies and keeping assessments down by Interlocal Agreements and relationship with sister districts
 - Veteran staff with Mr. Cory Selchan as Field Superintendent and Mr. John McKune as CIT (30 years experience). Concerned with Mr. McKune spending more money than budgeted. Knowledgeable engineers with CH2M-Hill.
 - Does not feel anything will happen in four months

Ms. Macomber asked can you review your fee structure?

Mr. Petty responded we tried to do the simplest we could in a proposal and offering services at or exceeding the levels you are currently experiencing at the same price you are currently paying. We felt the Board could evaluate what we are offering. We are not asking for additional money or offering an alternative model. The contract is subject to negotiation and we serve at the will of the Board. We can work on capital improvements; work as administrators or as managers. For comparison sake, we wanted to show the same structure.

Mr. Sobers asked do you intend to follow the ideals of what Mr. Moyer established?

Mr. Petty responded as much as I admire Mr. Moyer, who formed my working knowledge of districts, I like to think I have a new spin on things. I have more operational experience than Mr. Moyer and my style of management is different. I get out with the guys and talk with the engineers. My model is to provide economies, a business solution; not a bureaucratic one and serve the Board. My job is to implement the policies of this Board. I am supposed to bring options and information to this Board in order for you to make decisions with the best information at your disposal. I am not supposed to be the one telling the Board what I think is best. I may give a recommendation but I am not a policy man.

Mr. Hulett stated you mentioned you were not providing accounting services.

Mr. Petty stated we do not have in-house accounting services. We currently offer in our proposal the same services you currently have budgeted. The accounting services are provided by CSID. We do not plan on building an accounting system in our firm. I watched this occur for 25 years. We did this because other agencies did not have governmental accounting experience. This is not the case today. Those services can be purchased under the current contract. I do not think I can compete with the big companies.

Mr. Hulett stated you give Fishkind prominent play in your proposal. What services do they provide for you?

Mr. Petty responded methodology services, if there was a change in our Plan of Reclamation. If we change our Plan of Reclamation, which is what SFWMD is asking us to do now, the current Assessment Methodology may have to be changed. We will then recommend to this Board we hire an Independent Financial Analyst, which Fishkind & Associates is.

Mr. Hulett asked how long were you the District Manager for Severn Trent Services?

Mr. Petty responded a little over a year and a half. I spent a period of time with what turned out to be the biggest construction project we had since we built this community.

Mr. Hulett stated you made a comment about Mr. Selchan being a pain.

Mr. Petty stated I have known Mr. Selchan since 1990. I was a licensed operator in water and wastewater in the State of Florida. I was also a licensed Aquatic Applicator, which is what Mr. Selchan is. I operated stormwater management systems in the new age style where you do retention and provide treatment. I tend to be somewhat competitive with Mr. Selchan because I performed his job. I think he is one of the best maintenance operators the District can possibly have. He is a pain because he is as opinionated as I am.

Mr. Sobers stated so this was a professional comment.

Mr. Petty stated we actually get along quite well. Mr. Selchan does not have any problem telling me exactly what he thinks.

Ms. Macomber stated thank you! We appreciate your presentation!

The record will reflect that representatives of District Offices, LLC. left the room.

The record will reflect that representatives of Wrathell, Hart, Hunt & Associates entered the room.

C. Wrathell, Hart, Hunt & Associates, LLC. (7:30 P.M.)

Mr. John Hart, Managing Partner with Wrathell, Hart, Hunt & Associates highlighted the following:

- Does not only provide management/financial services.
- The firm tries to find ways to work closely with their clients, especially in times like this, when the budgets are always under pressure.
- Looks for ways to find cost effective savings without taking away services.
- Recognizes having good relationships and partnerships takes away fractured energy and brings people together in a common cause.
- Believe people should work cooperatively with each other and respect each other is a way to move forward.
- Prepared to assist the Board in making partnerships with the city more viable as they have the municipal and the management side to facilitate those opportunities.

Mr. Craig Wrathell, Managing Partner with Wrathell, Hart, Hunt & Associates gave a presentation on his company and highlighted the following:

- Formed in January of 2005.
- Worked in this industry for 10 years.
- Unique company able to inceptively deal with client needs.
- Serves 40 governmental clients with primary focus on Special Districts; including CDDs as well as 298 districts.
- Involved in the creation process of many districts. Experience in the creation of a district from the ground up and building the infrastructure to serve the district and the community.
- *How WHH&A Can Benefit Sunshine WCD:*
 - Understanding of the Charter and the true mission of the District
 - Can determine what infrastructure the District serves to its constituents
 - Understanding of the state of the infrastructure
 - Understanding of the operational components
 - Excellent staff and resources
 - Understanding of goals and objectives of the Board and residents

- Partners and staff have municipal experience.
- Able to adjust their services to reflect the need of the District.
- Looks outside of the box to see what opportunities are out there for the District.
- Partners and Senior Associates have over 100 years experience related to serving Special Taxing Districts and local governments throughout the State of Florida.
- Does not take a “cookie cutter approach” in dealing with each client. Caters to the specific needs of the community and provides a strong personal relationship with their clients by building a relationship of trust.
- Feels the role of manager for the District is to be an advisor as well as to handle the day to day operations.
- Successful when the community is happy with the Board and the direction of the Board.
- Main office is located in Coconut Creek, north of the Sawgrass Expressway on Lyons Road. Mr. Wrathell works from this office on a daily basis.
- Serves clients around the state; anywhere from CDDs to 298 districts including Spring Lake Improvement District, Big Cypress Improvement District and Collier Enterprises.
- All employees work for WHH&A and there are no contractors.
- Believes accountability is incredibly important within the internal organization to insure the work coming out their office is of the highest quality.
- *Credentials of Mr. Wrathell:*
 - Served as First City Manager for the City of Marathon
 - Long time resident of Coral Springs since 1976
 - One of the founding partners
 - Managed over 60 Special Districts throughout Florida
 - Graduate of the University of Miami
- *Credentials of Mr. Hart:*
 - Partner and executive of a 275 employee engineering firm
 - Served in public office for over 20 years, particularly in Broward County
 - Served on the Broward County Commission for eight years
 - Recognized as a leader in Broward County and the state for the last several decades

- Senior Executive for 25 years
- *Credentials of Mr. Szymonowicz:*
 - Key member of the team
 - Worked for Severn Trent Services
 - Developed capital infrastructure financing programs for Special Districts and municipalities
 - Involved in the issuance of over \$400 million worth of tax exempt debt for over 20 districts and local government bond issues
 - Managed and prepared budgets with annual operating expenses of \$20 million
 - Involved in the preparation of Assessment Rolls
- Tries to develop a unique relationship with their clients. Many clients are friends.
- Provide a full gamut of management, financial and certain political expertise.
- Serves at the pleasure of the Board and follows the direction of the Board.
- Will not dictate to the Board how to run the District but when directed to, will work in a cooperative fashion to the degree of making the Board effective in serving the needs of the constituents.
- Have successfully transitioned a number of districts from industry competitors. Inputs every single transaction when a district is transitioned in order to clean up the financial statements.
- *Administrative Employees:*
 - Ms. Katey Selchan (Also a Municipal Clerk)
 - Ms. Daphne Gillyard
 - Ms. Debbie Tudor
- Maintenance of the public records meets and surpasses all state requirements.
- *Facts about Sunshine WCD:*
 - Established in 1963
 - Bordered on the north by Wiles Road, on the west by the Sawgrass Expressway, on the south by Royal Palm Boulevard and on the east by Rock Island Road.
 - Water flows occur from the north to the south when the water levels are at a high level. When the levels are low, the waters move from the south and recharge the system.

- The West Basin is west of University Drive and is served by four propane power pumps, which pushes the water down. The East Basin is east of University Drive.
- Have excellent field staff and contractual relationships with CSID, adding value as the State of Florida encourages local governments to work together.
- *Proposed organizational structure:*
 - Mr. Wrathell will serve as District Manager
 - Mr. Hart will serve in governmental relations and deal with establishing relationships with the City of Coral Springs and issues at the legislative level
 - Current District Attorney and Engineer
 - Mr. Szymonowicz will provide fiscal and assessment services
 - Ms. Selchan will serve as Recording Secretary
- Feels their goal is to support the current staff to insure they successfully perform their responsibilities.

Mr. Hart stated it is fairly obvious we have the technical and management expertise to make a smooth transition, should you hire us as your Manager. I am not here to thank Mr. Wrathell and Mr. Szymonowicz for demonstrating their knowledge and expertise but to recommit ourselves to you as we did in our proposal. This is not something we are trying to win or bidding just another job or district. We are trying to create another partnership and some good public service opportunities on behalf of the Board and the community you serve. We want to work closely and in conjunction with you to achieve those goals.

Mr. Sobers asked how do you travel to the various districts?

Mr. Wrathell responded I travel to different clients throughout the State of Florida. At this time, I serve as the District Manager for eight districts. Many of the districts I currently manage are newer districts. Compared to most of the management companies in the business, this is not a large case load. At one time, I was actually managing 25 districts. This made it incredibly difficult to be successful to many clients. I am actually more unrestricted these days than before even though I am running the organization due to our strong staff, which helps me to get the work done. Mr. Szymonowicz is the brains behind me and he has far more expertise in certain areas. Many times I do not do all of the work myself. Once I am assigned to managing a client, you get my full undivided attention.

I am always available on my cell phone and irregardless of what time I receive your message, I will return your call. I always try to return my phone calls the same day or in a worst

case scenario, the next morning. If I am on vacation, my office always knows and understands and if any calls come in, they are handled. One piece of the strength is the manager and obviously you get 100% dedication on my side. The other half is the strength of the team behind the manager. In any organization, if you do not build up a strong team behind, I do not care who you are, you will not be successful. I like to think because of my experience, I am able to sift through problems and perhaps solve them quicker than someone with less experience. I am a relatively young guy but I earned my battle scars relatively early in my career.

Mr. Sobers stated I noted your furthest district is in Seacrest Beach but your headquarters is in Coconut Creek. Do you fly to Seacrest Beach?

Mr. Wrathell responded we have a staff of four managers in addition to me who work within the organization. Most of the clients are managed by local managers. My involvement is usually with specific districts. If it is an older district or a new one, I am typically the individual who gets them set up and turns them over to a local manager. I am the local manager for the South Florida market

Mr. Sobers stated I want to compliment you on the research done. It was very thorough and impressive.

Mr. Wrathell stated thank you. Mr. Szymonowicz deserves much of the credit.

Mr. Hulett stated what you are proposing is for your company to provide all services; accounting, financial consulting and recording. Is this correct?

Mr. Wrathell responded yes.

Mr. Hart stated in some of our research, we recognized there is a number in the budget in regards to our management services. We will commit to execute our responsibilities the way we described tonight under the constraints of the budget you already approved.

Mr. Hulett stated I think it is positive to have a local manager. I personally like the idea of having the District Manager physically located in the area. This is very important to what we are doing. I was happy about the proposal you made regarding strengthening our partnership with the City of Coral Springs. The District has had some past concerns along these lines and it has improved over the past several months. I think there are many things we can take advantage of by partnering with the city in the areas of communication to residents and taxpayers in regards to District actions. I was pleased to see these recommendations in your proposal. It was very impressive.

Mr. Wrathell stated I appreciate hearing this because we provide our services like a business. We are experts in serving local governments. We try to be as efficient as possible. I learned through early parts of my career the difference between building bridges versus burning relationships when possible. Clearly and legally from the perspective of any special district in Florida when you look at the State Comprehensive Plan or even Local Comprehensive Plans, it is encouraged for local governments to work well together. Clearly we can benefit from some efficiencies in working with the municipalities. The Board certainly wants to build this trust to the point of where the trust is strong again between the city and the District. It will make your job much easier and certainly the Board wants to go there. When catastrophic events occur such as hurricanes, you are able to respond quickly and cooperatively. This will make everyone look good and serve the residents as quickly as possible. As much as you prepare sometimes they are always worse than you expect.

Ms. Macomber stated what impressed me was how highly respected Mr. Hart is in the legislative community. This is definitely an asset in terms of knowing what is occurring in Tallahassee.

Mr. Hart stated they play some games up there every time they get into session and you never know what they are going to do. We are active members in the Association of Florida Community Developers and keep a close pulse on what is occurring in Tallahassee. Sometimes the legislation can change so as to disinfest your ability to serve your constituents. We want to make sure we intervene in this process before it takes place.

Mr. Wrathell stated we take an active role in helping when necessary in supporting legislation. If we feel the legislation out there is bad and will negatively impact the District and residents, we will participate in the process to make sure the legislation did not get ultimately approved.

Mr. Sobers asked have you had cause to bring a consultant to a Board in terms of independent legislation or legislation in Tallahassee?

Mr. Hart responded we have not found it necessary to do so because I have 36 years experience in the Florida legislative process both in local and regional government. We feel we can tap into the network and trust established. We try to deal specifically with the purpose of what we are trying to get accomplished and reduce the political level. However, we do not think at this point in time, there is any need for us to reach outside of our own strengths.

Mr. Hulett asked if you or your staff have to approach city staff whether it is the Marketing Department or Mr. Levinson, will you charge us for those visits or is it within the scope of the contract?

Mr. Wrathell responded it is within the scope of the management fee. This is a good question and a very important one. When we get new clients, whether existing or new ones, we provide the same fees. There are no surprises. Others in the industry may charge for other functions and services beyond the scope. Our services are all inclusive.

Ms. Macomber stated thank you!

The record will reflect that representatives of Wrathell, Hart, Hunt & Associates left the room.

The record will reflect that representatives of Severn Trent Services entered the room.

D. Severn Trent Services (8:00 P.M.)

Mr. Bob Koncar, General Manager for Management Services of Severn Trent Services gave a presentation and highlighted the following:

Depth of Resources

- Over 100 years of combined experience in the State of Florida working with CDD's, Special Districts, Water Control Districts and Drainage Districts.
- Currently have over 100 Districts
- Capital investment is over \$4 billion and \$200 million in district management budgets throughout the State of Florida.
- Prudent team of professionals
- Eight District Managers with over 200 years of experience in local governments and management of communities.
- Currently in the process of recruiting several managers
- Professionals report directly to the Boards

What Severn Trent Services Offers:

- Management services
- Operations in the State of Florida
- Utility functions
- District Managers are dedicated to the continuation and improvement of districts served by Severn Trent Services.
- Provide daily operations in:
 - Accounting & Financial Services
 - Capital Planning and Programming
 - Insurance and Bond Issues
 - Human Resource Functions
 - Field Operations

- Included within the accounting and financial services are:
 - Bond Financings and Refinancings
 - Assessment Methodology Services
 - Investment Management
 - Budgeting Services
 - Treasury Services
 - Assessment Collections
 - Capital Improvement Programs
- Records Management Services
- Insuring compliance with State of Florida and federal requirements
- Assists in meeting all public records requirements
- Environmental regulatory compliance
- Public bidding law
- Financial compliance
- Project management

What Separates Severn Trent Services from Other Management Companies:

- Ability to provide emergency backup services. Records are electronically stored in Houston and Pennsylvania.
- Can provide quicker recovery services
- Experience with hurricane recovery procedures during 2004/2005 hurricane season
- Provides \$2 million in professional liability insurance and \$1 million in commercial crimes insurance at no additional fee.
- Operations in 38 states and international operations
- Due to the size and scope of the services, capability of staff and proven experience in Florida

Mr. Robert Nanni, Managing Partner highlighted the following:

- Mr. Koncar will be relocating to Coral Springs
- Serves at the will of the Board
- *Credentials of Mr. Nanni:*
 - Served as an Assistant City Manager, City Public Works Director and Assistant Administrator for Palm Bay.
 - Worked for the city where the Melbourne Tillman Water Control District was located.
 - Can provide expertise in good and beneficial city and county relationships
- *The management team will consist of:*
 - Mr. Ed Goscicki – Assistant District Manager
 - Ms. Pamela Rower – Chief Financial Officer
 - 100 dedicated management employees in Florida

- Can provide regional or national assistance
- Good working relationship with employees of CH2M-Hill and Mr. Richard Michaud from City of Coral Springs.
- Team effort approach where many skills and abilities will be required in order to be successful.

Mr. Ed Goscicki, Assistant District Manager highlighted the following:

District Challenges:

- Dealing with hurricane recovery and drainage system restoration. Approximately 90% complete.
- Improving pump stations
- Canal system improvements. Engineer performed an analysis and modeling of the system.
- Keeping assessments stable
- Build synergies with neighboring governments, i.e. City of Coral Springs and optimizing those relationships without sacrificing the autonomy of the District.
- Balancing customer expectations within fiscal constraints

Severn Trent Services has:

- Built an effective team, not just with staff but more importantly with District Engineers, District Counsel and District operating staff.
- Come together well as a functioning group, which understands each other and the roles and responsibilities.
- Staff bringing the experience in building interlocal relations, interlocal agreements and cooperative framework.
- Understanding in the state and local regulations
- Shown proven success in balancing capital requirements with available fiscal resources to make these programs work and moving them forward without going over budget.
- Excellent working relationships with local communities
- Unparalleled expertise in fiscal management
- An understanding of the details to the big picture as shown in our abilities to manage the projects, manage the budget and looking at long term capital planning and programs.
- Provided sole source complete integration of fiscal services.
- Trimmed the Administration Budget by 30%.
- The ability to make sure your needs are never short changed.

- *Credentials of Mr. Goscicki:*

- Served as Director of Environmental Services for Broward County for nine years.

- Worked closely on the issues in Broward County and the issues with Sunshine WCD in relation to the regional system, SFWMD, DEP, the Regional Water Supply Plan and reuse.

Benefits to Staying with Severn Trent Services:

- Provide client optimized services.
- Can customize our programs to suit client's needs.
- "Do not have a one fee fits all" approach.
- Can provide the level of expertise needed to serve the District.
- Fully understands the District needs due to long-term formal and informal history. Has served as Manager since 1976 and providing services since 1968.
- Mr. Gary Moyer, founding member is still with Severn Trent Services.
- Have the depth of experience and local presence and commitment.
- Corporate office is in Coral Springs on University Drive. Over 50 employees providing accounting and records management services.
- Demonstrated operational excellence. Contract and operate water and wastewater utilities around the country.
- Bring technical expertise to the table.
- Been the industry leader and continue to be the industry leader.
- Shown you the proven quality and reliability of services.
- Were able to fully run the District after Hurricane Wilma.
- Want to be your partner for the long term.

Solutions:

- Outsource the accounting to CSID
- Have Severn Trent Services provide the fiscal management and budgeting
- Reduce fees but increase services
- Share employees and resources with Pine Tree WCD, CSID and NSID
- Build synergies to optimize costs

Ms. Macomber asked is Mr. Nanni living in Coral Springs?

Mr. Nanni responded no. You are confusing me with Mr. Koncar who is relocating. I operate out of the Orlando office but will drive down for meetings.

Mr. Goscicki stated we thought long and hard about this. We did not do another switch. We thought it was more important to keep the continuity of managers. The local expertise will come from Mr. Koncar who will be living here shortly and from me who has lived here for over 10 years. You are getting the team along with the other members of our staff who live here such as Ms. Marilyn Murphy, Ms. Pamela Rower and Ms. Brenda Schurz. We have over 50 local employees.

Mr. Nanni stated Mr. Moyer is joining us as a contracted employee in our Celebration Office. He will be taking over meetings when I am unable to. I would not just be here for meetings. There are times when there are going to field and technical reviews, which I plan to be present for.

Ms. Macomber stated the concern I had in the past is we saw a lot of changes. This caused problems because as soon as we were used to the new District Manager, they left.

Mr. Nanni stated this is why we are doing what we are doing. I will make the trips here. Let's face it; I probably drive the same amount of time in the Central Florida area. We want to provide the stability we think you need.

Mr. Goscicki stated we recognize this is an important issue. You need this continuity in the management.

Mr. Sobers asked what is the size of our District in terms of acres?

Mr. Goscicki responded it is one third of the city of Coral Springs. I could not relate this to you in acres as I do not think in those terms.

Mr. Sobers asked what is Mr. Koncar's estimated date for relocation to Coral Springs?

Mr. Koncar responded I need to get here sooner rather than later. I am currently the Regional Manager for the Jacksonville/Northeast Florida area. As soon as I find someone to replace me, I am going to reside here permanently. I am here several times a week and will continue to be here because this is where the headquarters are located.

Mr. Goscicki stated Mr. Koncar runs the management business for us.

Mr. Koncar stated the reason we took this step is because we understand how important it is. Once a District Manager leaves, you do not want to have a series of District Managers. This is why we brought someone in right away who had the expertise to run the District. We have another position we are trying to fill in Coral Springs. Eventually we will have some District Managers in the local area but we did not think it was fair to you to keep changing District Managers.

Mr. Sobers asked did our previous District Manager resign?

Mr. Goscicki responded yes. He was under suspension. It had nothing to do with his performance as a District Manager. It had to do with internal issues. He was suspended pending review of the situation and during the suspension he resigned.

Ms. Macomber stated it concerns me to have Mr. Nanni here. You are taking the other three districts. Why did you not take all of them?

Mr. Goscicki responded I do not live here. I live in Sarasota but I am here a great deal managing those districts. Mr. Nanni and I work closely together and plan to continue this way in the future. It takes the right technical skills and right people with the right background rather than worrying about geography. Four years ago, we literally had District Managers covering the state. Most of our managers travel around the state. We had managers living in Coral Springs managing districts here in the panhandle and managers in Orlando managing districts here. We streamlined this system as much as we could and tried to get local resources and keep them local. It is more effective for us and keeps us closer to the client. It is also about having the right people and having them travel. We wanted to get the right people in here and deal with the inefficiencies of the travel. This is our problem.

Mr. Koncar stated we will have a full-time District Manager in Coral Springs in addition to myself.

Ms. Macomber asked does this mean Mr. Nanni will not be full-time and you are going to replace Mr. Petty with someone else?

Mr. Koncar responded yes, but this is another District Manager position. We have the local resources here if the Board feels this is more important than the background Mr. Nanni has. I just wanted to make sure you understood this. We are not taking someone from across the state and bringing them here because this is the only choice we have. We spend a great deal of time recruiting District Managers because they are the heart of the business. We want to get the best people we can with the best background.

Mr. Hulett asked since Mr. Nanni has been the District Manager for the past four months, can you tell us how you are interacting with our Field Supervisor? Managing the District has to do with working with the people out in the field on a day to day basis. Do you make a trip down to meet with Mr. Selchan from time to time or do you talk to him over the phone? What is your weekly interaction in terms of the supervision of the District even though you live in Celebration?

Mr. Nanni responded from the type of business coming forward over the past few months, it has been satisfactorily meeting with field staff over the phone or through emails. It is not so much a direct daily supervision of Mr. Selchan but more of a relationship with your

engineering and technical people. We have discussions with them in terms of whether some technical items should be a part of your agenda or whether change orders should be issued. In this day and age, it is not so difficult to do business through email. This is the way it has always been done. We got wrapped up in this RFP process but this does not mean in the future, as an extension of your business with us, I will not be here much more frequently.

Mr. Goscicki stated one of the items I assisted Mr. Nanni on was the field side because Mr. Selchan works out of the CSID office next to Mr. Fredericks. Both of them serve CSID and work out of the same office. I have had more of an opportunity to interface with Mr. Selchan than Mr. Nanni. Another challenge for us has been the budget and the financial issues and making sure those get straightened out. This is one of the ways we work together as an effective team. While I am here, I meet with Mr. Selchan to check on some issues and then check with Mr. Nanni to get up to speed. This is one of synergies by having him a part of the same organization.

Ms. Rower stated I met with Mr. Selchan on several occasions. The budget has been at the forefront. Mr. Selchan came to our office on several occasions to go over the capital improvement project list and prioritizing those items. He does not only have conversations with the District Manager but from a financial perspective I have been meeting with him. I relay this information to Mr. Nanni. I also met with Mr. Selchan in regards to chemicals and the culvert cleaning and fish situation. This information has also been relayed back to Mr. Nanni.

Ms. Macomber asked do you live here?

Ms. Rower responded yes. I know we are focusing a great deal on District management but because of my background, a lot more goes into the District than what you see. We have strong areas protecting the District when it comes to records management. Our record retention system protects the District because there are many state statutes requiring us to retain certain information and to allow this information to be released to the public. When it comes to accounting, most of the other firms use Excel Spreadsheets and many things are done manually. We have spent almost \$500,000 on a database mainframe computer system to integrate the accounts payable. As soon as invoices are paid, it automatically gets posted to the General Ledger.

Many items not discussed give your District confidence that you are fulfilling the statutory requirements in the accounting area as well as the disaster recovery area. We work

very closely with our IT people to make sure all of our backup systems are in place in case anything happens. When Hurricane Wilma hit on October 25, 2005, over 100 Districts had debt service payments due on November 1st. We did not miss one single debt service payment because of our backup systems and our ability to work with others. I know District management is very important to you and it is a component, but running the District takes many people with a lot of expertise. This includes recording, District management and accounting. I wanted you to know what takes place behind the scenes protecting you as individuals and the District with our expertise.

Mr. Goscicki stated I think Ms. Rower said this very well. It is a team effort and this is the message we are putting out. It is a team on our part as well as the other team members of the District staff. This is what makes it all work.

Mr. Hulett stated in your scope of services, the fee you are suggesting includes all accounting, financial, consulting, recording and management services. You talked about bringing the human resource function in-house to Severn Trent Services. We budgeted \$12,000 to continue this relationship with CSID but we did not have discussion about it. Has your thinking changed?

Mr. Goscicki responded no. I apologize for the confusion. We will continue to use CSID as the human resources function in terms of payroll, personnel and record keeping. What we will bring on is a more senior level Human Resources Manager who serves our region in Florida so when difficult issues come up to where we need more expertise; whether claims against the District for unfair legal practices or some action needs to be taken against a District employee, we bring this expertise in as part of our basic fee.

Ms. Rower stated I frequently speak with Mr. Jan Zilmer who runs the Human Resources Department to look at the pension plan being utilized for the District employees to see if there is a better value to get these pension programs to your employees and give them more benefits.

Mr. Hulett stated you made a point of some insurance services being provided at no additional cost. Can you tell me what services those are?

Mr. Nanni stated since we handle the finances for the District, we provide insurance to the District in the form of a \$2 million professional liability insurance policy and another \$1 million in coverage for professional crimes. If the District's money was misplaced, you have coverage up to \$3 million. Not to mention the fact, Severn Trent Services is standing behind it.

We are a \$4 billion company. This is important to you because as your attorney will tell you, the District members as individuals become responsible. This is why you need to make sure you are fully covered with insurance and the firm you are doing business with has the ability to stand behind anything that may happen.

Mr. Hulett stated you are providing our D&O rather than our insurance broker who is providing the liability on the equipment.

Mr. Nanni stated those are two different things. Through the District budget we provide the general liability insurance for the Board members. Under a separate policy, Severn Trent Services provides you with an additional \$3 million in insurance at no additional cost.

Mr. Hulett asked within the scope of your management fee?

Mr. Nanni responded yes.

Mr. Hulett stated we have been discussing communication services a great deal and it has been brought forward that Severn Trent Services has some considerable communication resources. I am curious about your thinking as to utilizing some of those services to get the word out to the local community or to our customers and why you have not been doing this in the past.

Mr. Goscicki stated the communication service is our internal Marketing Department and business development group. They obviously have a tremendous amount of expertise in external communications and public relations because they are helping us to market our business. However, it is not a normal service we do as part of our basic fee. We do this in terms of developing public information documents but we have a skill we can bring to the table. This is the type of issue we need to talk to the Board about in more detail in regards to the best way to move forward and how we can provide this service.

Mr. Nanni stated there were also some discussions about joining the City of Coral Springs on this matter.

Mr. Hulett stated no matter how this matter comes to fruition tonight or in the future when we make the decision on the management, I want to compliment Ms. Rower for her assistance with the budget. She went beyond the call. I was pleased to have the opportunity to sit down with her. I also appreciate the graciousness of the company in assisting us with the RFP process even though you may or may not end up in the position you want. You did the right thing in working through this process with us. I appreciate this effort.

Ms. Macomber stated thank you for presenting to us.

Mr. Goscicki stated what is important to us is we want to be the kind of firm you want to work with. Hopefully we have shown you this.

The record will reflect that representatives of Severn Trent Services left the room.

Mr. Cranmer asked do you wish to call any of the presenters back for additional questions?

Mr. Hulett responded I have additional questions for Mr. Wrathell in regards to disaster recovery.

The record will reflect that Mr. Wrathell entered the room.

Mr. Hulett stated during your presentation, you did not touch on the issue in regards to disaster recovery procedures.

Mr. Wrathell stated from our organizational perspective, we have a couple of procedures in place. A number of our records are stored with Iron Mountain, which a number of municipalities and local governments use. From the District's perspective, our records and files are stored on a computer system. Every single night we back up all of our data on a tape system. When storm events occur, depending on where the storm is coming from, we will either take the backup material out of state or send it to another area of the state. We went through this with Hurricane Wilma.

Ms. Macomber asked do you still deal with tapes? Do you have discs?

Mr. Wrathell responded we have a high density tape component. Our system is only two and a half years old. We are not using the old style tapes. We have a server, which backs up the data and holds an incredible amount of data.

Mr. Hulett asked after Hurricane Wilma, were you able to maintain all of the accounting functions?

Mr. Wrathell responded yes. The only issue we had was the power component. We obviously had to shut down our system when the storm arrived and took all of the data with us offsite. When the power was restored, we were able to get fully functional. At the time our office happened to be in Delray Beach and we were only out for three days. We had the capability to take the data, if necessary, to bring to an alternative location. This is the intent of the backup.

Ms. Macomber stated one of the concerns I had was with the financials because you had not addressed this.

Mr. Wrathell stated as far as the strength of the team from an accounting perspective, Mr. Szymonowicz is our number one guy.

Mr. Sobers stated Ms. Macomber is talking about the financial strength of the firm.

Ms. Macomber stated you did not provide financials, which causes some concern.

Mr. Hart stated as one of the capital partners of the firm, we are enjoying the luxury at this point in time, two years into our ownership of having a positive cashflow. We have no debt. We are not just paying our bills; we are reinvesting our assets into additional resources for the firm. We are not throwing money out at this point in time but putting money back in. We are not under any kind of siege by any changes in the real estate market. We are not only showing cash positives now but we are showing cash positives for the next two years, with no new districts coming on board. To be candid with you, we very careful to not try to get into a game/comparison with a firm backed by a billion dollar firm overseas. We did not want to show all of our finances in this respect. If we are fortunate enough to be hired by the Board, we will be happy to sit down and reveal our finances to you.

Mr. Wrathell stated we are not concerned about sharing the way we structure our organization with you but this is an issue with our competitors and understanding what we pay our personnel.

Ms. Macomber stated I understand.

Mr. Hart stated if we are blessed with the opportunity to serve you, you can have copies of every document we have.

Mr. Hulett asked are you willing to share your financials during the negotiation process to alleviate any concerns? As you recall from the RFP, once we select the firm, we move into the negotiation process of the contract?

Mr. Hart responded yes.

Ms. Macomber asked what type of transition plan do you propose?

Mr. Hart responded before Mr. Wrathell answers this question for you, I want to share with you besides one or two of the first districts we received, the next 11 or 12 were districts transferred from Severn Trent Services. The first two we received from them had bumpy transitions because we were not sure we received all of the records and were not sure the records were accurate. What we thought was going to be a smooth transition period, turned out to be 60 days but we were working 14 to 16 hours a day trying to figure out what the data was. It has

become very systematic. Right now, the transition for us is smooth because we have a good working cooperative effort on these issues with Severn Trent Services. If this happens to be the case, we are finding the transition is pretty seamless. Sometimes we run into problems because of record and financial keeping issues. We actually do a pre-audit of the information coming over to make sure nothing is missing. We have not had a "burp" yet as far as this process is concerned. We probably acquired about 16 to 17 districts from Severn Trent Services.

Mr. Wrathell stated there is a termination provision in the Severn Trent Services contract of 60 days. If we are fortunate enough to be selected, when the Board authorizes the termination of the contract, it starts the 60 day clock. As part of this termination process, we will work with your Attorney. Typically we need to get resolutions passed to put us in certain officer positions so we can operate the District. We do not want to have a negative financial hit on the District so what we customarily do is once the Severn Trent Services termination notice is given, we do not charge you during the 60 day period so you do not have to pay twice.

In every instance, Severn Trent Services has required payment during the termination period. We will also work closely with the Attorney to prepare the termination letters and initiate the document and file transfer so we can get the financial aspects taken care of as fast as we can so bills are not being delayed for payment. To be fair to Severn Trent Services, they have actually been very cooperative during the process and we have a good working relationship with them in the sense we work well with their staff. We recently did a transition where a good 45 days into the transition, we usually receive the records. They have done a good job of paying the bills and when we receive the records, we are in the position to take over immediately. Depending on the necessity, we will actually bring some of our key staff members over to learn more about the District and meet the players so they know who they are dealing with.

Mr. Sobers asked did you discuss insurance liability in your presentation?

Mr. Wrathell responded no.

Ms. Macomber asked could you enlighten us because it is in the proposal?

Mr. Wrathell responded it was not discussed in our presentation. We have professional liability and errors and omissions insurance. I do not recall the exact amount of the coverages.

Mr. Hulett asked what covers the Board?

Mr. Wrathell responded we can name you as an additional insurer on our policies to protect you. Typically the districts will have their own D&O and general liability insurance. We

are able to insure our people within our organization. If there ever are any issues, you are protected. We work with St. Joe and they have a litany of insurance requirements. Our insurance policy is outlined on page 32 of our proposal. We have a general aggregate policy of \$2 million and \$1 million per occurrence. We also have automobile liability for an addition million. As stated on page 33, we have an errors and omissions policy of \$2 million per claim and an aggregate.

Mr. Hulett asked is this the policy the Board of Supervisors can be added as additional insurers?

Mr. Wrathell responded yes.

Ms. Macomber asked at no charge?

Mr. Wrathell responded yes. We customarily do this for our clients.

Mr. Sobers asked roughly how many Water Control Districts have you inherited from Severn Trent Services?

Mr. Wrathell responded 18, within the last two and a half years.

Ms. Macomber stated thank you!

Mr. Hart stated we appreciate your time and wish you luck with your decision.

Mr. Cranmer asked do you have any questions for the other candidates?

Ms. Macomber responded no. We can let them all go.

Mr. Sobers stated this has been a very insightful meeting. I would be disappointed if for any reason I was not here tonight.

Mr. Cranmer stated at this point, the Board has to make a decision. Since this is a formal meeting, you have the power to vote or defer your decision for another meeting.

Mr. Sobers stated my analysis of tonight's presentations is that Severn Trent Services and Mr. Petty are a shadow of each other. I cut through all of the data and focused specifically on District Management Services. I was very impressed by WHH&A and what they can do and their track record. I was also impressed by the fact they have done due diligence on researching the District. I entertained one question deliberately to Severn Trent Services and they were unable to answer it. It may sound trivial but in my opinion, it is incumbent to know what you are responsible or in charge of. Due to the fact they have been around for 31 years, they should be familiar with the District. There needs to be stability. The fact that WHH&A is local in addition to the fact they acquired several of Severn Trent Services clients, sends a clear message. I am

very much inclined to contract with Wrathell, Hart, Hunt & Associates, LLC. as the new District Manager.

Mr. Hulett stated I agree. I would not be totally uncomfortable with Severn Trent Services as what I have seen from the beginning of January until now, their services have improved. I was very much impressed with the services provided by Ms. Rower. However, I agree with Mr. Sobers due to the fact they let some things slide a little too long, vis-à-vis the infrastructure in some areas. Even though they managed the District for 31 years, it is not unworthy to do a change at this point. I am glad we had the opportunity to meet them in person. Of the four presentations, my vote would be to go with Wrathell, Hart, Hunt & Associates, LLC.

Ms. Macomber stated what I am struggling with is the fact Severn Trent Services is a huge corporation but I am concerned with the turnover and over the past several months with them not answering my questions. I am very impressed with the proposal from WHH&A in regards to the City of Coral Springs. I have high regard to Mr. Hart and his ability to assist us in forming a better relationship with the city. I feel better knowing they have the insurance. Therefore, we should award the contract to WHH&A pending satisfactorily negotiation of the contract details.

Mr. Sobers stated as well as disclosure of their finances.

On MOTION by Ms. Macomber seconded by Mr. Sobers with all in favor contract for management services was awarded to Wrathell, Hart, Hunt & Associates, LLC., subject to satisfactorily negotiation of the contract details and disclosure of their finances.

Mr. Cranmer stated I will make the formal announcement.

Mr. Sobers stated collectively we worked harmoniously. My approach in analyzing this may have been different but I am a firm believer when you are responsible for assets; you need to know what you are managing in regards to the number of homeowners in the District and number of acres instead of saying, "I will get back to you".

Mr. Hulett stated I feel comfortable WHH&A can bring us through the issues with the pump station and all of the infrastructure questions.

Ms. Macomber stated this is going to be a good thing for our relationship with the city. Mr. Hart has the history of having such a relationship and Severn Trent Services does not.

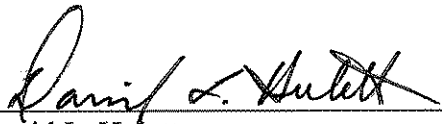
Mr. Sobers stated they are local and their goal is to work in tandem with the city. Mr. Wrathell was nervous because when I entertained the question about how he commutes and got sidetracked.

Mr. Hulett stated they recognized we were looking for someone to physically be here. You can debate the question as to whether this is all that important in this day and age with emails, but I am old fashioned.

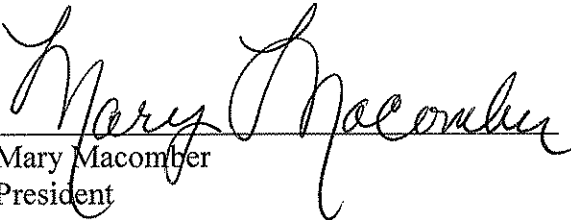
FOURTH ORDER OF BUSINESS

Adjournment

On MOTION by Mr. Hulett seconded by Mr. Sobers with all in favor the meeting was adjourned.



David L. Hulett
Vice President



Mary Macomber
President