

**MINUTES OF MEETING  
SUNSHINE WATER CONTROL DISTRICT**

The regular meeting of the Board of Supervisors of the Sunshine Water Control District was held on Wednesday, August 8, 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:

Ed Goscicki	Severn Trent Services
Bruce Cranmer	Attorney
Cedo DaSilva	CH2M-Hill
Peter Colussy	CH2M-Hill
Pamela Rower	Severn Trent Services
Brenda Schurz	Severn Trent Services
Cory Selchan	Field Superintendent
John McKune	In-House Engineer (CSID & NSID)
Rich Michaud	City of Coral Springs Director of Public Works
Craig Wrathell	Wrathell, Hart, Hunt & Associates
John Hart	Wrathell, Hart, Hunt & Associates

**FIRST ORDER OF BUSINESS**

**Roll Call**

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

**SECOND ORDER OF BUSINESS**

**Approval of the Minutes of the July 11, 2007 Meeting**

Ms. Macomber stated each Board member received a copy of the minutes of the July 11, 2007 meeting and requested any additions, corrections or deletions.

Ms. Macomber stated on page six, in the third paragraph, "non-evasive" should be "non-invasive".

Mr. Hulett stated as a point of clarification, in looking at the list of people present, there are two different engineers present; CH2M-Hill and Mr. McKune, the In-House Engineer.

Mr. Goscicki stated Mr. McKune has no relationship with the District. He shows up out of the goodness of his heart because of his 30 plus year history working with the District. He

does not have a contract with the District. He is an in-house contracted employee for CSID and NSID.

Ms. Macomber stated thank you, Mr. McKune.

Mr. Hulett stated on page three, in the middle of the page, "ex post factor" should be "ex post facto". On page 21, I asked for clarification on having a quorum when participating by phone. I think there has to be a quorum of two supervisors in the room rather than three.

Mr. Goscicki stated correct.

Mr. Hulett stated the next sentence should be changed to "You cannot run a meeting with less than two". Is the sentence "If there are two supervisors in the room and one wants to attend by phone, they are allowed", correct?

Mr. Goscicki responded you need to have a quorum present to have anyone participate by phone. A quorum is two supervisors.

Mr. Hulett stated it is stated correctly. What they were trying to say was you need two supervisors in the room to have a quorum and as long as you do, the other individual can participate by phone.

Mr. Goscicki stated correct.

Mr. Hulett stated therefore, in order to have a meeting; you need to have two supervisors present. Can the person by phone vote as long as the quorum was present in the room with the two supervisors?

Mr. Goscicki responded yes.

Mr. Hulett asked where we are talking about the eight additional culverts, in terms of cleaning those out, are these the culverts under Sample Road?

Mr. Selchan responded one culvert is under Sample Road near Coral Springs Drive next to Burger King. This is one of the areas we want to dredge as soon as we get the program up and running. We have our pipes cleaned. It is just a matter of getting the material south of those culverts removed out of the waterway.

Mr. Hulett asked are there six or seven culverts going under Sample Road?

Mr. Selchan responded yes. They will get inspected and if they need to be cleaned, they will get addressed. Some of those culverts were already addressed in the first bid cleaning. A couple of others were added in the additional work we asked to have done, including the one at the Burger King. Not all of them needed to be cleaned; only the ones in the worst condition. We

started with the worst and went down the list to get to as many as we could clean. We will get as many as we can cleaned again next year.

Mr. Hulett stated on page 19, the minutes reflect “Electric engines are the way to go as they are more reliable due to the fact both stations have power directly to those sites rather than through the FP&L facilities for a small expense. In addition, we will have a diesel generator backup.” It sounds like there is a power source separate from FP&L. It does not make sense.

Mr. Goscicki stated the words “rather than” should be omitted.

On MOTION by Mr. Hulett seconded by Mr. Sobers with all in favor the minutes of the July 11, 2007 meeting were approved as amended.

**THIRD ORDER OF BUSINESS**

**Consideration of Change Order No. 1 with American Earth Movers for Phase II Nuisance Tree Removal for a Net Increase of \$7,550**

Mr. Colussy stated this change order is for some additional work the contractor performed to remove an Australian Pine Tree in the Running Brook Hills subdivision. When we originally looked at the plats and put the location map together, the tree was shown in the District’s easement but the property owner owned the property. However, as we got into the area, we discovered the tree was actually on District property. The contractor did not bid on this tree so this was a legitimate change because it was not part of his original contract. As far as the removal of debris, the six or seven areas listed on the change order were areas either certified by the tree monitors and staff as cleaned by the contractor but later on some unknown person placed additional debris or vegetation within those areas. Staff asked them to go back and clean up those areas.

Ms. Macomber stated this is disturbing because there are so many.

Mr. Colussy stated there are a lot. I believe some of these areas are leftover from the first cleanup and the contractor was asked to go back and clean those areas up.

Mr. Hulett stated what disturbs me is most of these areas are in the Dells where I live. What type of debris was there?

Mr. Selchan responded tree debris. I personally believe these were areas where during our cleanup, if there was a tree in your yard, we cut off the branches at our property line and put the debris in the right-of-way but did not take it. Some people felt the tree originated on our

property so it was our debris and they decided to let us have it back after we left. These costs are minuscule in comparison if we had to bid it out and have someone do this work. We removed a substantial amount of material.

Mr. Hulett asked were there any bicycles?

Mr. Selchan responded it was all vegetation.

Mr. Hulett stated we will certainly address this issue. We have a neighborhood meeting on Saturday for the Dells where I will bring this issue up. We need to communicate with our neighbors, not only should they not be putting debris in the canal but it is their responsibility to keep the banks clear and trimmed back. This is difficult to do as I tried to do this myself on my canal. When I saw the addresses, I knew they were in my neighborhood.

Ms. Macomber stated I appreciate you bringing this to their attention.

Mr. Hulett stated I certainly will.

Mr. Colussy stated the last item in this change order was a \$1,400 fee the contractor paid for his barge breaking a suction line at the Sportsplex Facility owned by the City of Coral Springs. Our contract specifically states if the contractor damages any irrigation systems including suction lines, it is his responsibility to repair them. In talking with staff and the contractor, this area is the large practice football field at the high school. This was an obvious mistake. Everyone assumed the high school would remove their irrigation line when they were notified to remove it from the canal but when the contractor came through with their barge, the suction line was there. Apparently they were not the owners as this property is under city ownership. They tried to miss it. It certainly was not their intention to hit it but they did break it off. It is a large 6" suction line, which has a self cleaning screen on the end. What makes it so expensive is this was a stainless steel screen. In talking with staff, the contractor was very proactive. The city was upset because they just sodded the entire field. The contractor stepped up to the plate and took care of the issue right away. The city was happy with how this was resolved. Therefore, on his behalf, we request the Board consider taking care of the cost to replace the suction line, which is \$1,400.

Mr. Sobers asked were the residents notified about this proposed work?

Mr. Colussy responded yes.

Mr. Sobers asked was the city aware?

Mr. Colussy responded the city was aware of the work but were not aware of the schedule for the barge going down their canal. We notified everyone 10 days before the contractor anticipated beginning work in the area. The city obviously knew the entire District was being cleaned but in this particular instance, they were not notified within 10 days we were going to be doing this work.

Ms. Macomber stated we notified the wrong entity.

On MOTION by Mr. Sobers seconded by Mr. Hulett with all in favor Change Order No. 1 with American Earth Movers for Phase II Nuisance Tree Removal for a Net Increase of \$7,550 was approved.

Mr. Colussy stated at this time, I will give you a quick update on where we are with the Phase II tree removal. I hoped to be completed by July 31<sup>st</sup>, however, when we went back to the areas with Mr. Selchan, our engineer and the contractor, we found more debris. Most of the debris was small trees, which needed to be cleaned up and the contractor is currently working on. There are two areas in the Dells where the property lines of the District and the property owner are rather vague. Many of the plats show easements. We found several large Bishophia and nuisance trees, which will have to be removed. Our engineers spent an entire day out in the field with the contractor seeing if those trees were marked and why they were not removed or if there was a question of the trees being on the District's property. If a few trees have to be removed, there may be another change order. We are currently in the process of getting all of this verified. I will have a report for you at the next Board meeting. As far as any approaching storms, we are still in good shape. There are a few large trees but even if they came down into the canal, they will not cause any drainage problems.

Ms. Macomber stated I look forward to your update.

Mr. Hulett stated on the canal bank running north and south separating the Dells from Eastridge Village, the Hollys are growing back aggressively on the edge of some of these drop-offs. How are we going to handle these plants? Are the property owners expected to maintain them even though they are at the edge of the bank?

Mr. Selchan responded we noticed these plants during our walk-through when we were doing our inspection. The contractor is going to re-apply herbicide to those plants to try to control them. Once he knocks them down, my guys will monitor them into the future. Even

though we will normally spray the waterway, because of the box cut type of canal, we are going to keep them sprayed back. You may notice the banks have become overgrown. Obviously we cannot spray over the bank 6' to 10' because the bank will erode into the canal, if we remove all of the material. We will keep the trees sprayed so they do not grow back. We can do this with a couple of guys with backpacks applying the herbicide directly to the plants.

Mr. Hulett asked are you going to come up the canal with a boat?

Mr. Selchan responded to be honest with you; I was waiting until we completed the Phase III tree removal. I was going to bring proposals to the Board for this canal or Canal A, for future reference. We always maintained this canal on the Eastridge side using a wide right-of-way we had there for years. However, it became so overgrown that we rarely used the easement or right-of-way to maintain the canal. Since we cleared the debris, we may have to go back and reclaim our right-of-way, which has been planted on. In light of how upset the residents were when we were removing the excessive material, we decided we can only address nuisance trees in this phase. We may have to go back and address new areas where we need the right-of-way to help maintain the canals in areas such as Canal A behind your home where the material is too high to get through the waterway and do any real maintenance of this canal.

Mr. Hulett stated I tried to set an example by using a weed whacker to take care of my property. It is amazing how fast the Holly grows back. It is already 4' to 5' tall from the time it was cut before.

Mr. Selchan stated it is a highly evasive plant.

Ms. Macomber asked when do you think you will be bringing this back to us?

Mr. Selchan responded when we are completely finished with this tree project. We are close to 97% complete. I will try to outline these areas for the Board.

Ms. Macomber stated you are correct about needing to keep on top of this because since we have all the nuisance trees cut, we do not want them coming back again. It does not take much for them to grow back.

Mr. Selchan stated they grow extremely fast and will take over the lake bank very quickly if we are not diligent in staying on top of it. Maybe we can get the city's Code Enforcement Department to assist us. They already told us what days they can assist us. We also need to keep the residents on top of maintaining the areas we cleared out.

**FOURTH ORDER OF BUSINESS**

**Staff Reports**

**A. Attorney**

Mr. Cranmer stated I assume Severn Trent Services received my July 30<sup>th</sup> letter regarding the October 1<sup>st</sup> takeover by WHH&A.

Mr. Goscicki stated yes.

Mr. Cranmer stated I have very few comments on the contract. In the first paragraph, accounting advisory services, the Board expressed the desire to have the accounting included. I do not know if accounting is the same as accounting advisory services. In paragraph two, there are word processing charges, computer services and copying charges. These might be considered part of the fee. However, extraordinary expenses like long distance travel and computerized research if authorized by the Board can be separate charges, for example if we have to hire Fishkind & Associates. It was of great interest to the Board for the D&O insurance to include the three Board members. I know the new management does not have a problem with it. Being a Real Estate Attorney, we often have these types of clauses. They have a fee for certified mail/return receipt. You can say Fed-Ex or use facsimiles. Certified mail is sometimes slow. Those are all the changes I have.

Mr. Wrathell stated on page one, I agree with point two for certain out of pocket expenses. We will not incur any long distance phone calls since we have the same area code. This is not an issue I can perceive by any means.

Mr. Cranmer stated I suggest leaving it in as there could be long distance calls placed if we needed to speak to a consultant in Tallahassee, especially if there is a two hour long conference call.

Mr. Wrathell stated we can leave it in. The postage component is associated with Fed-Exs when sending out the agenda packages. They will be reimbursable based on the actual expense. Often times the District will have a Fed-Ex account. We can check with Severn Trent Services to see if the District has a Fed-Ex account.

Mr. Goscicki stated each District has their own Fed-Ex account.

Mr. Hulett stated my agenda package is delivered by one of our employees.

Mr. Wrathell stated we do not charge for computer services. We can pull it out.

Mr. Hulett asked what about copying charges for the agenda packages? I think Severn Trent Services charged extra money for the preparation of the agenda package on top of the monthly fee.

Mr. Wrathell responded we charge a printing and binding expense. I would appreciate being reimbursed for this charge.

Ms. Macomber asked what about the D&O insurance?

Mr. Wrathell responded we talked about this at the last meeting. The policy in place is with our firm and we can name the District as an additional insurer. Customarily the District itself has D&O and general liability insurance policies. On the policy we have for the work performed, we will name the District as an additional insurer.

Mr. Goscicki stated we already have general liability insurance for the District, which covers all of the Board members. As a governmental entity, there is a cap on your liability for a quarter of a million dollars. To go beyond this amount, you have to go before the State Legislature.

Mr. Cranmer stated there could be a situation where a Board member might be adverse to the District in litigation. This is a rare situation but it does happen. If the action was directed to a specific Board member, they would have to pay for their own attorney's fees.

Mr. Wrathell stated many boards will have a resolution passed stating the Board performs their functions and responsibilities and does not violate any laws. As long as you are performing functions of the Board, the District will indemnify or protect the Board and legally defend the Board. One of the issues you want to protect against is someone trying to coerce you for your votes, for example, someone in the community putting personal pressure on you or threatening you with certain lawsuits. The District will pass this resolution stating we will defend the Board members as they are not performing an illegal act.

Mr. Cranmer stated within the scope of their assignments without recklessness.

Mr. Goscicki stated we can see if we have a resolution on record because this has been standard practice with Severn Trent Services for some time. However, this District goes back so far, we will have to check to see if it was done.

Mr. Hulett asked who does the negotiation of the insurance agreements for the District? Our general liability policy protects our infrastructure. Is it one policy for the other three different districts with each being a named insurer or does each district have their own policy?

Mr. Goscicki responded each district has their own policy through the Florida League of Cities. There are a number of companies out there who will provide insurance to small governments like this but the policies are in the district's name.

Mr. Hulett asked as the manager, do you bring the policy to the Board during the renewal period?

Mr. Goscicki responded yes. This is one of the services we provide. We have a person on staff who manages insurance issues.

Mr. Hulett asked in the coverage we currently have, is there a D&O element for errors and omissions under the Sunshine liability coverage?

Mr. Goscicki responded I have to look at the policy. Typically it is a general liability policy and you as a Board member are covered under this policy. If you are sued personally by a plaintiff as well as the District being sued, the insurance company will first and foremost cover you, unless they wind up in a situation where there is a conflict. In this case, the District's insurance company through their attorney will put you on notice that they have a potential conflict and you may want to entertain your own counsel because the District's counsel will have responsibility to defend the District and secondarily to you. This is the typical process you go through. I am not aware of any Board member being sued personally in my tenure. You do not have a deep enough pocket.

Mr. Hulett asked what is Mr. Cranmer's opinion in terms of exposure of the individual Board members for errors and omissions?

Mr. Cranmer responded I was thinking of a dissenting Board member type of an issue where someone filed suit because we did something wrong. If one of you voted against it and argued vociferously we should not be doing this and you are right and the District gets sued, the attorney has to decide which client to defend; you or the District.

Mr. Hulett stated certainly if Mr. Wrathell can add us as an additional insurer under his coverage, I say go for it. When is our coverage due for renewal?

Mr. Goscicki responded it runs on a fiscal year basis.

Mr. Hulett stated this is something we can look at after October 1<sup>st</sup>.

Mr. Cranmer stated as Mr. Wrathell indicated, as long as you are acting within the scope of the job and are not acting within malice or malfeasance, you are covered.

Mr. Hulett asked in the meantime, are you willing to add us onto your policy?

Mr. Wrathell responded yes, although I do not know if legally my firm can put you as the Board on my corporate insurance. Performing as the District Manager and the accounting and other functions, the insurance we have covers professional liability, general liability and workers compensation. If something happens during this function, we are covered under our policy and there will not be any exposure to the District.

Mr. Goscicki stated we deal with these issues in our management service agreements and operating services agreements. His insurance and indemnification should protect you against their actions. Therefore, you should have some type of indemnification provision saying, "If we make a mistake" and you get sued because of our negligence, we are going to defend you.

Ms. Macomber stated we are covered by being a named insurer.

Mr. Cranmer stated the problem with the District being insured and the resolution stating the District will reimburse you individually or indemnify may imply you have to front the money and get it later. You can always weigh the conflict and say, "I do not mind being defended by the District".

Mr. Goscicki stated I am not talking about the individual. In my history with local governments and having been on both sides, if you are sued personally and in your capacity as a Board member of the District, it becomes a question of whether there is a conflict between your liability and the District's liability. The District is not prohibited from paying for an attorney but this is an opportunity the District can take. The District can still make a policy decision for the Board member to get sued individually and because of the circumstances, we believe there may be a perceived conflict or potential conflict and will bifurcate those responsibilities. This still means the District can authorize hiring separate attorneys to represent the Board member being sued separately.

Mr. Cranmer stated this would be formalized in a resolution.

Ms. Macomber stated we need to take a look at whether or not there is any such resolution and when the insurance policy comes up for renewal, we need to review our coverages for next year.

Mr. Hulett stated if our renewal date is October 1<sup>st</sup>, we should have the agent here at the September meeting.

Mr. Goscicki stated you will not get the agent here.

Ms. Macomber stated we do not need the agent, as long as we understand what the policy is.

Mr. Goscicki stated we are lucky to even get the agent to call us as they work through the Florida League of Cities and is not a high profitable type of business.

Mr. Hulett stated I want an explanation of what coverage we have and would be interested in knowing what the coverages are, what infrastructure of the District is covered as well as supervisors. If we can have this information at the next meeting, I would appreciate it.

Mr. Wrathell stated in addition to general and D&O liability, you probably have property insurance for your pump stations in case they are damaged in a storm event.

Mr. Goscicki stated I thought this was an exclusion. We can give you the specifics in terms of what the deductibles and the coverages are.

Ms. Macomber asked is this the only issue you have?

Mr. Cranmer responded I had a problem with the accounting versus advisory services.

Mr. Wrathell stated I can remove the word "advisory" from this provision. However, you want to be careful from an IRS taxing perspective. Even though you can be contracted, if you can be deemed by the IRS in some manner, somehow and in some fashion as an employee, the advisory language is there for clarification purposes. As a contractor, we serve multiple clients. We do not exclusively serve Sunshine WCD. This was only an extra legal step to protect the District.

Mr. Goscicki stated the Board clearly wants the accounting services necessary for the day-to-day operations of the District.

Ms. Macomber asked can you work out the language?

Mr. Cranmer responded we are going to prepare the resolution for the insurance to provide for the indemnification and retention of counsel at the District's expense. We want the District to be required to advance this money so the Board members do not have to pay the money and be reimbursed later.

Ms. Macomber asked will you work out the contract language?

Mr. Cranmer responded absolutely. In fact, I will work out what Mr. Wrathell and I consider to be a final draft.

Ms. Macomber asked does anyone have any other issues?

Mr. Sobers responded yes, paragraph 15 on page three says, "The agreement shall be automatically renewed each fiscal year". Will this be on October 1<sup>st</sup>?

Mr. Wrathell responded yes. After the initial agreement is approved, on an annual basis, you have the ability to terminate the agreement with the notice provisions at any time. It is assumed the services will continue to be provided unless you provide us a termination notice. Any adjustment to fees is typically a CPI number of 3%, which we will not use this year because we are just coming onboard. We serve at the will of the Board and this language is customary.

Ms. Macomber asked what was the notice of termination to Severn Trent Services dated?

Mr. Cranmer responded July 30<sup>th</sup>.

Mr. Goscicki responded our termination ends on October 1<sup>st</sup>.

Mr. Wrathell stated Mr. Goscicki and his staff at Severn Trent Services have been very professional during these transitions, which we appreciate and will continue operating with them in this manner.

Mr. Sobers stated at the special meeting, I asked about how many accounts you obtained from Severn Trent Services and how many you lost to them?

Mr. Wrathell responded zero.

Mr. Goscicki stated the reason we lost clients to Mr. Wrathell and his associates is because their current employees were all former employees and when they left us, they took their clients with them.

Ms. Macomber stated let's not go there.

Mr. Goscicki stated I did not want to give the perception we are losing all of these clients on an ongoing basis.

Ms. Macomber stated that is very fair.

Mr. Goscicki stated our accounting worked the same way. When the accountants left, the clients tended to follow them on the way out.

Ms. Macomber stated we appreciate the professionalism you have shown through all of this.

Mr. Hulett stated absolutely.

Mr. Goscicki stated we know we will be back.

Mr. Hulett stated page six of the contract says, "Coordinate all personnel applications, benefits and payroll and submit in an accurate and timely fashion. We have an agreement with

CSID where we are paying on a monthly basis for personnel services. Are we going to take another look at what you might be doing and what they might be doing and what makes sense of the whole personnel, administration issue?

Mr. Wrathell responded I need to evaluate and understand the operations. I know some of the individuals who provide services at CSID. As I mentioned in my presentation last month, we have a contract with other districts. I think the services need to be provided at a fair value. I understand they provide a lot of value and I want to sit down with Mr. Zilmer and the other staff at CSID to learn more about what they do so I have a real understanding. They always had fair opinions to my experiences. We will evaluate this to see if there are any issues.

Mr. Hulett stated this falls into the, "If it is not broken do not fix it" situation. As long as we are getting good value, I certainly do not object. However, I would be more comfortable if I knew what monthly/day-to-day operations they are doing.

Mr. Goscicki stated one of the items we will be coming back to this Board with from CSID is an Interlocal Agreement to formalize this relationship. Sitting here as the manager for both districts, I can make sure the allocation of costs were appropriate and deal with any issues under the administration of this service. Severing the relationship to where Severn Trent Services is no longer part of this but still managing CSID is similar to what we do with some utility billing services, which Mr. Wrathell is referring to. At times I found it necessary to enter into a formal agreement between the two districts saying, "CSID is going to provide this service". I think this serves both clients well where you have a formalized relationship, know exactly what services you are getting, what the fee is and move forward. Obviously we will proceed with this as need be and continue providing this service.

Mr. Wrathell stated I agree. For auditing purposes, we like to have agreements in place.

Mr. Hulett stated on the bottom of page eight, as a point of clarification, currently CSID acts as the clearinghouse for property owners questions regarding special assessments and tax bills. Are you also including general questions for canal issues or are you seeing yourself as the central clearinghouse for all communications?

Mr. Wrathell responded I am not familiar with this but what we typically do is establish a process and if it calls more for issues with canals or any other operational issues, we typically refer the question to field staff. However, whether it flows through CSID is something we can evaluate in the near future. When it comes to assessments, we handle anything related to

questions about tax bills and why they are paying this assessment. Certainly if someone is asking questions about operational issues, we will field the call and let them know we will contact Mr. Selchan and his staff and they should be expecting a return call from them or we will find out the answer to the question from Mr. Selchan. There will not be any finger pointing. I am fine with phone calls funneling through to us. In some respects there may be some efficiencies with calls being directed to Mr. Selchan versus people feeling like they are getting transferred around too much. In other districts, we have instructions on a website showing who to call for certain issues. We give their phone number and of course when they contact us and ask the same questions, we certainly answer them to the best of our ability.

Ms. Macomber stated as you proceed with the transition, we want to be updated on the status.

Mr. Goscicki stated some of these issues need to be addressed relatively quickly as there will be a great deal of interlocking taking place such as office space, telephones, customer service and human relations. All of these services are currently running through the CSID office. If it is the desire of the Board to continue running those services through CSID, we need to enter into an agreement to memorialize this. Your budget reflects what the fees are for shared services. However, we need to make sure the system is set up to deal with this. If there are any additional requirements, we need to make sure we clearly understand those.

Ms. Macomber stated between now and the next meeting, we want you to determine what those issues are and let us know.

Mr. Wrathell stated the residents are used to a certain process over the years and I do not want to make any changes, unless we have to.

Ms. Macomber stated this is one of the items in your proposal.

Mr. Hulett stated the residents do not know who they are talking to. If you have time between now and the next meeting, I want you to figure out the personnel issues. It makes good sense, if we have 100 employees, to keep the group together for the employee benefits. If I understand correctly, the employees are extremely satisfied with their health, life and disability insurance. It is a nice package enhanced by having a large group. As far as the other issues, I want to separate the benefits administration from other personnel issues to see if what we are paying makes sense. If we are getting good value, leave it alone.

Mr. Sobers stated on page six, recording services addresses all notices of meetings in an authorized newspaper. Are notices going to be limited to authorized newspapers such as city newspapers?

Mr. Wrathell responded we spoke in our presentation about taking advantage of all the different avenues of communication the City of Coral Springs has and piggyback off of this. This is technical language for the advertising of meetings. As a governmental entity, we are required to advertise in a newspaper of general circulation in the area so no one can argue the newspaper you put the ad in did not reach a segment of the District.

Mr. Hulett stated other than some fine tuning of the language, I am ready to move forward. After you fine tune it, can you email it to us for our approval?

Mr. Goscicki responded if you are just cleaning up the language, you can pass a motion tonight authorizing the attorney to complete the contract negotiations and authorize the President to execute the contract upon resolution of those issues with the attorney.

On MOTION by Mr. Hulett seconded by Mr. Sobers with all in favor District Counsel was authorized to complete contract negotiations with Wrathell, Hart, Hunt & Associates and the President was authorized to execute the contract upon resolution of the outstanding issues.

Mr. Cranmer stated the Attorney General issued an option filling in a gap in Chapter 298. We now have the authority to dispose or sell, surplus of real property by fee simple. I know it has been a rule in this District since inception never to pay fee simple for anything. This was Mr. Moyer's policy. However, if the Attorney General says we declared surplus in accordance with our engineers through an Engineers Report, we can sell it. We had an issue last year where we turned down a developer who deeded some surplus to us.

Mr. DaSilva stated there was a reverse clause by the original landowner who dedicated the land.

Mr. Cranmer stated we came up with another alternative but we never heard from them.

Ms. Macomber stated this gives us latitude.

Mr. Cranmer stated correct. The Attorney General says we can determine the terms of the declared surplus.

Ms. Macomber stated good to know.

Mr. Cranmer stated this gives us flexibility. The original plan was laid down along all of these plats and canals. Over the years we determined what we needed and what we did not need.

I want to know if Mr. Selchan or Mr. Colussy heard about any problems regarding the resolution of the Masters issue.

Mr. Selchan stated the last I heard was the contractor did all of the work requested by the resident to plant all of the trees. The city inspected and approved it. The resident, Mr. Masters asked for a letter releasing him from any action from city over the trees inadvertently moved. The letter was written and is in the City Attorney's office. As soon as the letter is approved by the City Attorney, Mr. Masters is going to sign the release.

Mr. Cranmer stated apparently our contractors passed the problem ahead of the paperwork. Before any paperwork was signed, the delivery driver had to unload the trees. I spoke to his attorney, which was brought in at the last moment but have not heard from anyone since. I am glad to hear the letter is on the City Attorney's desk.

Mr. Selchan stated our contractor acted in good faith and has done a tremendous job. He resolved the matter in a timely fashion.

Mr. Cranmer stated I want to compliment Mr. Selchan and Mr. Colussy for answering the emergency call at 4:30 p.m. on a Friday afternoon.

Ms. Macomber stated thanks guys!

Mr. Colussy stated this matter was resolved because everyone was where they were supposed to be and took the calls.

Mr. Selchan stated I want to thank Mr. Cranmer for assisting us.

#### **B. Engineer – Condition Assessment Report for Pump Stations 1 & 2**

Mr. Colussy stated the long awaited pump station report has been submitted. What has changed since the report submitted two months ago was we took all of the data from the two pump stations obtained from the original site assessment and met with staff. We wanted to make sure we knew exactly what staff needed to operate the stations efficiently and what they needed repaired. We also wanted to double check our numbers because we had some high numbers. A week after our last Board meeting, we were able to take the whole assessment team to the Tamarac pump station. They were extremely helpful to us. They had their operations man there as well as the manager who was there during construction. It is an impressive facility. It is clean, quiet, neat and very efficient.

Ms. Macomber asked are they electric motors?

Mr. Colussy responded yes, with a diesel backup. It is a nice system. Once you see it, it is like putting light bulbs up. This is the way to go. Of course there is an expense to this but it is something to think about, if not now, definitely in the future. This is something the Board needs to look into. We updated the reports. Hopefully you had time to review them. I am happy to answer any questions.

Ms. Macomber asked can you summarize your recommendations?

Mr. Colussy responded if you look at the summary tables in the front of the report, the LP gas engines were installed in 2002/2003. They probably have a lifetime of another five years. If there is money available, it would be nice to do them now because the cost is obviously going to increase. The existing engines currently have a good re-sale value of approximately \$15,000 per engine. As far as the electric, we can do it now. If not, we recommend getting it done within the next three to five years with a Reserve Fund. We performed an analysis for Pump Station 2, which we feel is the most critical pump station to do. I think you are going to need to reserve \$194,000 in order to do the conversion in the next five years between the LP gas engines and the electric.

As far as other recommendations for the actual pump stations; both of them desperately need new roofs, fencing and security upgrades. Pump Station 2 desperately needs bypass line repairs. All of the other lines, which we list as a high priority in the report, we recommend the Board doing as soon as it is feasible. The costs for the Pump Station 1 and Pump Station 2 repairs, without going to the electric pumps is \$570,000. There are some items recommended if you do the electric upgrades like the additional fuel coolers on Pump Station 2, which costs \$80,000, but the aluminum replacements will not be needed. If you want to do the upgrades in both pump stations from LP gas engines to electric it will cost \$1.7 million.

Ms. Macomber stated we put away money in our capital budget.

Mr. Goscicki stated we set money aside for repairs.

Ms. Macomber asked do we have enough money to do the conversions only?

Mr. Goscicki responded no. I am not even sure we have enough money for all of the repairs. We had several projects running in three different districts with the same engineers and I have a hard time recalling the amounts. You have some money budgeted for a number of the repairs recommended in this report. The next step is to let the engineer and Mr. Selchan look at

the available dollars and prioritize against the dollars already there. If the Board wants to move forward with the \$1.7 million program, you are going to have to tap into some of the funds you have from the loan, which have not been repaid or use some of the borrowing.

Mr. Hulett stated this is what we were going to decide. You repaid the \$2 million we voted on at the last meeting. Correct?

Mr. Goscicki responded yes.

Mr. Hulett stated so we are sitting with a balance of \$3 million.

Ms. Rower stated around \$2.8 million.

Mr. Hulett stated it was \$250,000 for the infrastructure on Pump Station 1. Are you confident you can get \$15,000 for those eight engines?

Mr. Colussy responded this is the book value. My first thought was to sell them to the sister districts.

Mr. Hulett asked is there a way you can find out if there is a market for those? If \$15,000 was a real number, the total cost is \$120,000. This reduces the infrastructure; the roofs and railings down to \$450,000. In my opinion, the big issue is whether to do the electric motors now or in five or six years. It is helpful for me to see the projections of how much we have to reserve. In other words, you have the cost for these engines and then some inflation factors if you wait five or six years. On the other hand, if these engines still have a useful life, it seems a shame to waste them. We need a financial projection showing how much we will have to reserve over five or six years in order to have the money available at the end of this period of time to do these electric engine conversions, versus the cost of doing it today and the cost for the loans outstanding. As far as I am concerned, I am ready to go out for bids on the infrastructure, particularly the security fence. We can do this tonight. I want to know what we can get for these engines; if this is a real number and there is a market for them. This will be a significant number in reducing the cost of doing the basic building infrastructure repairs. I did some research and this seems to be a big issue for us. What do you think about the three of us, along with Mr. Wrathell, Mr. Colussy and Mr. Selchan taking a tour of the buildings and maybe going down to Tamarac to look at their electric engines before we get into this? I feel we should know what we actually have out there. There are a couple of things we have to do as far as satisfying the Sunshine Law. We have to give notice and someone has to take rudimentary notes of any

discussion taking place during the tour. It seems to me this might be a valuable exercise for us because we are talking about a significant expenditure.

Ms. Macomber responded we could do this as a workshop.

Mr. Goscicki stated you can tie it in with one of your Board meetings. You can have the Board meeting early and meet here. You can then recess from here to the field and still keep it part of your structured Board meeting.

Mr. Hulett stated I took a tour with Mr. Selchan when I first came on the Board. I think it is helpful for all of us to go as a group and look at these engines to get more information.

Ms. Rower stated you can also have Mr. Selchan take each supervisor individually and then have discussion in the public forum so you are not advertising a special meeting.

Mr. Hulett stated I thought it might be nice if we all went together.

Ms. Macomber stated I agree this is a good thing to do. We need to weigh the pros and cons, know what is in the budget to do this work, what it will cost to do later in terms of what we have to put aside each year and what the benefits are of doing the work now.

Mr. Hulett stated as well as the remaining service life of the current engines.

Mr. Colussy stated we ran through a scenario in Section 3 of what it was going to cost for the next five years as well as an analysis of the engines.

Mr. Sobers stated it is on page 3-1.

Mr. Hulett asked what is your recommendation?

Mr. Colussy responded our recommendation is electric engines are the way to go.

Mr. Hulett stated you are saying we should do it now and get them out of the way.

Mr. Colussy stated if you have the money and could do it now; this would be the way to go.

Mr. Hulett asked what is the service life of these electric engines?

Mr. Colussy responded these are low maintenance engines. We are probably talking about a minimum of 10 to 15 years life on them. They are easy to maintain. You can basically send them out to a shop and have them back within a week and into service.

Mr. Sobers asked do you know of any district that has these types of pumps in operation for two years?

Mr. Colussy responded Tamarac has had them in operation for three years. I believe they went into service in 2004. They made it through Hurricane Wilma.

Mr. Sobers asked what pump station needs to be immediately addressed?

Mr. Colussy responded both of them desperately need new roofs and security fencing. Pump Station 2 needs new bypass lines installed, which is a \$75,000 item.

Mr. Sobers asked in your opinion, is this the first station needing to be worked on?

Mr. Colussy responded yes.

Ms. Macomber asked can we get a list of items we have to do now?

Mr. Colussy responded on the summary table, we listed high priority, medium and low priority items. The high priority items need to be done now.

Mr. Hulett stated I agree with Mr. Colussy. The number one item is getting the security fences up to secure what we currently have.

Mr. Cranmer stated we do not want our insurance rates to increase for not having adequate security.

Mr. Goscicki stated our suggestion was to work with the engineer on a five year prospectus in terms of the short term requirements needing to be met and then look at the longer term options. We will then compare this to your budget in terms of the available funds and options for funding. The most important issue was the impact on your assessments. I think this Board is going to want to know, "If we move forward with this program, borrow money, spend it out of cash, defer it three years and save up some money; what our assessments will look like during those years". This is the course of action we recommend. Your new manager will be the appropriate individual to go through this with you. They have the capabilities to do it because I dealt with one of their financial people. This gives you the prospective you need. This is a huge decision in terms of spending \$2.7 million and this is an upgrade of your existing operating facility. It may be the best decision for the Board to make but you clearly want to make this decision knowing what your rates are going to look like now, in the next few years, whether they are going to stabilize or go down.

Mr. Hulett stated if I understand correctly, the money in the loan is there to pay for the entire thing. Our interest charges are built into the assessment for this year and into the future.

Ms. Rower stated when we did the budget; we planned for the \$2 million to be paid back with the principal and interest payments in the budget at the outstanding amount currently.

Mr. Hulett stated which is around \$3 million.

Mr. Goscicki stated it was \$2.8 million.

Mr. Hulett stated we have enough cash to take care of all of this if we desire to go in this direction. Correct?

Ms. Rower responded when I looked at the budget, there was enough money to do the culvert cleanouts for \$850,000.

Mr. Hulett stated what Mr. Goscicki said was correct. We need to see the financials for the culvert cleanouts, building infrastructure and pumps. Obviously a critical part of this is to make sure the water flows. If we have problems under Sample Road or other areas, we need to make sure the water flows.

Mr. Goscicki stated what we are doing in other districts is looking at the five year picture. CH2M-Hill is doing some modeling of the system and identifying other system improvements. I think it is important for the Board to look at not only this project but what else we envision over the next five years. This will be a five year plan of all the capital improvement programs we are envisioning, how we are going to fund them and move them forward.

Ms. Macomber stated we still need to address the high priority items as quickly as we can get them done.

Mr. Colussy stated as far as the pump stations, we have listed all of the priority items.

Ms. Macomber asked are the total costs listed for these items?

Mr. Colussy responded no, but I can provide them to you.

Mr. Goscicki stated you clearly have sufficient funds in your budget next year to move forward with those items. The big dollar item is the conversion from the LP engines to electric.

Mr. Hulett stated we have enough money to bring the buildings themselves completely up to grade and code. Before the September meeting, I want Mr. Wrathell and Ms. Rower to get their people together to work up some of the numbers in terms of if we replace these engines or decide to wait and how much money we need to reserve each year for five or six years in order to have the money available when the useful life of what we have now ends.

Ms. Macomber stated I want to make an informed decision at the September meeting on the high priority items.

Ms. Rower stated as Mr. Hulett pointed out, many of the items listed are work needing to be done whether you go with an electric engine or stay with the LP ones. The biggest difference is in the \$80,000 for the cool radiators. I think Mr. Hulett's point was he wanted to do this quickly in order to get the other items worked on.

Ms. Hulett stated I agree with Ms. Macomber 100%. As far as I am concerned, we need to move as quickly as we can to secure these buildings.

Mr. Colussy stated some of the operational items such as the painting, can be done by staff.

Mr. Wrathell stated I think the analysis is a great idea. To be honest, I was toying with this thought myself. When you look at aging infrastructure and aging assets, in most instances, the costs of maintaining those assets are more than the electric pumps. Part of the analysis we need to incorporate is not only are you looking at things needing to be done, but looking at this in the sense of helping you from a business perspective in deciding whether the electric pumps make sense in terms of what we can save over the years by going with an electric pump in relation to an aging system. Your engineers have done a great job projecting what the expenses are now but we do not know as they continue to age and get closer to get to the end of their useful life, perhaps it even costs more to service them to keep them functional. This is extremely important when you are making a business decision. I want to give you some different scenarios; not only looking at the loan but the five year repayment and seeing what the impacts are from an assessment perspective but also looking at other hypothetical financing scenarios.

In many of these districts, we have issued bonds. Obviously bonds are expensive but you could look at having a longer term maturity to finance those improvements. If you have a longer useful life, you can look at some longer term financing options out 10 to 15 years to match the useful life of the system so the residents do not see as large of an impact today. I think it is always prudent to build up reserves, replacements and renewals. There may be residents living in Coral Springs who may say "I am paying into a Renewal and Replacement Fund but this item will not be fixed until five years and why should I have to pay into it, if I am not going to live here in five years". Looking at some financing options is something we can provide to you in order for the Board to make a good business decision.

Mr. Cranmer stated it is my recollection; you financed some of these pumps with Riverside Bank. Correct?

Ms. Rower responded the Riverside Bank loan was the original loan to do the renovations on Pump Stations 1 and 2. This loan will be paid off in fiscal year 2008. The budget only increased \$9 as it took into account the principal and interest payment to be made on the new bonds. The residents did not see this increase.

Mr. Cranmer asked over how many years was the Riverside Loan?

Ms. Rower responded five years. I think there are only six or seven months worth of payments left on this loan.

Ms. Macomber stated we are putting money away for repairs.

Ms. Rower stated I have to look at the budget but we did have a reserve.

Mr. Sobers stated the high priority items total just under \$400,000.

Ms. Macomber stated if we can have all of this information, we can make a decision at the next meeting.

Mr. Wrathell stated we are happy to provide an analysis to you.

Mr. Sobers stated in the meantime, we need to coordinate the tour.

Mr. Hulett stated we need to acquire a six or eight passenger van.

Mr. Colussy stated you can all probably meet there. You can gain access to the C-14 Canal on Southgate Boulevard.

Mr. Hulett asked in addition to the two buildings, is there anything else you want us to see in terms of the problem areas of canals and culverts?

Mr. Colussy responded we looked at some areas we want to dredge. We are in good shape with our culverts. The problem is with the areas in between the culverts inside of the roadways where the material built up. After this year's cleanup, we are in good shape with our culverts except for the areas under the water surface that you cannot see. If for some unforeseen reason we needed to lower the water level to an extremely low depth, we can run into a dam and the water on the pump station side will go down but the remaining water will remain at the current depth. We have some areas like this we can look at to get some perspective on the scope of work.

Mr. Hulett stated I want to see an example or two of this as well as Pump Stations 1 and 2 and the pumps in Tamarac.

Mr. Colussy stated you will be very impressed with them.

Ms. Macomber stated this was an excellent report.

### **C. Superintendent**

There not being any, the next item followed.

**FIFTH ORDER OF BUSINESS**

**Supervisor Requests and Audience Comments**

Mr. Hulett asked does Mr. Selchan have a report, other than what we just discussed?

Mr. Selchan responded we are in good shape. We want to look into some projects for the future once we complete the tree project. I want to thank the Board for their hard work and diligence in looking at all the management companies and coming to a decision.

Mr. Hulett stated Mr. Wrathell made a proposal to start an initiative with the City of Coral Springs. Since we are approaching the peak of the hurricane season, I want to see if Mr. Wrathell is prepared to approach Mr. Levinson or his representative to begin some discussions on our emergency plan of communication in the event of a disaster in regards to how the two of us will work together. We also need to have some initial discussions about using the city communication facilities such as their website and television channel and the costs to do so in order to communicate with the residents. We were talking about communicating the fact this cleanup is done and now it is the resident's responsibility to maintain their canal banks. This will be a worthwhile endeavor, if the other supervisors agree with moving forward.

Ms. Macomber stated I agree. We talked about getting closer to our residents during this whole process. It will be nice to keep the momentum up in terms of keeping them involved and letting them know what is going on. I want to look at it as you proposed the partnership with the city. What we talked about all along was having a strong partnership with the city. This is beneficial for all of us. We also looked at suggested improvements to our website.

Mr. Goscicki stated currently your website is maintained by CSID. The question is whether the Board wants to continue utilizing CSID to maintain the website. We are looking at upgrading the website and changing the look of it. You can still have a link off of the CSID website.

Mr. Hulett stated this might be one way. Another way is to have us linked into the city's website to the Sunshine WCD website.

Mr. Goscicki stated you are linked there now. The question is who will host the website. Your website is currently hosted by CSID.

Ms. Macomber stated I want to make sure we do not compromise our status as an independent district. The plan is to work collaboratively with the city.

Mr. Hulett asked what is the status of the audit?

Ms. Rower responded we have a draft of the audit, which is currently being reviewed. I called the auditor at Mr. Hulett's request to have the auditor attend next month's meeting to present the audit.

Mr. Hulett stated thank you.

**SIXTH ORDER OF BUSINESS**

**Approval of Financials and Warrants**

Ms. Macomber stated I do not see where Mr. Hulett is getting paid.

Ms. Rower stated he asked us not to pay him.

Mr. Goscicki stated this needs to go into the record because otherwise, it looks like an accounting error.

Mr. Hulett stated I officially waived my supervisor fees. I request we pull number 9087 in the sense that we formally cancelled the contract with Ron Sachs Communications.

Ms. Macomber stated at the last meeting, we agreed to let the contract run out.

Mr. Goscicki stated this contract terminates this month. We already started the paperwork for termination.

Mr. Hulett asked does it have any rollover provisions?

Mr. Goscicki responded no. It only requires us to notify them that we are not renewing their contract.

Ms. Macomber stated I thought this was done at the last meeting.

Mr. Hulett stated please put a copy of the termination letter in the next agenda package. In regards to the \$2,000 spent for propane, how long does this last?

Mr. Selchan responded this is to replenish what was used in a storm event. The amount of fuel used is determined by the length of time the pumps run. We received over 15" of rainfall last month. We could not store any more. If we could have used it for testing, we would have in light of the current drought. We were not comfortable with the water levels in order to provide good flood protection. Therefore, we felt it necessary to pump some of the water into the C-14 Canal.

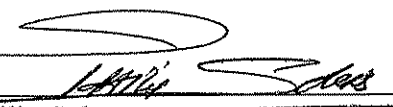
On MOTION by Mr. Sobers seconded by Mr. Hulett with all in favor the financials and warrants 9039-9066 for the period July 1, 2007 through July 29, 2007 were approved.

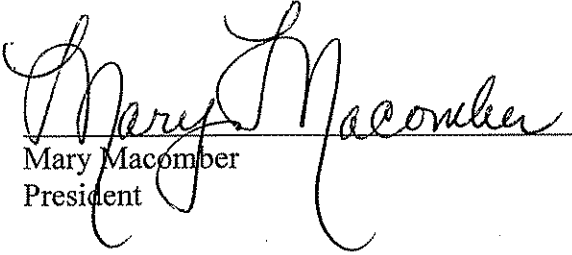
**SEVENTH ORDER OF BUSINESS**

**Adjournment**

There being no further business,

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

  
Philip Sobers  
Secretary

  
Mary Macomber  
President