

**MINUTES OF MEETING
NORTH SPRINGS IMPROVEMENT DISTRICT**

The regular meeting of the Board of Supervisors of the North Springs Improvement District was held Wednesday, August 3, 2011 at 5:03 p.m. in the district office, 10300 N. W. 11 Manor, Coral Springs, Florida.

Present and constituting a quorum were:

Steve Mendelson	President
David Gray	Secretary
Vincent Morretti	Assistant Secretary

Also present were:

Doug Hyche	District Manager
Dennis Lyles	District Counsel
Rod Colon	Director of Operations
Jane Early	District Engineer
Brenda Schurz	District Clerk
Nick Schooley	Drainage Supervisor
Kay Woodward	Accountant
Donna Holiday	GMS-South Florida, LLC

FIRST ORDER OF BUSINESS

Roll Call

Mr. Hyche called the meeting to order at 5:03 p.m.

SECOND ORDER OF BUSINESS

Approval of the Minutes of the July 6, 2011 Meeting

Mr. Hyche stated the next item is approval of the minutes of the July 6, 2011 meeting.

On MOTION by Mr. Mendelson seconded by Mr. Morretti with all in favor the minutes of the July 6, 2011 meeting were approved as presented.

THIRD ORDER OF BUSINESS

Public Hearing to Consider the Adoption of the Proposed General Fund, Heron Bay Commons, Parkland Isles, Heron Bay Mitigation and Debt Service Budgets for Fiscal Year 2012 – Resolution 2011-06 and Levy of Non Ad Valorem Assessments, Resolution 2011-07

Mr. Hyche opened the public hearing and stated the next item is a public hearing to consider the adoption of the proposed general fund, Heron Bay Commons, Parkland Isles, Heron Bay mitigation and debt service budgets for fiscal year 2012 and approval of Resolutions 2011-06 and 2011-07.

Mr. Lyles stated the public hearing is open and we need to make a record as to whether any member of the public or staff members wish to have any comment. Hearing none, it returns to the board.

On MOTION by Mr. Morretti seconded by Mr. Mendelson with all in favor Resolution 2011-06 was approved.

On MOTION by Mr. Mendelson seconded by Mr. Morretti with all in favor Resolution 2011-07 was approved.

FOURTH ORDER OF BUSINESS

Distribution of the Proposed Water and Sewer Budget for Fiscal Year 2012 and Consideration of Resolution 2011-08 Approving the Proposed Budget and Setting the Public Hearing

Mr. Hyche stated the next item is distribution of the proposed water and sewer budget for fiscal year 2012 and consideration of Resolution 2011-08 approving the proposed budget and setting the public hearing for September 7, 2011.

On MOTION by Mr. Morretti seconded by Mr. Mendelson with all in favor Resolution 2011-08 was approved.

Mr. Gray joined the meeting at this time.

FIFTH ORDER OF BUSINESS

Consideration of Engagement Letter with Ruden McClosky to Provide Bond Counsel Representation in Connection with the Issuance of the Water and Sewer Bonds Series 2011

Mr. Hyche stated the next item is consideration of engagement letter with Ruden McClosky to provide bond counsel representation in connection with the issuance of the water and sewer bonds series 2011.

Mr. Lyles stated you will recall that about 60 days or so ago you approved an engagement letter with underwriters to begin a process of structuring a financing which will culminate in the issuance of bonds for the funding of the water and sewer bonds series 2011, the R.O. plant. We advised you at a previous meeting that part of that financing team that would be critical to the whole process once you approved going forward with the transaction and putting the underwriter in place would be bond counsel. Ruden McClosky is the firm that has served as the district's bond counsel on several previous bond issues going back about six or eight years and they have a proposal in front of you having run it by your underwriters and myself and staff. This is consistent with the fee structure and level of fees they have charged on previous issues with one exception, there is an additional increment of work that they are recommending and that I have said I agree with. There has not been an updated official statement and that is a financing document that goes out to the investment community nationally and is the kind of thing that is governed by the SEC, it is a very highly technical document that essentially tells people the story of NSID and its finances and its performance over the years. It gives investors the confidence and is part of the due

diligence process investors will go through. The last time this was done was in 1998 and it needs to be updated and expanded and brought into compliance not only with the current state of NSID's dealings and transactions but also the current state of the law. She did indicate in her fee proposal that there would be some additional time and effort and therefore, that fee would be a little above what normally would be on the disclosure side. The not to exceed fees are \$35,000 for disclosure counsel and the \$35,000 for bond counsel services that is the normal sort of fee you have seen before. I think it is pretty straightforward. I have reviewed it and am familiar with what goes into this type of thing and it is not cheap but at the same time it is essential to get the transaction done and to get rates that are favorable to you. Not every local government is all that successful in selling bonds in this climate but I believe that we will be.

Mr. Gray stated I thought there was a percentage that was done on the bonds as a fee.

Mr. Lyles stated that is the underwriting team that was here before and is called the underwriters discount. They essentially buy the bonds at a discount around 2% then they in turn market them. They guarantee that the bonds will be purchased by them and they in turn are able to market the bonds to institutional investors.

Mr. Gray stated the way we fund the \$70,000 is through the whole package.

Mr. Lyles responded out of the bond proceeds, no assessments are used.

On MOTION by Mr. Gray seconded by Mr. Mendelson with all in favor the engagement letter with Ruden McClosky for bond counsel services in connection with the issuance of the water and sewer bonds series 2011 was approved.

Mr. Hyche stated the next item was given to you as a separate handout and is consideration of the audit engagement letter with Keefe McCullough to provide audit services for year ended September 30, 2011.

Mr. Gray asked didn't we just do an audit?

Mr. Hyche responded yes we did.

Mr. Lyles stated you just received that audit which was the end product of a process that was many months and they are now ready to get started on the next one.

Ms. Woodward stated a lot of the fieldwork will begin the first week in November and the goal is to try to have your audit finished by the end of March, which is ideal but this year it may be the end of April.

On MOTION by Mr. Gray seconded by Mr. Mendelson with all in favor the engagement letter with Keefe McCullough & Co. to perform the fiscal year 2011 audit was approved.

SEVENTH ORDER OF BUSINESS

**Acceptance of Warranty Deed from
Beasley FM Acquisition Corp.**

Mr. Hyche stated the next item is acceptance of the warranty deed from Beasley FM Acquisition Corp.

Mr. Lyles stated this item is covering a piece of right of what that runs along a WCI right of way that we already have running north and south in the Wedge, it is an extension of Nob Hill Road. The form of deed is in your package. I have talked to the engineer that prepared it for the current owner, a Beasley entity, and this has not been signed and the property owner hasn't yet agreed to sign this, they hope to keep this thing moving and they are asking that we go ahead in anticipation of it being properly signed by the owner of the property to advance approve acceptance of this right of way. It is essentially right of way. I have asked that they broaden the uses that could be made of this property to include any other proper public purposes that NSID might

want to make of the property. I am asking you to approve this in substantially final form as it appears in your agenda package and authorize the execution by the proper district officials and this should happen between now and the next meeting and they asked that we not delay it for a full additional month. Normally you would have one of these signed by the landowner that is conveying it. The property is in negotiation to be sold but I'm satisfied that it is in our best interest to accept it as I described in substantially final form in the way the instrument is in your book.

On MOTION by Mr. Gray seconded by Mr. Mendelson with all in favor the warranty deed from Beasley FM Acquisition Corp. was accepted in substantially final form and the proper district officials were authorized to execute the final document.

EIGHTH ORDER OF BUSINESS

Award of Contracts

A County Line Road Buffer Construction – Plat 4/Heron Bay

Mr. Hyche stated the next item is award of contracts. The first one is County Line Road buffer construction plat 4 Heron Bay.

Mr. Colon stated last month you rejected all bids on this project and we rebid the project and had several more people respond. The lowest bidder is BG Katz and we recommend that you go with the lowest responsible bidder.

Mr. Gray asked are you happy with the way it turned out?

Mr. Colon responded yes.

On MOTION by Mr. Gray seconded by Mr. Mendelson with all in favor the County Line Road buffer construction – Plat 4/Heron Bay was awarded to BG Katz in the amount of their low lump sum bid of \$225,000.

B. Plat 4/Heron Bay - Landscape Irrigation

Mr. Colon stated the next item is Plat 4 Heron Bay for landscape irrigation.

Mr. Gray stated this is the same contractor that we just approved. Is this someone we have used before?

Mr. Colon responded yes.

Mr. Gray stated so we don't have any problem giving them multiple jobs.

On MOTION by Mr. Gray seconded by Mr. Mendelson with all in favor Plat 4/Heron Bay landscape irrigation contract was awarded to BG Katz in the amount of their low lump sum bid of \$119,800.

NINTH ORDER OF BUSINESS

Staff Reports

A. Manager

There not being any, the next item followed.

B. Attorney

There not being any, the next item followed.

C. Engineer

Work Authorization 206 Amendment

Ms. Early stated work authorization 206 was previously approved and this is just an addendum.

Mr. Colon stated this is similar to what happened with the consumptive use permit where the South Florida Water Management District just keeps coming back with more questions and more requests for information. There is a new staff there, they laid off a lot of people and have a lot of new people. Jane and her team are dealing with

a lot of new people and they have a tremendous amount of questions. It is a very sensitive issue to them because to the north they have the multi-million dollar impoundment area they are building. They are concerned about the elevations and some of the information they are asking for is going to require a lot more modeling. I'm very familiar with what is going on and I do know that is why Jane is asking for a fee increase and we think what they are going to have to do is reasonable. The other scenario is some of the developers have agreed to pay half of the fee increase. The fee increase is \$6,500 and we talked to the developers and Lennar and Standard Pacific have agreed to pay for half of that because it also benefits them.

On MOTION by Mr. Gray seconded by Mr. Mendelson with all in favor modification to work authorization no. 206 for an increase of \$6,500 was approved.

i. Work Authorization No. 208 for County Line Road and Nob Hill Road Intersection Modifications for a Lump Sum Amount of \$49,000

Ms. Early stated work authorization 208 is the one that was approved last month and we have taken out the inspection services and reduced the fee and I'm bringing back the final work authorization so that you have a copy of it.

ii. Ratification of Surface Water Management Permit 2011-02 for City of Parkland Dog Park

Mr. Hyche stated the next item is ratification of the surface water management permit 2011-02 for the City of Parkland dog park.

On MOTION by Mr. Gray seconded by Mr. Mendelson with all in favor surface water management permit 2011-02 for City of Parkland Dog Park was ratified.

iii. Project Status Report

Ms. Early stated County Line Road we were supposed to start paving this week but they submitted a pavement mix that is not acceptable to the county so they have to resubmit a mix. They were using some recycled material and the county doesn't allow that. We had to put them on hold but that should take maybe two weeks to get that done and another 20 days for them to stripe it after it cures.

The two water main projects we had a preconstruction meeting with the county on County Line Road yesterday so Century should be starting that work this week as well.

Mr. Gray asked the only thing I don't understand about the recycled mix is what does our contract call for?

Ms. Early stated it has to be Broward County approved.

Mr. Gray stated there is a reason we don't use the recycled, it actually has defective little pieces sometimes that create a bubble on it.

Ms. Early stated it doesn't make sense to me they said they worked for the county before.

Lanzo started on the PGCC fountains, they have been installing all the drainage outfalls that are required so they are getting underway.

FP&L originally told us there was one transformer we had to use that was installed there for the fountains and it is a very, very, long line and that is where a lot of the money was for the electrical. Now FP&L has agreed that they can install two additional transformers closer to the project and cut the distance of the line. I think the deduct from the contract with Lanzo is roughly \$170,000 and we will bring a change order to the board at some point.

TENTH ORDER OF BUSINESS

Approval of Financials and Check Registers

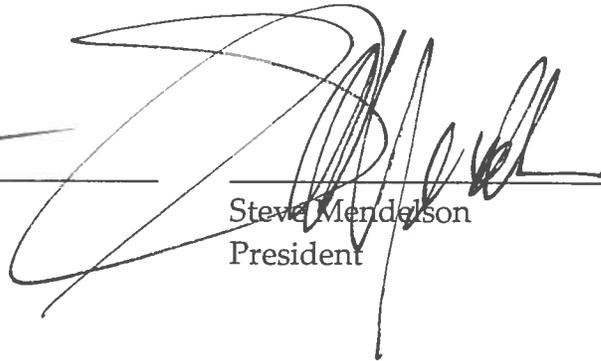
Mr. Hyche stated the next item is approval of the financials and check registers.

On MOTION by Mr. Gray seconded by Mr. Mendelson with all in favor the financials and check registers were approved.

On MOTION by Mr. Mendelson seconded by Mr. Gray with all in favor the meeting adjourned at 5:20 p.m.



David Gray
Secretary



Steve Mendelson
President