

MINUTES OF MEETING NORTH SPRINGS IMPROVEMENT DISTRICT

The regular meeting of the Board of Supervisors of the North Springs Improvement District was held Wednesday, June 2, 2010 at 4:59 p.m. in the district office, 10300 N. W. 11 Manor, Coral Springs, Florida.

Present and constituting a quorum were:

Steve Mendelson
David Gray
Vincent Morretti

President
Secretary
Assistant Secretary

Also present were:

Doug Hyche
Dennis Lyles
Jane Early
Rod Colon
Dan Suarez
Brenda Vanravensway
Nick Schooley
Kay Woodward
Dan Daly
Joe Sabino
Barbara Brewin
Rhonda Mossing
J. W. Gaines
Denise Ganz
Scott Schuhle
David Ross

District Manager
District Counsel
District Engineer
Director of Operations
CH2M Hill
CH2M Hill
Drainage Supervisor
Accountant
CSID Director of Operations
HBC Clubhouse Manager
United Community Management
Prager Sealy & Co.
Berger Toombs
Ruden McClosky
U.S. Bank
SunTrust

FIRST ORDER OF BUSINESS

Roll Call

Mr. Hyche called the meeting to order at 4:59 p.m.

SECOND ORDER OF BUSINESS

Approval of the Minutes of the May 5, 2010 Meeting

Mr. Hyche stated the next item is approval of the minutes of the May 5, 2010 meeting

On MOTION by Mr. Mendelson seconded by Mr. Morretti with all in favor the minutes of the May 5, 2010 meeting were approved as presented.

THIRD ORDER OF BUSINESS

Consideration of Resolution 2010-08 Authorizing the Issuance of the District's Water and Sewer Revenue Bonds from Time to Time, Including Water and Sewer Refunding Revenue Bonds Series 2010A and Water and Sewer Revenue Bonds Series 2010B

Mr. Hyche stated item three is consideration of Resolution 2010-08 authorizing the issuance of the district's water and sewer revenue bonds from time to time, including water and sewer refunding revenue bonds series 2010A and water and sewer revenue bonds series 2010B.

Mr. Mendelson stated we discussed this at the last meeting.

On MOTION by Mr. Mendelson seconded by Mr. Morretti with all in favor Resolution 2010-08 was approved.

FOURTH ORDER OF BUSINESS

Consideration of Resolution 2010-09 Approving the Proposed General Fund and Debt Service Budgets for Fiscal Year 2011 and Setting the Public Hearing

Mr. Hyche stated item four is consideration of Resolution 2010-09 approving the proposed general fund and debt service budgets for fiscal year 2011 and setting the public hearing.

On MOTION by Mr. Morretti seconded by Mr. Mendelson with all in favor Resolution 2010-09 was approved.

Mr. Lyles stated we have the resolution in the agenda package and it has the time and location but it doesn't specify the date. I assume it is in connection with the regularly scheduled meeting and that should be in the resolution.

Mr. Hyche stated that is July 6th.

Mr. Lyles stated for purposes of the record the resolution will include the date of July 6th for the date of the public hearing and the notice given to the public of that hearing.

FIFTH ORDER OF BUSINESS

**Acceptance of Audit for Fiscal Year Ending
September 30, 2009**

Mr. Hyché stated item five is acceptance of the audit for fiscal year ending September 30, 2009. We have Mr. Gaines in the audience if you have any questions concerning the audit.

Mr. Gaines stated I am pleased to announce that we have issued a clean opinion which means that the financial statements are stated materially correct as of September 30, 2009. On page 10 we note that you have \$115 million in net assets at the government wide level and on page 11 we note that the net assets increased half a million in the governmental activities and \$1 million in the business type activities. At the fund level, which is how you operate your budget which is basically current resources it doesn't include capital assets which is your equipment and it doesn't include long term debt, your current resources you have a \$24 million fund balance. During the year, however, you showed a decrease of about \$2.7 million for the year but that would be anticipated because you borrowed the money upfront in a capital projects fund then you expend it as you go along. Other than the year in which you borrow the money you are going to show deficits in your capital projects fund and that is what the deficit came from. On pages 17 and 18 we are looking at your enterprise funds and they are the same thing as the business type activities on pages 10 and 11 so you have \$43 million in net assets for the business type activities and \$1.2 million increase. On pages 48 and 49 is our compliance and internal control opinion and we are pleased to report that we had no findings. On pages 50 and 51 is our management letter and again we are pleased to report that we had no findings. On page 51 I always like to point this paragraph out because it is confusing, the second paragraph says, North Springs Improvement District has not met one or more of the conditions described in section 218.503(1) Florida statutes and is not in a state of financial emergency. The fact that you have not met one of those financial conditions is a good thing because if you did you would be in a state of financial emergency, which would mean you had a deficit fund balance.

Mr. Gray joined the meeting at this time.

On MOTION by Mr. Mendelson seconded by Mr. Morretti with all in favor the audit for fiscal year 2009 was accepted.

SIXTH ORDER OF BUSINESS

Consideration of Permit Modification for Permit No. 2006-16 Parkland Reserve Pod B

Mr. Hyche stated item six is consideration of permit modification for permit no. 2006-16 Parkland Reserve Pod B.

Ms. Early stated this was just a redesign of the multi-family. When Centerline took over that parcel they moved it around a bit and changed some of the drainage so we had to resubmit just to make sure that it didn't affect the surface water permit.

Mr. Mendelson asked did we have to draw up new plans?

Ms. Early responded their engineer drew up the plans. We made them resubmit the calculations for the surface water permit just to make sure that everything was still in compliance and it is. We are recommending approval.

On MOTION by Mr. Mendelson seconded by Mr. Morretti with all in favor the permit modification for permit no. 2006-16 Parkland Reserve Pod B was approved.

SEVENTH ORDER OF BUSINESS

Staff Reports

A. Manager

i. Hurricane Cleanup

Mr. Hyche stated we have a small presentation for hurricane cleanup.

Mr. Colon stated Sergio is with Hunter & Associates and one of his coworkers is David Rosenof who is a City of Parkland commissioner who has a company and they assist municipalities and other businesses in case we ever did get hit with a hurricane. FEMA is now requiring us to be under contract with a company to assist us with logistics and some other personnel matters and other issues and to prepare the FEMA paperwork. I know the City of Coral Springs went with another company. We did talk with the other company but Sergio is here just to tell us a little bit about his company and what he offers us.

Due to equipment failure, this portion of the meeting was unable to be transcribed.

Mr. Sergio ----- stated as you can see we will provide you the services that you will need when you have a hurricane or emergency recovery for all of your structures, lift stations and canal debris. I understand that was important to you. In that regard we have teamed up with some local land development companies and have secured that equipment in case we do need to use it. We are completely bonded, licensed and insured and general contractors. This is

something we have been doing since before Wilma we started the emergency work and have been in business since 1997 and we learned a lot during Wilma and we have grown and have become very good at it. We have just recently signed up Bal Harbour, we have several properties in Miami, condos and we do the Archdiocese of Miami and Diocese of Palm Beach and we are in the process of going to Orlando and St. Augustine to see if we can secure those facilities as well. We have \$2 million in dryout equipment, a lot of it in a warehouse in Deerfield Beach and we have done over \$100 million in claims. We have an offshore call center, there is an 800 number you call and we have cards we will hand out to you once we secure the contract you would call that number. We have landlines, cell phones and satellite phones to make sure there is some redundancy. Lift station generators I believe you have around 60 of them in the city. We had some problems during Wilma securing generators so we have partnered with a local rental company that is also across the state that will guarantee us the generators. That will happen, if they say Coral Springs is going to get hit we would call you and say do you want the generators. At that moment if you said yes we would call a rental company and secure those generators immediately and we would guarantee those generators. In the past we had problems that we were told we would have the generators and we never got them. That is not happening again. We have come by here with some of our subcontractors who would help us connect the generators to the pump stations and we are starting to become familiar with your inventory. We would be helping you with your FEMA applications. When we went through Wilma we hired an entire staff just to do that. It is a very tedious process as I'm sure you know and it is something we would help you with the process.

Mr. Hyche stated there is no vote on this it is just for your information.

ii. Consideration of Fiscal Year 2011 Meeting Schedule

Mr. Hyche stated next is consideration of fiscal year 2011 meeting schedule.

On MOTION by Mr. Mendelson seconded by Mr. Gray with all in favor the meeting schedule for fiscal year 2011 was approved.

iii. Monthly Work Orders

Mr. Hyche stated the next item is the monthly work orders, which are included in your package.

Management Services of Heron Bay Commons

Mr. Hyché stated the next item is not in your agenda but I am bringing it up under the manager's report and this is for management services of Heron Bay Commons. It is staff's recommendation at this time that we terminate the services and the agreement with the HOA as far as the management for the Heron Bay Clubhouse. We would like to continue with United Management under a month-to-month basis, which they have agreed to until district staff can look at alternatives and come up with a plan to manage the Commons, whether we go out with an RFQ for a management company or do it ourselves. We would like to look at the alternatives.

Mr. Lyles stated the motion would be to authorize staff to provide written notice to the property owners association that the contract is being terminated and further to authorize staff to enter into a month to month services agreement regarding Heron Bay Commons with United Management under the circumstances the manager outlined.

On MOTION by Mr. Mendelson seconded by Mr. Gray with all in favor staff was authorized to provide written notice to the property owners association that the contract is being terminated and to enter into a month-to-month service agreement regarding Heron Bay commons with United Management under the circumstances outlined by the manager.

B. Attorney

Mr. Lyles stated I am very pleased to advise you that Governor Crist has signed the bill expanding our boundaries and taking in about 100% of the Wedge property at the northern end of the district and now what comprises the northern boundary of Broward County. You may or may not have heard that the City of Parkland's annexation bill did not make it out of committee, did not get passed. They are going to have to try again next year. Notwithstanding any political problems that Parkland may have run into with their annexation bill we will proceed with our new property that is part of the district in terms of capital planning, levying assessments, things of that nature that they are all aware of and it may or may not come into the City of Parkland in the future but it will not affect negatively your staff's plans and efforts that have already been undertaken regarding the Wedge property. As you may remember there is some property that was not part of the bill this year the owners of which are now asking to come into the district so

we will be going back to the delegation with another bill to further amend our boundaries for those properties that want to come into the district including the Hendricks property which you are familiar with. That is going to be back for a formal authorization over the summer and we will be doing a second amendment to our boundaries next year and it may or may not be the last time we do that. For now the governor has vetoed a lot a bills at the end of the session, a lot of things related to local governments and anything that could remotely result in an additional assessment or payments by landowners so we feel very good about the effort that was expended on your behalf, it was all businesslike and for the right reasons but that didn't always work in some other instances, they got vetoed anyhow. We are off and running with the Wedge property and we will be back with some further boundary amendments later in the summer.

C. Engineer

i. Work Authorization 202 for Engineering Services During Construction on County Line Road West Phase I & II for the Lump Sum Amount of \$158,000 and Additional Services Mutually Agreed Upon

Mr. Hyche stated work authorization 202 is for engineering services during construction on County Line Road West Phase I and II for the lump sum amount of \$158,000 and any additional services mutually agreed upon by the engineers and staff.

Ms. Early stated in your package I did a summary of this entire project since it started back in 2003 because it has been designed and redesigned for various reasons and WCI filed bankruptcy so we stopped it again and then once WCI started asking for reimbursements on some of the landscape projects we thought we better go ahead and move forward with this project and get this done before all the bond funds are gone even though WCI is on the hook to expend it. Then when Rod and Doug took over I met with them and we went through this again because as I said it has been designed and redesigned three times for the various reasons I mentioned in the outline and I talked about maybe doing away with the work authorization and starting fresh and I said let's see how much we can get done. As it stands right now the two work authorizations we have finalized the design and we have secured the permit. We bid the project we have the contractor ready to go and we are out of funds so that is why I did this summary and met with Doug and Rod to go through this and it was decided to just do a totally new work authorization for the inspection services. Inspection services are going to last approximately 14 months. I think it is about 8,000 linear feet of road west of Nob Hill. That is

June 2, 2010

North Springs Improvement District

what the work authorization is for. We wanted to do a lump sum so that there isn't any question on hourly and if we are going to go over. There is always some question on using an hourly job so we went with a lump sum.

Mr. Mendelson asked are we going to put it out to bid? Are we going to have individual contractors?

Ms. Early responded this was already bid. This is County Line Road for the road work, paving and drainage. We are going to do the landscape under the other work authorization. We will be getting bids on that as soon as the plans are done. This is basically for the oversight and certification, shop drawing review, having an inspector on site.

Mr. Mendelson asked when will the other stuff go out to bid?

Ms. Early responded we did a work authorization last month. We are still working with the City of Parkland to get the maintenance agreement worked out so we haven't started design yet. We didn't want to waste any money until we got that worked out.

Mr. Colon stated when they did put it out to bid it came in \$1.5 million under the engineer's estimate.

Ms. Early stated that is why I put my summary, even using the lower amounts I put the percentage of our design even though we did it three times and the percentage for the ESDC is relatively low. I wanted to do a summary so that everybody could fully understand what has been going on with this project over the past seven years.

Mr. Gray stated you are changing your authorizations on a going forward basis.

Ms. Early responded yes we are going to move towards that. I think that will make it cleaner and clearer for everybody. A lot of times they said a project was six months and we had projects that went on for twelve months and we just kept going on and it seemed to cause confusion. I don't anticipate this project being a problem Hardrives has been in business a long time.

Mr. Gray stated on a going forward basis this is the way we are going to do authorizations.

Ms. Early responded yes.

On MOTION by Mr. Mendelson seconded by Mr. Gray with all in favor work authorization 202 was approved.

ii. Project(s) Status Report

Ms. Early stated we summarized everything here unless you want to talk about the plant work. The road work hasn't started yet, that is supposed to start June 14th.

Mr. Suarez stated as far as the RO plant design project we are in the initial design phase. We are one month into a ten month design schedule. We are just getting started with that and getting the surveyor on site. There is not too much to report at this point.

Bond Counsel Supplemental Engagement Letter

Mr. Hyche stated the next item is not on your agenda. This is the supplement to bond counsel for the additional new moneys and all the work created in getting those funds. This is for an additional \$10,000. We do not have the supplemental letter at this time but we can get you a copy and get it signed at a later date. I'm just bringing it up for your approval.

Mr. Lyles stated just so we are all on the same page we did roll in an additional bond issue for new money on top of the refunding bond issue that we originally thought would be done later in the year. It was something that was able to be done at one closing with one effort. Bond counsel did submit in writing a proposed engagement letter with an additional \$10,000 fee. Normally if it had been done separately later in the year the fee would be more in the order of \$35,000 so it is a significant savings for the district to do this in this fashion. I think the manager and I both can recommend to you that the supplemental engagement letter from bond counsel, Ruden McClosky be approved.

On MOTION by Mr. Mendelson seconded by Mr. Gray with all in favor the supplemental bond counsel engagement letter in the amount of \$10,000 was approved.

EIGHT 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 check registers were approved.

June 2, 2010

North Springs Improvement District

NINTH ORDER OF BUSINESS

Supervisors Requests and Audience Comments

Mr. Gray stated what we were talking about a minute ago I know there is a separate project items that were specified that is why I was asking if all the future ones would be a lump sum budget. Do we have anything that is still outstanding that is currently not on a lump sum budget?

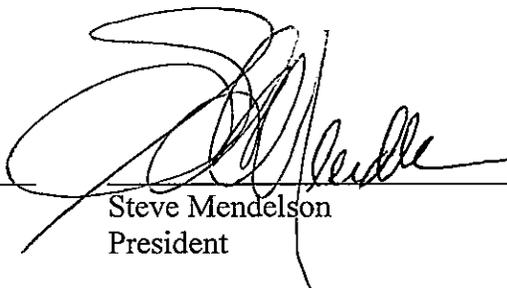
Ms. Early responded no. These were the two that were hourly and that is why I wanted to close those.

Mr. Gray stated that is good.

On MOTION by Mr. Mendelson seconded by Mr. Gray with all in favor the meeting adjourned at 5:23 p.m.



David Gray
Secretary



Steve Mendelson
President