



South Florida Water Management District

Governing Board Audit and Finance Committee MEETING MINUTES

February 11, 2009

10:30 AM

District Headquarters - Storch Room
3301 Gun Club Road
West Palm Beach, FL 33406

Members Present:

Eric Buermann

Michael Collins

Charles Dauray

Members Absent:

Paul C. Huck Jr.

1. Call meeting to Order - Charles Dauray, Chair

Chair Dauray called the meeting to order at 10:30 am.

Governing Board members Meeker, Estenoz, Montgomery and Rooney were in attendance.

Note: Mr. Buermann arrived at 10:45 am.

2. Approval of Minutes

Approval of the Minutes from the January 12, 2008, Audit & Finance Committee Meeting held in West Palm Beach, Florida

Motion made by Michael Collins, seconded by Eric Buermann, to approve the minutes of October 8, 2008. Vote called. Voting yes. Eric Buermann, Michael Collins, Charles Dauray, Not present: Paul Huck. Motion passed.

3. Changes to Agenda - Annette Carter, Director, Office of Governing Board and Executive Services

Annette Carter, Director, Office of Governing Board and Executive Services read into the record:

Section 120.525, Florida Statutes, allows the District to change the published agenda for good cause shown, as determined by the presiding officer. Based upon that authority, the Chairman has determined that good cause exists to make certain changes to the Agenda. These changes are being made in order to permit the Committee to efficiently accomplish necessary public business at this meeting and to reflect the items on the agenda that have been requested or suggested to be deleted, revised, supplemented or postponed. These changes have been listed in the Committee Addendum available at the entrance to this meeting room.

Agenda Item 9 was moved to the Governing Board meeting on 2/12/09.

Mr. Olliff reported Agenda Item 10 pertaining to Board Policy is postponed.

4. **COPs Validation Update** - Paul E. Dumars, Sr., Chief Financial Officer, Executive Office and Frank Bartolone, Sr. Special Attorney, Office of Counsel (ext. 6212 and 2884)

Frank Bartolone, Special Attorney, Office of Counsel, provided an update on the Certificate of Participation Bond Validation Hearing. The hearing will be continued on March 16, 17 and 18.

Paul Dumars, Chief Financial Officer, Executive Office, presented information on revised financing milestones, the timeline schedule associated with the court validation hearing and an overview and update on the current market conditions.

Mr. Dauray requested copies of the timelines be provided to the Governing Board.

5. **Update on Transferring 2006 Series COPs Proceeds to Fund B & C Buildout** - Paul E. Dumars, Sr., Chief Financial Officer, Executive Office (ext. 6212)

Randy Hanna, Attorney, Bryant, Miller & Olive, presented to the Committee a resolution that will be presented to the Governing Board on February 12, 2009. This is regarding facility substitutions and the proposed transfer of unspent 2006 Certificate of Participations bond proceeds from the EAA project to the Everglades Compartment B & C buildout projects.

The Committee supports approval of the proposed transfer and associated resolutions.

6. **SAP Program and Project Update** - Rich Sands, Director, Business Performance Management Office (ext. 6902)

Rich Sands, Director, Business Performance Management Office, presented information on the Program Budget Execution Report, Annual Work Plan Item Execution Report, and SAP Project System Execution Report.

7. **Budget Amendments and Transfers** - Doug Bergstrom, Director, Budget Office (ext. 6214)

Doug Bergstrom, Director, Budget Office, provided information on the FY 2009 budget amendments and February's budget transfers:

- C-111 Spreader Canal.
- Change the budget total by fund.
- May or may not change the overall budget total.
- Reflect updated revenue estimates and accounting adjustments.
- Placed on Governing Board consent agenda.

The Committee recommends approval of both the transfers and the amendment.

8. Financial Outlook Updates:

A) Special Legislative Session - Doug Bergstrom, Director, Budget Office and Ernie Barnett, Director, Legislative Affairs (ext. 6214 and 2110)

B) Summary of Supreme Court Review of 1.35% Property Tax Cap - Frank Bartolone, Sr. Special Attorney, Office of Counsel (ext. 2884)

C) Federal Economic Stimulus and Federal Appropriations - Garrett Wallace, Director, Federal and Tribal Affairs (ext. 6371)

Mr. Bergstrom provided an update on the legislative special session:
For FY2009:

- Alternative Water Supply reduced by \$2.7M
- SFWMD share of reduction is \$810K

Governor vetoed:

- Cut of Florida Forever Trust Fund - \$13-\$14M
- Reduction of Water Management Lands Trust Fund (WMLTF) - \$1M

Beyond FY2009:

- HB5113-A Permanently redirects \$8M annually from WMLTF and reduces WMD allocation.
- SFWMD share of reduction is \$3M

Frank Bartolone, Sr. Special Attorney, reported on Florida's Supreme Court's decision to remove from the 2010 ballot a proposed 1.35% property tax cap initiative.

Garrett Wallace provided an updated on the Federal Economic Stimulus Bill.

10. Proposed Governing Board Policies - Thomas W. Olliff, Assistant Executive Director, Executive Office (ext. 2132)

This item was postponed.

11. Review of Financial Polices - Thomas W. Olliff, Assistant Executive Director, Executive Office (ext. 2132)

Mr. Olliff reported on the District policies and procedures regarding the selection of financial professionals. Policies are in place that require a formal selection process for underwriters and financial advisors. Under Committee consideration is a proposal to require a formal selection process for bond counsel services.

12. Public Comment

There was no public comment.

13. Adjourn

New Business:

The Committee requested the Inspector General provided a quarterly update on the status of previous audit recommendations.

The Committee also discussed the need for outside Legal Counsel for the Board. Staff will bring back recommendations for consideration to the Committee.

Chair Dauray adjourned the meeting at 11:55 am.

Charles Dauray
Chairman
Audit and Finance Committee

Recorded By:

Cathy Widness
Administrative Assistant Senior
Governing Board and Executive Services
SFWMD