



South Florida Water Management District

Governing Board Audit and Finance Committee MEETING MINUTES

October 8, 2008

9:00 AM

District Headquarters - B-1 Auditorium
3301 Gun Club Road
West Palm Beach, FL 33406

Members Present:

Eric Buermann

Michael Collins

Charles Dauray

Paul C. Huck Jr.

1. Call meeting to Order - Charles Dauray, Chair

Chair Dauray called the meeting to order at 9:05 am.

Governing Board members Jerry Montgomery, Melissa Meeker, and Patrick Rooney were in attendance.

2. Approval of Minutes

Approval of the minutes of the September 10, 2008, meeting held in West Palm Beach, Florida

Motion made by Michael Collins, seconded by Paul Huck, to approve the minutes of September 10, 2008. Vote called. Voting yes. Eric Buermann, Michael Collins, Charles Dauray, 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, announced there were no changes to the agenda.

4. Inspector General's Activity Report - John Williams, Inspector General

John Williams, Inspector General, provided a summary of the Inspector General's Activity report. There were four audits performed:

- Review of the General Engineering and Professional Services Contracts.
- Audit of the monitoring of CERP Land Acquisition costs incurred by organizations other than the District.
- Audit of Information Technology Department.
- Audit of Land Stewardship Program.

Mr. Collins commented on overhead costs of contract employees.

Mr. Huck commented on outsourcing contracts.

Timothy Beirnes, Director of Auditing, reported on outsourcing and overhead costs versus in-house work.

Mr. Olliff commented on higher-end contractors, outsourcing contracts, and what other agencies are paying.

Mr. Buermann commented on full-time employees (FTEs) versus contractor workers. He stated the District has increased staff by 20 FTEs.

Mr. Montgomery commented on the District's core function and outsourcing contract workers.

Mr. Williams then reported on the audit of the Land Stewardship Program.

Mr. Beirnes presented the results of a survey of the Small Business Enterprise (SBE) vendors. He reported on the survey summary, issues of non-compliance, and the District process.

Ms. Wehle requested an annual audit of the SBE program.

Mr. Williams requested the Committee move to accept the four audit reports.

Motion made by Paul Huck, seconded by Jerry Montgomery, to approve the Inspector General's Activity Report and accept the four audit reports. Vote called. Voting yes. Eric Buermann, Michael Collins, Charles Dauray, Paul Huck. Motion passed.

5. Inspector General's Annual Work Plan and Review Discussion - John Williams, Inspector General and Timothy J. Beirnes, Director, Auditing

Chair Dauray announced a modification to the Annual Work Plan for 2009. The title "EAA suspension and possible termination costs" will be replaced by "EAA Reservoir contract".

Timothy Beirnes, Director, Auditing, provided background information on the planning approach for the 2009 Annual Work Plan. He reported on the proposed audits scheduled for 2009.

Mr. Collins asked about the risk assessment audit after the transaction closing.

Mr. Williams commented on the terms and conditions following the transaction completion.

Mr. Dauray commented on the time constraints of the contract and the risk assessment analysis.

Mr. Williams provided additional information on the time constraints.

Ms. Meeker requested the SBE survey include those businesses that do not have contracts with the District. Also, Ms. Meeker requested more opportunities for special procurements focusing on certified small businesses.

Motion made by Michael Collins, seconded by Paul Huck, to recommend the Inspector General's 2009 Annual Work Plan, as amended, to the Governing Board. Vote called. Voting yes. Eric Buermann, Michael Collins, Charles Dauray, Paul Huck. Motion passed.

6. Certificates of Participation (COPs) Legal Documents Review - Randy Hanna, Esq., SFWMD Bond Counsel, Bryant Miller Olive, P.A.

Randy Hanna, Bryant Miller Olive, provided an explanation of Certificates of Participations (COPs) financing projects, and the validation process. There is no time-certain on the validation process. He reported on the Leasing Corporation meeting being held on October 9, 2008, the resolutions on the Governing Board agenda and a report which will be attached to the resolution for the U.S. Sugar land acquisition.

Mr. Dauray commented on ad valorem taxes and the flexibility of timing on the issuance of COPs.

Mr. Hanna summarized the proposed actions being taken by the Governing Board at the regular business meeting and Not For Profit Leasing Corp. meeting.

7. Public Comment

There was no public comment.

8. Adjournment

Chair Dauray adjourned the meeting at 9:50 am.

Charles Dauray
Chairman
Audit and Finance Committee

Recorded By:

Cathy Widness
Administrative Assistant Senior
Governing Board and Executive Services
SFWM

Motion made by Mike Collins, seconded by Eric Buermann, to adjourn the meeting. Vote called. Voting yes. Eric Buermann, Michael Collins, Charles Dauray, Paul Huck. Motion passed.