

Doris Holzheimer  
Vice Chairman

**Regular Meeting of the  
Captiva Erosion Prevention District**

Tween Waters Inn, Wakefield Room  
15951 Captiva Drive, Captiva, Florida

August 12, 2009 @ Noon

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## **Agenda**

**Regular Meeting of the  
Captiva Erosion Prevention District**  
Tween Waters Inn, Wakefield Room  
15951 Captiva Drive, Captiva, Florida 33924  
August 12, 2009 @ 12:00 P.M.

- I. Call to Order
- II. Roll Call
- III. Approval of CEPD Meeting Minutes
  - a) July 8, 2009 Regular Meeting
  - b) July 8, 2009 Budget Meeting
  - c) July 10, 2009 Emergency Meeting Minutes
  - d) July 21, 2009 Emergency Meeting Minutes
- IV. Public to Be Heard
- V. Financial Report
- VI. Report of the Senior Administrative Consultant
  - a) Meeting with Judi Zimomra, Sanibel City Manager
  - b) Coastal Advisory Council Meeting of July 27
  - c) Blind Pass Status/ Revetment
  - d) Strategic Plan
  - e) DEP – 2005/06 Project Close Out
  - f) Parking Lot Collections and ADA Requirements
- VII. Old Business
  - a) Audit
  - b) Beach Nourishment Cycle Operating Procedures Manual
  - c) BeachWatch Support Ratification
  - d) Public Relations
- VIII. New Business
  - a) FY 09/10 Budget Models
  - b) Funding for Beach Nourishment
- IX. Commissioner Comments

**Minutes of the Regular Meeting of the Captiva Erosion Prevention District**

Celebration Center

11513 Andy Rosse Lane, Unit 4, Captiva Dr., Captiva, FL 33924

Wednesday July 8, 2009 @12:00pm

**Commissioners Present:** Mike Mullins (Chairman), Dave Jensen (Treasurer), Doris Holzheimer (Vice Chairman), Harry Kaiser (Secretary), Rene Miville (Commissioner)

**Administrative Consultants Present:** Kathy Rooker (Consultant), Ruth Wilburn (Consultant), Joann Paul

**I. Call to Order**

Chairman Mullins called the meeting to order at 12:05pm.

**II. Roll Call**

Roll Call was preformed and the results are detailed above.

**III. Approval of CEPD Meeting Minutes**

**June 10, 2009 Regular Meeting Minutes**

Comm. Kaiser moved to approve the minutes. The motion was seconded and passed unanimously.

**IV. Public Comments**

Public comments were heard.

Comments were raised concerning people driving golf carts onto beach access paths and out on to the beach. Concerns were also raised concerning dogs on the beach and furniture and personal items being left over night on the beach. "No golf carts on the beach" signs were requested.

**V. Financial Report**

The treasurer presented the financial report.

Comm. Kaiser moved to approve the Financial Report. The motion was seconded and passed unanimously.

**VI. Report from the Senior Administrative Consultant**

**a) DEP Update of 2005/06 Project**

The DEP closeout is getting closer. After Lisa Armbruster visit during the Re-nourishment workshop Lisa went to visit Vince George [DEP] to discuss the closeout. It was determined that no quarterly reports were filed after 2004 even though they were prepared. Quarterly reports are up to date for 2009. The in house audit [compiling all DEP closeout information for submission] will be completed while Consultant Rooker is on vacation and will be reviewed for submission to the DEP after her return.

There is no idea what the end result of this closeout will be and Consultant Rooker is concerned considerable monies will be owed to the DEP for over-payment.

**b) Blind Pass Status and Celebration Date**

The Blind Pass Ribbon Cutting is planned for September 25, 3009 at 10:00am. Preparations for this ribbon cutting are under way.

The status of the Blind Pass project is of great concern since it has been weeks since a dredge has operated in the Gulf and the project continues to fall further and further behind. The published status reports from Robert Neal makes little or no sense in the time line for completion and the people of Captiva expressed concern at the Panel meeting.

Comm. Miville gave a report on what he had learned from talking to Lee County Public Works Director, Jim Lavender. A meeting was set for Friday at 3pm at Jim Lavender's office to discuss this project. All commissioners were invited to attend. Chairman Mullins, Comm. Miville and Consultant Rooker will be attending. Comm. Miville will confirm this meeting and inform the other commissioners.

Comm. Jensen made a motion to have a meeting with Jim Lavender. The motion was seconded and passed with a vote of 4 in favor and one opposed.

**c) Summary of June 11 Renourishment Workshop**

A summary of the Re-nourishment Workshop is in the meeting packet. There is a magazine article that helps describe how the Corp of Engineers works. Consultant Rooker recommended everyone read this article.

It is recommended that Consultant Wilburn listen to the tape and take notes on the NEPA process and exactly what is said regarding this permit.

Chairman Mullins recommended a Critical Path Chart for this workshop to ensure a complete understanding of both organizations and the deadlines required. This is to identify crossovers between both alternatives as well as isolate upcoming CEPD activities to prepare for the next beach re-nourishment cycle. This CPC should include the Blind Pass Project until completion.

**VII. Old Business**

**a) Professional Services Contract**

Commissioners requested a compressed/shortened version of the scope of service for all three contracts. The Professional Services Agreement and the Capitol Professional Services Agreement are ready to be signed. The Professional Service Agreement for Standard Operating Procedures Development will be held for future discussion.

**b) Budget Amendments**

The Budget Amendments were moved to be accepted as written by Comm. Jensen and seconded. The amendments were unanimously approved.

c) **Bed Tax Revenue**

Discussion on how difficult it is to get the exact bed tax figure was conducted. Consultant, Rooker and Chairman Mullins backed out the bed tax figure with the help of the sales tax department in Tallahassee. Consultant, Rooker is to get this figure in writing. It is recommended the CEPD make its presence known at the TDC and educate them on how important the Captiva tourism is to the bed taxes collected. Through making the CEPD presence known at the TDC it is hoped that they recognize Captiva more accurately in grant funding.

d) **Oil and Gas exploration**

Consultant Rooker shared concerns of lobbyist Debbie Flack on this issue as well as photos of oil rigs she recently saw off the California coast. It was agreed an aggressive PR plan will be needed to spread the word on this important community issue.

## **VIII. New Business**

a) **Revetment and Groin**

Consultant Rooker is meeting with the Sanibel City Manager on July 22, 2009 to bring her up to date on the project and what is happening with the revetment and groin.

The revetment was discussed. It is not clear to the extent of damage if any but it must be put back the way the contractors originally found it. For the record; upon asking the county to put back the revetment rock and they responded they would return the rock if they were not held responsible for any damages to the revetment.

Commissioner Miville has talked with Robert Neal and with Jim Lavender on this issue. Con. Rooker has talked with Steve Keehn of CP&E about possible solutions. This will be addressed further at a later time with engineering issues on Blind Pass project being of immediate concern.

b) **Stop the Beach Renourishment v. Florida Department of Environmental Protection**

Beach nourishment funding is potentially at risk. The CEPD must stay on top of developments and be ready to fight a PR battle to rally support and awareness.

c) **Lee County Parks and Recreation**

The CEPD was granted an extension on the 2008 grant for bathrooms at the beach parking lot. Barbara Manzo is looking into alternative bathroom solutions.

It was recommended the CEPD look into how Federal Stimulus dollars are being allocated.

Lee County Parks and Rec. recently visited Captiva and had concerns with the Yolo operation located on the beach at the end of Andy Rosse Lane. They have a concession set-up on the beach and use motorized vehicles on the beach. Parks and Rec. would like to know how the CEPD would like then to respond to this operation. They can ask Yolo to leave the beach or they can charge them a concession fee which would generate income to go to the CEPD. There is some question about their beach use being grandfathered in. Comm. Jensen will look into this matter. Comm. Jensen and Chairman Mullins will talk to the Yolo owner. This will be re-visited at the next meeting. This situation will also be discussed at the next Captiva Panel meeting.

**d) 2009 Trim**

A review of the budget meeting was given. Several DR420 scenarios were considered. A motion was made to increase the tax rate to .2322 . This is an increase of 25% over the role back rate. Commissioner Miville moved to accept the .2322 millage rate. The motion was seconded and unanimously accepted.

**e) Management Meeting with Auditor**

The latest letter from the auditor was reviewed and discussed. The meeting Con. Rooker and Comm. Jensen attended was reviewed and discussed. The letter makes an offer to settle the outstanding balance and complete the audit. Chairman Mullins asked for authority to negotiate this offer up to the asking amount of \$16,500 with the hope to settle for a lesser amount. This audit has been a difficult and frustrating procedure. There is a concern that even with payment final documents will be withheld and a plan to receive the documents must be established. Comm. Jensen moved that Chairman Mullins have the authority to negotiate this offer up to the asking amount of \$16,500. The option was seconded and unanimously approved although both Comm. Holzheimer and Comm. Kaiser were not pleased with the outcome and were uncomfortable with the final amount.

**IX. Commissioners' Comments**

The newsletter was discussed and the need to make this a piece that people want to read. It was recommended each commissioner write an article for the next publication.

Meeting adjourned 2:57pm

**Minutes of the Budget Meeting of the Captiva Erosion Prevention District**

Celebration Center

11513 Andy Rosse Lane, Unit #4, Captiva, Florida 33924

Wednesday, July 8, 2009 @ 9:00 A.M.

Commissioners Present: Mike Mullins (Chairman), Doris Holzheimer (Vice Chairman), Dave Jensen (Treasurer)

Administrative Consultants Present: Kathy Rooker (Consultant), Ruth Wilburn (Consultant), Joann Paul (CPA)

**I. Call to Order**

Chairman Mullins called the meeting to order at 9:07 P.M.

**II. Roll Call**

Chairman Mullins performed the roll call, the results which are detailed above.

**III. This meeting was to accomplish two things.**

1. Express the deadline of the DR420 due back to the Tax Collector on or before Aug. 04, 2009.
2. Project the tentative millage rate to be published on the Trim Notices that is sent out by the Lee County Tax Collector in August. This figure is due to the county on or before August 4, 2009. Once the rate has been turned in the rate cannot be increased above the published amount on the Trim Notices. The rate can be reduced without notice.

An overview of the TRIM process was given by Consultant Rooker and Chairman Mullins. Consultant Rooker explained the example DR 420's she had prepared for the meeting and the significance of the values regarding how many commissioners' votes it takes approve each option. The voting options were outlined and discussed.

The latest 2010 Proforma budget was presented by the CPA, Joann Paul. The budget was discussed.

The roll back rate was discussed. This is the first time Consultant Rooker has experienced a roll back that was actually greater than last year's rate. When property values decrease roll back rates increase.

Based on the proposed Proforma budget, Commissioners took the approach of taxing according to what is needed for the budget to have enough in reserve to start the next re-nourishment project in approximately 2014. Upon determination the millage rate of



.2322 was proposed. This scenario will be presented at the Regular Board Meeting to the entire board. With this rate a 100% majority vote is required.

Two unknown items are of concern in looking forward at the budgeting process. The final Blind Pass cost share is unknown. The results of the DEP closeout are unknown. Both of these items could have large cash costs associated with them.

The administrative staff was congratulated for the continued effort to bring work in house that had been outsourced in the past. This in house effort is saving a tremendous amount in professional costs and is quick and efficient as well.

Consultant Rooker will prepare the DR 420 and the DR 420MMP 420 for discussion and vote at the Regular Meeting, July 10, 2009 at noon.

Meeting adjourned at 11:16am

## **Minutes of the Emergency Meeting of the Captiva Erosion Prevention District**

Lee County Public Works Building  
1500 Monroe Street  
Fort Myers, Florida

Friday, July 10, 2009 @ 3 P.M.

Commissioners Present: Mike Mullins (Chairman), Rene Miville (Commissioner)

Others Present: Jim Lavender (Director of Public Works), Kathy Rooker (CEPD Senior Administrative Consultant)

### I. Call to Order

Commissioner Miville and Chairman Mullins introduced Kathy Rooker to Jim Lavender. The meeting followed introductions. Those present are detailed above.

### II. Purpose of the Emergency Meeting

Commissioner Miville explained the purpose of the emergency meeting. Lack of progress on the restoration of Blind Pass has become a significant issue for CEPD and the Captiva community. The Lee County project manager, Robert Neal, and the contractor have not been able to solve construction problems on their own. The meeting purpose is to advise Jim Lavender of the project issues and to find a solution that will bring the project to fruition.

### III. Meeting Discussion and Comments

Commissioner Miville discussed the issues leading up to the most recent stoppage of work on Blind Pass including the lack of dredging equipment capable of functioning in the gulf. He expressed a willingness to intervene on behalf of Lee County on any project modifications that would facilitate a successful project. He stressed the need for a meeting of all stakeholders including contractors, engineers, DEP, CEPD, Lee County Government, and Sanibel for the purpose of finding a solution.

Chairman Mullins explained to Jim Lavender CEPD concerns for the potential of the dredged area filling once again with sand due to the inability of inlet currents to flow through the channel to the gulf since the sheet pile wall remains in place. The Chairman stressed that while CEPD has not been given sufficient information to accurately evaluate the situation, they have prepared a document explaining some recommendations for an evaluation of the current project. The document was given to Jim Lavender and is attached.

Commissioners raised a concern about potential project damages and the lack of contractor and project management accountability for the project.

Public Works Director Jim Lavender commented that the contractors were “not off the hook” for the performance bond. The contractor will be advised of the bond.

Kathy Rooker commented on the disconnect between the reality of the information reported in the status reports. The rate of productivity and the schedule do not agree. She suggested to Jim Lavender that it was time to “take the bull by the horns” and find a new approach/ solution to open the pass.

Mr. Lavender explained that on Monday, July 13<sup>th</sup>, he would hold a meeting with the contractor and project consultants and managers to determine how the contractor will meet project obligations. Jim has visited the site and noted there was no activity. Lee County attorneys will examine contractual obligations. Lee County management will make recommendations of what to do to solve the project problems. Jim will advise the CEPD and other stakeholders of the meeting outcomes in writing.

Meeting Adjourned at 4:15 P.M.

**Minutes of the Emergency Meeting of the Captiva Erosion Prevention District**

Celebration Center

11513 Andy Rosse Lane, Unit 4, Captiva Dr., Captiva, FL 33924

Tuesday July 21, 2009 @12:00pm

**Commissioners Present:** Mike Mullins (Chairman), Dave Jensen (Treasurer), Doris Holzheimer (Vice Chairman) via conference call, Harry Kaiser (Secretary) via conference call, Rene Miville (Commissioner)

**Administrative Consultants Present:** Kathy Rooker (Consultant), Ruth Wilburn (Consultant)

**I. Call to Order**

Chairman Mullins called the meeting to order at 9:20am.

**II. Roll Call**

Roll Call was performed and the results are detailed above.

**III. Public to be Heard**

No public present.

**VI. Emergency Items of Business**

- a. Stop the Beach Nourishment v. Florida Department of Environmental Protection and Walton County/City of Destin strategy.

This issue is of great concern due to the potential loss of beach nourishment funding. This case has been won on all levels of state court but the High Court [4 justices] has agreed to hear the case. The Supreme Court Justices are very conservative. This case is essentially an issue of property rights for home owners. Concern and care must be taken to get the proper information into the right places.

Chairman Mullins commented, people are saying you are taking our property rights away; it is this law [Beach Preservation Act] that allows the public to walk in anything seaward of the mean high tide line. The space between the water and the erosion control line is the space that is owned by the state.

- b. FSBPA Amicus Brief Preparation funding commitment.  
Debbie Flack the FSBPA lobbyist has asked for financial support in producing an Amicus Brief for the U.S. Supreme Court case: Stop the Beach Nourishment v. Florida Department of Environmental Protection and Walton County/City of Destin. The FSBPA has asked for a donation of \$2,000.

Commissioner Miville moved to make the \$2,000 donation. The motion was seconded and the vote to approve the motion was unanimous pending approval by the attorney that the CEPD is allowed to make this kind of donation. The vote needs to be ratified at the August 12, 2009 Regular Meeting.

Meeting adjourned 9:52am

CAPTIVA EROSION PREVENTION DISTRICT  
CAPITAL PROJECTS  
BUDGET PERFORMANCE - SUMMARY  
FOR THE ONE AND NINE MONTHS ENDED JUNE 30, 2009

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
	Actual -May 09	Budget- May 09	Variance May 09	YTD Actual	YTD Budget	YTD Variance	Annual Budget	Residual Budget
Ordinary Income/Expense								
Income								
Grant Income - State	0.00	25,000.00	(25,000.00)	0.00	125,000.00	(125,000.00)	200,000.00	200,000.00
Interest Income	790.69	19,430.76	(18,640.07)	19,209.76	110,207.69	(90,997.93)	168,500.00	149,290.24
Parking lot revenue	16,163.59	7,016.09	9,147.50	122,323.83	73,951.74	48,372.09	95,000.00	0.00
Reserves - General	0.00	2,066.33	(2,066.33)	0.00	18,597.01	(18,597.01)	24,796.00	24,796.00
Special Assessments	21,103.43	0.00	21,103.43	610,938.48	463,000.00	0.00	463,000.00	0.00
<b>Total Income</b>	<b>38,057.71</b>	<b>53,513.18</b>	<b>(15,455.47)</b>	<b>752,472.07</b>	<b>790,756.44</b>	<b>(38,284.37)</b>	<b>951,296.00</b>	<b>374,086.24</b>
Expense								
Advertising	0.00	0.00	0.00	2,034.00	2,050.00	(16.00)	2,050.00	16.00
Annual memberships & fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Bank service charges	1.00	0.00	1.00	2,281.66	2,300.00	(18.34)	2,300.00	18.34
Beach maintenance	0.00	15,000.00	(15,000.00)	10,730.00	65,730.00	(55,000.00)	110,730.00	100,000.00
Blind Pass project	0.00	165,128.32	(165,128.32)	393,571.41	854,615.04	(461,043.63)	1,350,000.00	956,428.59
Consultants (CP)	5,130.00	32,376.25	(27,246.25)	95,499.78	249,137.26	(153,637.48)	346,266.00	250,766.22
Cost of Assessment Collections	0.00	83.33	(83.33)	786.54	750.01	36.53	1,000.00	213.46
Engineering (CP)	1,302.75	3,333.41	(2,030.66)	13,393.03	24,999.78	(11,606.75)	35,000.00	21,606.97
Insurance	0.00	0.00	0.00	6,094.00	6,100.00	(6.00)	6,100.00	6.00
Parking lot expenses	1,270.56	2,480.48	(1,209.92)	23,583.69	27,558.56	(3,974.87)	35,000.00	11,416.31
Rent	0.00	583.33	(583.33)	2,915.97	5,250.01	(2,334.04)	7,000.00	4,084.03
Storage of records	159.00	212.50	(53.50)	2,024.78	1,912.50	112.28	2,550.00	525.22
<b>Total Expense</b>	<b>7,863.31</b>	<b>219,197.62</b>	<b>(211,334.31)</b>	<b>552,914.86</b>	<b>1,240,403.16</b>	<b>(687,488.30)</b>	<b>1,897,996.00</b>	<b>1,345,081.14</b>
<b>Net Ordinary Income</b>	<b>30,194.40</b>	<b>(165,684.44)</b>	<b>195,878.84</b>	<b>199,557.21</b>	<b>(449,646.72)</b>	<b>649,203.93</b>	<b>(946,700.00)</b>	<b>(970,994.90)</b>
Other Income/Expense								
Total Other Expense	0.00	0.00	0.00	558,961.01	558,961.01	0.00	3,000,000.00	2,441,038.99
<b>Net Other Income</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>(558,961.01)</b>	<b>(558,961.01)</b>	<b>0.00</b>	<b>(3,000,000.00)</b>	<b>(2,441,038.99)</b>
<b>Net Income</b>	<b>30,194.40</b>	<b>(165,684.44)</b>	<b>195,878.84</b>	<b>(359,403.80)</b>	<b>(1,008,607.73)</b>	<b>649,203.93</b>	<b>(3,946,700.00)</b>	<b>(3,412,033.89)</b>

\*\*\*\*NOTE Residual Budget figures **ONLY** reflect Budgeted Assessments to be collected and Budgeted Costs not yet incurred.

CEPD - GENERAL FUND  
 Budget Performance - Summary  
 For the One and Nine Months Ended June 30, 2009

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
	Acutal JUNE 09	Budget - JUNE 09	Variance - JUNE 09	Acutal YTD	YTD Budget	YTD Variance	Annual Budget	Residual Budget
Ordinary Income/Expense								
Income								
Ad Valorem Tax	7,678.94	20,330.00	(12,651.06)	248,133.46	182,966.00	65,167.46	243,956.00	0.00
Other Income	500.00	0.00	500.00	1,900.00	0.00	1,900.00	0.00	0.00
Interest income	81.29	125.00	(43.71)	2,234.99	1,125.00	1,109.99	1,500.00	0.00
Total Income	<u>8,260.23</u>	<u>20,455.00</u>	<u>(12,194.77)</u>	<u>252,268.45</u>	<u>184,091.00</u>	<u>68,177.45</u>	<u>245,456.00</u>	<u>0.00</u>
Gross Profit	8,260.23	20,455.00	(12,194.77)	252,268.45	184,091.00	68,177.45	245,456.00	0.00
Expense								
Administrative expenses	3,705.83	5,571.00	(1,865.17)	43,660.54	46,427.00	(2,766.46)	63,140.00	19,479.46
Capital outlay	0.00	1,520.00	(1,520.00)	21,367.72	21,520.00	(152.28)	21,520.00	152.28
Contingency	0.00	2,066.33	(2,066.33)	0.00	18,597.01	(18,597.01)	24,796.00	24,796.00
Cost of collecting Ad Valorem	153.58	450.00	(296.42)	3,043.21	4,050.00	(1,006.79)	4,800.00	1,800.00
Consulting and Professional Fees	9,492.00	11,833.33	(2,341.33)	69,215.61	90,700.01	(21,484.40)	126,200.00	56,984.39
Parking lot expenses	0.00	0.00	0.00	69.99	0.00	69.99	0.00	0.00
Payroll and benefits	0.00	0.00	0.00	3,515.06	3,500.00	15.06	3,500.00	0.00
Uncategorized Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Expense	<u>13,351.41</u>	<u>21,440.66</u>	<u>(8,089.25)</u>	<u>140,872.13</u>	<u>184,794.02</u>	<u>(43,921.89)</u>	<u>243,956.00</u>	<u>103,212.13</u>
Net Ordinary Income	<u>(5,091.18)</u>	<u>(985.66)</u>	<u>(4,105.52)</u>	<u>111,396.32</u>	<u>(703.02)</u>	<u>112,099.34</u>	<u>1,500.00</u>	<u>(103,212.13)</u>
Net Income	<u>(5,091.18)</u>	<u>(985.66)</u>	<u>(4,105.52)</u>	<u>111,396.32</u>	<u>(703.02)</u>	<u>112,099.34</u>	<u>1,500.00</u>	<u>(103,212.13)</u>

NOTE: Residual Budget figures ONLY represent Budgeted Revenue uncollected and Budgeted Expenditures not incurred

**CEPD - CASH POSITIONS  
 AS OF JUNE 30, 2009**

	GENERAL FUND	CAPTIAL FUNDS	TOTAL FUNDS
<b>CASH and CASH EQUIVILANTS JUNE 30, 2009</b>			
Checking	\$322,196	\$1,981,678	\$2,303,874
S.B.A.	118	213,466	213,584
Certificates of Deposit	-	250,000	250,000
<b>TOTAL CASH and CASH EQUIVILANTS MAY 31, 2009</b>	<b>322,314</b>	<b>2,445,144</b>	<b>2,767,458</b>
 <b>PROJECTED ACTIVITY - JULY</b>			
<b>Plus:</b>			
Parking Lot Receipts		20,713	20,713
Estoppel Fees	300		300
Interest Income			-
Tax Collector Distribution	24	43,662	43,686
<b>Total Additions</b>	<b>324</b>	<b>64,375</b>	<b>64,699</b>
 <b>Less:</b>			
<b>Projected Expenditures - JULY</b>			
Blind Pass Project			
Partners in Progress	8,774	4,043	12,817
Engineering		5,202	5,202
Adminstrative costs	1,834		1,834
Parking lot		3,243	3,243
Rent	2,700	1,048	3,748
Debt Service Payment			-
Professional Fees	551	4,329	4,880
<b>Total Reductions</b>	<b>13,859</b>	<b>17,865</b>	<b>31,724</b>
 <b>Net Projected Increase(Decrease)</b>	 <b>(13,535)</b>	 <b>46,510</b>	 <b>32,975</b>

## Meeting Summary

Date: July 22, 2009

Present: Judi Zimomra (Sanibel City Manager), Ken Cuyler (City Attorney), Rob Loflin (Director of Natural Resources), and Kathy Rooker (CEPD Senior Administrative Consultant)

Place: Sanibel City Hall

Kathy Rooker began a discussion on the Supreme Court case "Stop the Beach Renourishment vs. Florida Department of Environmental Protection and Walton County/City of Destin. She explained that the CEPD held an emergency meeting on July 21 at which the commissioners agreed to help fund BeachWatch efforts in support of the FDEP and Walton County. Should the Supreme Court rule against the FDEP, Kathy commented that beach nourishment as we have come to know it, would come to an end. She asked for the support of Sanibel and extended to Sanibel a copy of the brief written by BeachWatch concerning the issue. Sanibel attorney, Ken Cuyler commented that he recently attended a meeting where the case was discussed.

Oil and gas exploration off the coast of Florida was discussed. Kathy commented on the CEPD resolution opposing such exploration. Judi Zimomra asked Kathy to send her a copy of the resolution. Judy added that Sanibel Council members have discussed the issue and will continue to stay abreast of any developments.

The Captiva Erosion Prevention District and City of Sanibel have both attempted to obtain bed tax information from the TDC without success. Kathy Rooker shared that CEPD contacted the Florida Department of Revenue and was able to get information for Captiva. Judi Zimomra asked for the contact information and Kathy will forward that to her.

Pictures of the condition of the revetment at Blind Pass were shared by Kathy Rooker. Kathy explained that Robert Neal informed CEPD that the rocks were moved by Sanibel during the Sanibel project to install a lift station. According to information received from Gates Castle of Sanibel, the rocks were left out of place when the project was complete because Lee County Department of Natural Resources had begun the dredging project at Blind Pass. Robert Neal previously recommended that Kathy contact Sanibel about the issue. Rob Loflin explained that replacing the rocks would be a simple matter. Kathy Rooker agreed it may be if the rocks were put back with care and that the CEPD engineer consultant recommended that a Lee County engineer stake out the area and mark the crest of the revetment while leading the contractor to install the rocks properly. Kathy asked that Sanibel and Lee County Department of Natural Resources work together to reconstruct the revetment.

Judi telephoned Gates Castle to determine the status of the revetment issue. She informed the group that Gates and Robert Neal have communicated about the issue and that Lee



County would take care of the problem and contact Sanibel if there was anything they needed to do.

Kathy also shared pictures of the destruction of vegetation at Turner Beach. While Sanibel officials are aware of the situation, they felt confident that the County will mitigate the damage.

Kathy Rooker asked those present if they had a copy of the management and monitoring plan for Blind Pass. While no one present had a copy, Judi Zimomra told that group that it was Sanibel's position that Lee County would maintain and monitor the opening at Blind Pass. She suggested that Kathy Rooker ask Lee County Department of Resources for a copy.

Rob Loflin began a discussion of the conditions of Lake "O". The water level has risen during the last few months and he was concerned about any discharges. Although no discharges are welcome, small discharges are preferred to one large discharge due to the amount of environmental damage caused by discharges. Kathy Rooker agreed to provide support to Sanibel on matters effecting water quality and concurred with Rob's assessment of the situation.

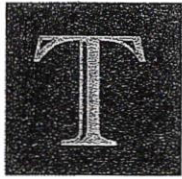
Judy inquired at to what the Captiva Community Panel plans were concerning addressing the results of the water quality monitoring project they undertook two years ago. Rob Loflin explained that sand does not serve as a good septic system on the islands. A water treatment sewerage facility does exist at the Sanibel Wulfert Flats. Kathy explained that she could not speak on behalf of the Panel but would share the question with the panel. Kathy explained that last month, Captiva Erosion Prevention District Chairman Mike Mullins and she met with Sanibel Mayor Denhan and discussed water quality, septic tanks, and sewers.

Kathy emphasized the CEPD desire to work collaborately with Sanibel for the best interests of Sanibel and Captiva islands. She commented that CEPD would like to form a collegial relationship with Sanibel and other municipalities to address issues that effect coastal areas. Judi and Rob commented on their willingness to work with CEPD for the benefit of both islands. Everyone present agreed to continue CEPD and Sanibel communication.

Captiva Erosion Prevention District  
 Parking Lot Receipts Annual Comparisons

	FYE 9/30/07	FYE 9/30/08	FYE 9/30/09 (As of 7/31/09)
Net Receipts	63,081.30	103,512.85	135,043.35
Increase	-	40,431.55	31,530.50
% Increase	0%	64%	30%

\*Net receipts reflects collections less sales tax remitted/owed



**TUSCAN**  
& Company, PA

Certified Public Accountants & Consultants

Affiliations

Florida Institute of Certified Public Accountants  
American Institute of Certified Public Accountants  
Private Companies Practice Section  
Tax Division

July 28, 2009

Captiva Erosion Prevention District  
Attn: Kathy Rooker  
11513 Andy Rosse Lane  
P.O. Box 365  
Captiva, FL 33924

Re: Audit for September 30, 2008

I am receipt of your email dated July 23, 2009.

I have considered your response. As such, I offer you two potential solutions: 1) pay in full the outstanding balance of \$23,349 of the total audit fees incurred in the amount of \$28,849, we will then complete the engagement and release the final financial statements and reports or 2) pay our firm an additional \$11,000 toward the outstanding balance of \$23,349 and provide full and complete general release of the firm and Jeff Tuscan, Jon Lissack, Sandra Hogencamp, Tiffany Gatch, Michele Lissack, Mark Winzenread and Benjamin Van Klingeren of all claims of any kind from the beginning of time. We will then complete the engagement and release the final financial statements and reports.

As provided in our engagement letter (page 6, paragraph 5) "work may be suspended if any invoice goes unpaid for 30 days" as of the date this letter all work has been suspended on this engagement pending the resolution of the fee issue.

I remind the Board the financial statements are due for submission to the State by September 30, 2009.

I look forward to resolving this situation.

Sincerely,

Jeffrey M. Tuscan, CPA  
For the Firm

EXPERIENCE ..... KNOWLEDGE ..... INTEGRITY ..... SERVICE

12621 World Plaza Lane, Building 55 • Fort Myers, FL 33907 • Phone: (239) 333-2090 • Fax: (239) 333-2097



August 7, 2009

Jeff Tuscan  
12621 World Plaza Lane  
Building 55  
Fort Myers, Florida 33907

Dear Jeff,

Pursuant to your letter of July 22, 2009, we have agreed that the Captiva Erosion Prevention District (CEPD) will pay Tuscan & Company a total fee for audit services of \$15,000. Enclosed please find our final check for the balance of \$9,500. Upon clearance of this final payment, all audit reports must be completed in accordance with auditing standards generally accepted in the United States of America, and Government Auditing Standards, finalized, and delivered to the CEPD. Our tender of the check is based upon Tuscan & Company's agreement to timely and fully honor the firm's audit responsibilities described in the engagement letter dated December 15, 2008.

Tuscan & Company must immediately release the financial statements that you stated in your letter of April 27<sup>th</sup> were complete. The Captiva Erosion Prevention District will not provide a hold harmless agreement or any other additional documents.

It is imperative that the final audited financial statements be delivered in a timely fashion. They are required by law to be filed by the Board on or before September 30, 2009. Your acceptance of the enclosed check will constitute your commitment to meet this important deadline.

Sincerely,

Michael C. Mullins  
Captiva Erosion Prevention District, Chairman

Cc: Theodore L. Tripp, Jr.

District  
Proforma Budget - General (Millage .2322)  
Fiscal Year 2009-2010

	<u>2009-2010</u>
	<u>Annual Budget</u>
Estimated Revenues	
Taxes	
Ad Valorem Tax (.2322)	
Ad Valorem taxes	308,741
Other income	900
Total Estimated Revenues	<u>309,641</u>
Expense	
Operating Expenses	203,351
Captial Outlay	3,000
Debt Service	
	<u>                    </u>
Total Expenses	<u>206,351</u>
Reserves	<u>103,290</u>
Total Appropriated Expenses & Reserves	<u><u>309,641</u></u>

District  
 Proforma Budget - General (Millage .2322)  
 Fiscal Year 2009-2010

	2008-2009 Annual Budget
Estimated Revenues	
Taxes	
Ad Valorem Tax (.2322)	
Ad Valorem taxes	308,741
Total Ad Valorem Tax	308,741
Other income	900
Total Estimated Revenues	309,641
Expense	
Administrative expenses	
Advertising- Legal	2,500
Board meeting expenses	1,200
Copier lease expense	2,600
Dues and subscriptions	2,000
General insurance	7,400
Office expense	5,500
Postage	1,500
Rent expense	16,500
Repairs	500
Telephone	3,000
Travel and per diem	8,000
Utilities	1,600
Web site/computer support	1,700
Total Administrative expenses	54,000
Capital outlay	
Equipment purchases	3,000
Total Capital outlay	3,000
Cost of collecting Ad Valorem	
Property tax appraiser fees	1,800
Tax collector commissions	3,000
Total Cost of collecting Ad Valorem	4,800
Consulting and Professional Fees	
Consulting - Ptnr in Progress	104,551
Professional Fees	40,000
Total Legal and professional fees	144,551
Total Expense	206,351
Reserves	
Operating reserves	103,290
Total Reserves	103,290
Total Appropriated Expenses & Reserves	309,641

District  
 Proforma Budget - Projects  
 (Millage .2322)  
 Fiscal Year 2009-2010

	2009-2010
Revenue	
Interest Income	15,000
Parking lot revenue	100,000
Reserves - Operating	103,290
Refund Unused Project Costs	75,000
Special Assessments	512,000
Total Income	805,290
Expenditures	
Advertising	2,050
Annual memberships & fees	6,000
Bank service charges	100
Beach maintenance	
Monitoring	113,000
Tilling	10,000
Total Beach maintenance	123,000
Blind Pass project	
Blind pass	956,000
Total Blind Pass project	956,000
Cost of Assessment Collections	1,200
Engineering (CP)	35,000
Insurance	6,100
Parking lot expenses	
Parking maintenance	16,000
Portable toilets	4,500
Sales tax expense	6,000
Total Parking lot expenses	26,500
Project Management Support	
Professional Fees	150,000
Project Manual	50,000
Project Consultant	48,800
Total Project Management Support	248,800
Renourishment - 2013-2014 Design Phase	
Permit - Borrow Area Expansion	25,000
Permit - Pipeline Corridor Expansion	55,000
NEPA	120,000
Total Renourishment - 2013-2014 Design Phase	200,000
Rent	7,000
Storage of Records	1,910
Total Expenditures	1,613,660
Net Revenue Over (Under) Expenditures Before Debt Service	(808,370)
Other Expenditures	
Debt Service	
Principal	404,535
Interest Costs	87,380
Total Other Expenditures	491,915
Net Revenues Over (Under) Expenditures	(1,300,285)

District  
 Proforma Budget - General  
 (Millage .2081)  
 Fiscal Year 2009-2010

	2009-2010 Annual Budget
Estimated Revenues	
Taxes	
Ad Valorem Tax (.2322)	
Ad Valorem taxes	276,697
Total Ad Valorem Tax	276,697
Other income	900
Total Estimated Revenues	277,597
Expense	
Operating Expenses	203,351
Capital Outlay	3,000
Debt Service	
Total Expenses	206,351
Reserves	71,246
Total Appropriated Expenses & Reserves	277,597



District  
 Proforma Budget - General  
 (Millage .2081)  
 Fiscal Year 2009-2010

	2009-2010 Annual Budget
Estimated Revenues	
Taxes	
Ad Valorem Tax (.2081)	
Ad Valorem taxes	276,697
Total Ad Valorem Tax	276,697
Other income	900
Total Estimated Revenues	277,597
Expense	
Administrative expenses	
Advertising- Legal	2,500
Board meeting expenses	1,200
Copier lease expense	2,600
Dues and subscriptions	2,000
General insurance	7,400
Office expense	5,500
Postage	1,500
Rent expense	16,500
Repairs	500
Telephone	3,000
Travel and per diem	8,000
Utilities	1,600
Web site/computer support	1,700
Total Administrative expenses	54,000
Capital outlay	
Equipment purchases	3,000
Total Capital outlay	3,000
Cost of collecting Ad Valorem	
Property tax appraiser fees	1,800
Tax collector commissions	3,000
Total Cost of collecting Ad Valorem	4,800
Consulting and Professional Fees	
Consulting - Ptnr in Progress	104,551
Professional Fees	40,000
Total Legal and professional fees	144,551
Total Expense	206,351
Reserves	
Operating reserves	71,246
Total Reserves	71,246
Total Appropriated Expenses & Reserves	277,597

District  
 Proforma Budget - Projects  
 ( Millage .2081)  
 Fiscal Year 2009-2010

	<u>2009-2010</u>
Revenue	
Interest Income	15,000
Parking lot revenue	100,000
Reserves - Operating	71,246
Refund Unused Project Costs	75,000
Special Assessments	<u>512,000</u>
Total Income	<u>773,246</u>
Expenditures	
Advertising	2,050
Annual memberships & fees	6,000
Bank service charges	100
Beach maintenance	
Monitoring	113,000
Tilling	<u>10,000</u>
Total Beach maintenance	123,000
Blind Pass project	
Blind pass	<u>956,000</u>
Total Blind Pass project	956,000
Cost of Assessment Collections	1,200
Engineering (CP)	35,000
Insurance	6,100
Parking lot expenses	
Parking maintenance	16,000
Portable toilets	4,500
Sales tax expense	<u>6,000</u>
Total Parking lot expenses	26,500
Project Management Support	
Professional Fees	150,000
Project Manual	50,000
Project Consultant	<u>48,800</u>
Total Project Management Support	248,800
Renourishment - 2013-2014 Design Phase	
Permit - Borrow Area Expansion	25,000
Permit - Pipeline Corridor Expansion	55,000
NEPA	<u>120,000</u>
Total Renourishment - 2013-2014 Design Phase	200,000
Rent	7,000
Storage of Records	<u>1,910</u>
Total Expenditures	<u>1,613,660</u>
Net Revenue Over (Under) Expenditures Before Debt Service	(840,414)
Other Expenditures	
Debt Service	
Principal	404,535
Interest Costs	<u>87,380</u>
Total Other Expenditures	<u>491,915</u>
Net Revenues Over (Under) Expenditures	<u><u>(1,332,329)</u></u>

Taxable Value	Proposed Millage	Rollback Millage	Proposed Millage #2
1,399,615,720	0.2322	0.1846	0.2081
	324,990,770	258,369,062	291,260,031
95% rule	308,741	245,451	276,697

# 1 mil

	A	B	C	D	E	F	G	H
1	Captiva Erosion Prevention District							
2	Millage Rate Comparision							
3	Tax Year 2009							
4								
5		2007		2008		Rollback - 2009		Proposed 2009
6	Millage Rate	0.1149		0.1745		0.1846		0.2322
7	Just Value of Property	\$ 1,000,000.00		\$ 1,000,000.00		\$ 1,000,000.00		\$ 1,000,000.00
8	Estimated Tax Levy	\$ 114.90		\$ 174.50		\$ 184.60		\$ 232.20
9	Tax Change from Prior Year	\$ -		\$ 59.60		\$ 10.10		\$ 57.70
10	% Increase from Prior Year	0.00%		51.87%		5.79%		33.07%
11								
12	% Increase from 2007	0.00%		51.87%		60.66%		102.09%
13								

# 500K

	A	B	C	D	E	F	G	H
1	Captiva Erosion Prevention District							
2	Millage Rate Comparision							
3	Tax Year 2009							
4								
5		2007		2008		Rollback - 2009		Proposed 2009
6	Millage Rate	0.1149		0.1745		0.1846		0.2322
7	Just Value of Property	\$ 500,000.00		\$ 500,000.00		\$ 500,000.00		\$ 500,000.00
8	Estimated Tax Levy	\$ 57.45		\$ 87.25		\$ 92.30		\$ 116.10
9	Tax Change from Prior Year	\$ -		\$ 29.80		\$ 5.05		\$ 28.85

<b>10</b>	<b>% Increase from Prior Year</b>	<b>0.00%</b>		<b>51.87%</b>		<b>5.79%</b>		<b>33.07%</b>
<b>11</b>								
<b>12</b>	<b>% Increase from 2007</b>	<b>0.00%</b>		<b>51.87%</b>		<b>60.66%</b>		<b>102.09%</b>
<b>13</b>								