



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

**'Tween Waters Inn, Wakefield Room
15951 Captiva Drive
Captiva, Florida 33924**

Wednesday April 13, 2011, 12:00 p.m.

April 13, 2011 CEPD Regular Board Meeting
Table of Contents

Agenda	1
Minutes	2-6
Financials	7-11
Meeting Report	12-14
June 9 Understanding memo	15-16
Projection of Future Blind Pass Costs	17
Lee County Invoice #1698	18-19
FDEP Funding Request and Ranking	20-24
Audit Engagement Proposals	25-46
CP&E Scope of Work Proposals	47-61
SSIR Vendor Proposal	62-65
City of Sanibel Resolution	66-68

Agenda

**Regular Meeting of the
Captiva Erosion Prevention District**
15951 Captiva Drive, Captiva, Florida 33924
April 13, 2011 @ Noon

1. Call to Order
 2. Roll Call
 3. Approval of March Minutes
 4. Public to be Heard
 5. Financial Report
 6. Report of the Senior Administrative Consultant
 - a) Welcome Douglas Meurer, Assistant County Manager and Max Millstein, Army Corps of Engineers Economist
 - b) Presentation to Sanibel-Captiva Kiwanis
 - c) Blind Pass Update
 - o Lee County/Sanibel/CEPD Meeting Report
 - o June 9, 2010 Agreement
 7. Old Business
 - a) Karyn Erickson, P.E. Blind Pass Study – Rene Miville
 - b) Projection of future costs associated with Blind Pass Project
 - c) Approval to pay invoice # 1698 Lee County Division of Natural Resources \$22,459.28
 - d) Lee County Final Project Closeout Claim/Budget Discussion
 - e) Florida DEP Funding Challenges for Beach Nourishment
 8. New Business
 - a) 5 Year Monitoring Report and Survey – Steve Keehn, P.E.
 - b) Commissioner Attendance Policy
 - c) FY11, FY12, and FY13 Financial Statements Audit Proposal
 - d) Approval of Scope of Work for Pipeline Corridor Modification
 - e) Approval of Scope of Work for Borrow Area Modification
 - f) South Seas Island Resort Vendor Proposal
 - g) Economic Value of Beaches
 - h) Presentation to Sanibel-Captiva Chamber of Commerce
 - i) Copy of City of Sanibel Resolution and Study- Home Rule powers with respect to nitrogen and phosphorus control ordinances
 9. Commissioner Comments
- Adjourn

Minutes

**Regular Meeting of the
Captiva Erosion Prevention District**
'Tween Waters Inn, Wakefield Room
15951 Captiva Drive, Captiva, Florida 33924
March 9, 2011 @ noon

Commissioners Present: Mike Mullins (Chairman); Doris Holzheimer (Vice Chair); Harry Kaiser; (Secretary); Dave Jensen (Treasurer).

Absent: Rene Miville (non-excused).

Consultants Present: Kathleen Rooker (CEPD Senior Administrative Consultant); John Bralove (CEPD Administrative Consultant).

I. Call to Order

The meeting was called to order by Commissioner Mullins at 12: 08 p.m.

II. Roll Call

The roll was called and the results are outlined above.

III. Approval of February Minutes

Mr. Jensen moved and Mr. Kaiser seconded a motion to dispense with the reading of the minutes from the February 9, 2011 meeting and approve them. The motion passed without dissent.

IV. Public to be Heard

Mr. W. B. (Ben) Jones of 16850 Captiva Drive addressed the Commissioners. He requested that his assessment/apportionment be reconsidered because of the seawall on his property which is 30 feet deep with rip rap on top of it. Mr. Mullins reminded Mr. Jones that the assessment was tentative and mentioned the process leading up to the final assessment. Mr. Mullins mentions that CEPD is accumulating appeals and contacting the engineer and economist about them. Mr. Mullins also said that Mr. Jones' appeal is now part of the record, but asked Mr. Jones to also put his appeal in writing.

V. Financial Report

Mr. Jensen reported on the Capital Project Budget. He mentioned that two checks were issued in February to Lee County totaling in excess of \$161,000 were not reflected in the summary on Page 8 since the summary was through January 31, 2011.

Mr. Mullins brought up the issue that the last letter from Karen Hawes mentioned, i.e., Captiva may owe Lee County as much as \$1.3 million. He said that CEPD rejects the County's claim, that the County's calculations appear flawed, and that a final number will not be available until DEP and FEMA reconciliations are completed. CEPD has asked for another meeting with the County about this matter but has not heard back from them.

Mr. Mullins alerted Commissioners that absent resolution of the claim with the County, CEPD will need to figure out how to come up with the money, that CEPD needs to be prepared to meet the financial shortfall, and that a budget resolution may be necessary in April. Ms. Holzheimer suggested a private follow-up meeting with the County would be a good idea and Mr. Mullins responded that this is what he is trying to do.

Mr. Jensen asked about what had happened to the idea of paying down the existing loan? Mr. Mullins replied by mentioning there were three outstanding issues related to paying it down: 1) Lee County's claim; 2) the completion of the DEP and FEMA reconciliations; and 3) the DEP grant of approximately \$740,000 that has dried up (see Agenda Item VI.B). Ms. Rooker reminded the Commissioners that Mr. Mullins was authorized to pay down the loan by up to \$750,000 but there was no mandate to do so.

Ms. Holzheimer asked why the Board was looking at January financial statements rather than February statements. It was explained that the bank statements, upon which many of the accounting entries are dependent, have just come in. More complete quarterly statements will be presented and online access to the bank statements is in the process of being updated to allow access to designated staff.

VI. Report of the Senior Administrative Consultant

a) Report on Washington Summit

Ms. Rooker reported on what she had learned last week at the Washington Summit, much of which was outlined in her report contained in the agenda materials. She reported on her meeting with the Army Corps of Engineers and their funding cutbacks and restrictions. She also reported on her meeting with Representative Mack's staff, to whom she presented Dr. Stronge's latest survey information. She reviewed her list of next steps and next things titled "What to Do" that were contained in the agenda materials. Ms. Rooker emphasized the need for the impacted organizations to band together on a more regional or even national level, such all coastal states who are interested in beach nourishment, to improve their clout and influence. Mr. Mullins suggested that a blog should be created.

b) DEP and Local Funding Challenges

Ms. Rooker reported on a communication she received from Vince George of the Florida Department of Environmental Protection indicating that the \$724,857 in contract #O2LE2 will be re-appropriated because of budget issues. The department has requested that CEPD cease work covered by this contract. Commissioners discussed the impact of this cut-back and what will happen to expenses already incurred.

c) Blind Pass Update

Ms. Rooker highlighted the findings of this report submitted by Steve Keehn of Coastal Planning and Engineering, including the 3 possible causes, short-term solutions, and long-term solutions. Mr. Mullins asked whether this report should be circulated. He also said that in light of Commissioners not having enough time to thoroughly review the report, should a Board Briefing be scheduled. He also asked whether CEPD should be spending money on Blind Pass given so many other issues on CEPD's plate.

Ms. Holzheimer wondered about how much interest Lee County really had in Blind Pass and raised concern over the impact of CP & E's recent acquisition. She also cautioned that Captivans see CEPD responsible for Blind Pass. She also said that the possibility that Blind Pass may be closing due to problems back in Pine Island and the sound are not being looked at by the County.

Mr. Mullins also cautioned that CEPD should not take on responsibility without the authority and that CEPD needed more backing from citizens like those from the Bayous Preservation Association. He outlined a scenario as to what to do and suggested that it might be time to back-off and let Lee County and Sanibel come back to CEPD and ask for help.

Ms. Rooker agreed to send Commissioners two reports compiled in the late 1990's and early 2000's written by Dr. Mehta that CEPD has in its archives.

d) Beach Tilling (March 16)

Ms. Rooker reminded the Commissioners that beach tilling would take place the evening of March 16 as required by the permit and where the locations are.

e) Newton and Boyle Property visits

Ms. Rooker reported on her trips to the above locations with Lee County staff. She mentioned the seemingly high interest that County staff showed in the Boyle property. Various possible funding scenarios were discussed. Ms. Rooker said there was nothing more for CEPD to do; the ball is in the County's court. Ms. Rooker was asked to follow-up with the County staff.

VII. Old Business – None

VIII. New Business

a) Blind Pass Survey

Mr. Mullins suggested that CEPD might do a survey of Captivans as to what they think CEPD should do about Blind Pass given both the amount of money and time that has been spent on it. The idea to bring more people's input into the decision-making process appealed to Commissioners. Mr. Mullins commented that Commissioners have a fiduciary responsibility to ensure that what CEPD is doing is in keeping with what the taxpayers are looking for.

Mr. Holzheimer cautioned about asking questions and getting information we don't want or need that would make life very difficult. No action was taken at this time until other issues are settled such as where is the money coming from.

b) Date for Proposed April Town Hall Meeting

After discussion Commissioners determined that at Town Hall Meeting in April was not necessary. Rather, a presentation of economic data to Sanibel and Captiva business people, the TDC, Lee County Commissioners, etc. should be substituted, although not necessarily in April. The use of the newsletter was also suggested as were presentations at Chamber Of Commerce lunches, meetings, and realtor meetings. The purpose would be to show the economic impact of beaches and shorelines, share with them the idea that beaches are the economic engine that drives Lee County, and beach maintenance budgets are being reduced.

c) Apportionment Memo from Dr. Bill Stronge

After discussion of the impact of changing Reach 3 from two to three subsets, it was decided to defer the approval of the recommendations in this memo until CEPD staff become more familiar with the model, appeals are accumulated, and the data is recomputed.

d) Authorization to pay Bill Stronge Invoice dated 2/24/11 in the amount of \$17,300

Ms. Holzheimer moved and Mr. Kaiser seconded a motion to pay the above-referenced invoice. The motion passed without dissent.

e) Authorization to pay invoice # 1698 in the amount of \$22,459.28

Approval of this invoice was deferred pending receipt of more information from the County on the forecast of additional expenditures and a CEPD review to determine whether engineering and monitoring costs are in proportion to similar CP&E invoices.

As part of this discussion, it was decided to ask Mr. Miville to update the Board at the next meeting on his talk with Karen Erickson. Also, Mr. Mullins agreed to talk to Tom Campbell of CP&E and perhaps meet with Steve Keehn and Mr. Campbell to determine what impact, if any, the sale of CP&E will have.

f) Approval of FY09/10 Audit of Financial Statements

Mr. Jensen moved and Mr. Kaiser seconded a motion to approve the FY2009/10 audit. The motion passed without dissent. Mr. Mullins stated that this year was the third year that Stroemer and Company has performed the audit. He asked that CEPD start getting three-year quotes. Ms. Rooker responded that she had already asked for one from Stroemer.

g) Correspondence dated 2/23/11 from City of Sanibel referencing Interlocal Agreement

Ms. Rooker reported that she had talked to attorney Nancy Stroud regarding the above letter from Sanibel signed by the Sanibel City Attorney. After hearing what Ms. Stroud said, the Commissioners decided to table any discussion on this matter to a later date after more information becomes available.

h) Report : Economic Impact of Beach Tourism on the Lee County Economy by Bill Stronge, Ph.D

Mr. Mullins reported on the CAC meeting where Dr. Stronge presented economic data on the economic impact of beach on both Captiva and Lee County as authorized by Mr. Mullins. CEPD asked the TDC to review this report and comment on whether they agreed and supported its findings. He asked how much time CEPD should allow for this. Ms. Rooker reported that Tamara Pigott of the TDC is indeed reviewing the report but is currently out of town. But CEPD needs to get the cost data as well. Ms. Holzheimer suggested that this data been given to CEPD's legislators.

Mr. Mullins alerted the Commissioners that he authorized Dr. Stronge to come to this meeting and did not have time to seek authorization from the Board. Mr. Mullins thought that Dr. Stronge's report should be reduced to a few talking points so that CEPD can communicate them easily after TDC vets the report. He also agreed to send a letter to Ms. Pigott to follow-up on the

vetting, receiving information from the Sports Authority Commissioner, and arrange a meeting Ric Hayduk of South Seas Resort and her.

i) Resolution 11-1 to amend Rules of Procedure

Questions were raised as to whether the policy itself applies to all expenditures or only those that are not budgeted and whether the increase to \$1,000 was enough. Mr. Jensen moved and Ms. Holzheimer seconded a motion to approve Resolution 11-1 as is. The motion passed without dissent.

IX. Commissioner Comments

Mr. Mullins mentioned that at a previous meeting it was brought up that if a commissioner is missing meetings on a regular basis, was there a requirement to deal with the issue? Mr. Mullins said he found nothing in the Rules and Procedures. He asked commissioners since it was not addressed in the Rules of Procedure, should there be such a rule and what should it be? Staff was asked to look at what others Boards do, look at some language, and bring the information back to the Commissioners at a future meeting.

X. Adjourn

The meeting was adjourned at 4:34 p.m.

CEPD - GENERAL FUND
 Budget Performance - Summary
 For the One and Five Months Ended February 28, 2011

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
	Actual - Feb '11	Budget - Feb '11	Variance -Feb '11	Actual YTD	YTD Budget	YTD Variance	Annual Budget	Residual Budget
Ordinary Income/Expense								
Income								
Ad Valorem Tax	15,945.59	27,710.00	(11,764.41)	280,828.92	273,684.00	7,144.92	311,354.00	30,525.08
Interest income - Other	87.97	0.00	87.97	184.81	0.00	184.81	0.00	0.00
Other Income	773.55	100.00	673.55	4,243.57	300.00	3,943.57	900.00	0.00
Total Income	<u>16,807.11</u>	<u>27,810.00</u>	<u>(11,002.89)</u>	<u>285,257.30</u>	<u>273,984.00</u>	<u>11,273.30</u>	<u>312,254.00</u>	<u>30,525.08</u>
Gross Profit	16,807.11	27,810.00	(11,002.89)	285,257.30	273,984.00	11,273.30	312,254.00	30,525.08
Expense								
Administrative expenses	4,585.06	2,680.00	1,905.06	23,097.95	24,221.00	(1,123.05)	60,880.00	37,782.05
Capital outlay	0.00	0.00	0.00	0.00	500.00	(500.00)	2,000.00	2,000.00
Reserves	0.00	0.00	0.00	0.00	0.00	0.00	40,526.00	40,526.00
Cost of collecting Ad Valorem	318.91	250.00	68.91	8,386.65	7,890.00	496.65	8,000.00	0.00
Legal and professional fees	11,778.80	12,987.00	(1,208.20)	59,042.00	64,937.00	(5,895.00)	200,848.00	141,806.00
Total Expense	<u>16,682.77</u>	<u>15,917.00</u>	<u>765.77</u>	<u>90,526.60</u>	<u>97,548.00</u>	<u>(7,021.40)</u>	<u>312,254.00</u>	<u>221,727.40</u>
Net Ordinary Income	<u>124.34</u>	<u>11,893.00</u>	<u>(11,768.66)</u>	<u>194,730.70</u>	<u>176,436.00</u>	<u>18,294.70</u>	<u>0.00</u>	<u>(191,202.32)</u>
Net Income	<u>124.34</u>	<u>11,893.00</u>	<u>(11,768.66)</u>	<u>194,730.70</u>	<u>176,436.00</u>	<u>18,294.70</u>	<u>0.00</u>	<u>(191,202.32)</u>

P7

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

CAPTIVA EROSION PREVENTION DISTRICT
CAPITAL PROJECTS
BUDGET PERFORMANCE - SUMMARY
For the One and Five Months Ended February 28, 201

P8

	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
	Actual - Feb '11	Budget - Feb '11	Variance - Feb '11	YTD Actual	YTD Budget	YTD Variance	Annual Budget	Residual Budget
Ordinary Income/Expense								
Income								
Interest Income	294.65	447.00	(152.35)	1,447.60	2,235.00	(787.40)	5,363.00	3,915.40
Other miscellaneous revenue	0.00	0.00	0.00	1,970.18	0.00	1,970.18	0.00	0.00
Parking lot revenue	13,468.89	10,800.00	2,668.89	58,063.96	41,850.00	16,213.96	135,000.00	76,936.04
Grant Income - Local	0.00	0.00	0.00	0.00	0.00	0.00	78,015.00	78,015.00
Reserves - General	0.00	0.00	0.00	0.00	0.00	0.00	40,526.00	40,526.00
Total Special Assessments	24,371.61	34,432.00	(10,060.39)	436,169.29	386,890.00	49,279.29	493,413.00	53,347.53
Total Income	38,135.15	45,679.00	(7,543.85)	497,651.03	430,975.00	66,676.03	752,317.00	252,739.97
Expense								
Advertising	0.00	0.00	0.00	1,954.33	4,000.00	(2,045.67)	4,000.00	2,045.67
Annual memberships & fees	0.00	83.00	(83.00)	0.00	417.00	(417.00)	1,000.00	1,000.00
Bank service charges	0.00	8.00	(8.00)	0.00	40.00	(40.00)	100.00	100.00
Beach maintenance	0.00	1,200.00	(1,200.00)	0.00	1,200.00	(1,200.00)	101,200.00	101,200.00
Blind Pass project	138,485.22	90,516.00	47,969.22	140,514.59	362,066.00	(221,551.41)	362,066.00	221,551.41
Cost of Assessment Collections	0.00	105.00	(105.00)	1,074.24	1,167.00	(92.76)	1,500.00	425.76
Engineering (CP)	0.00	0.00	0.00	0.00	14,828.00	(14,828.00)	35,000.00	35,000.00
Grant Reimbursement	0.00	0.00	0.00	0.00	0.00	0.00	374,000.00	374,000.00
Insurance	0.00	5,240.00	(5,240.00)	10,776.00	10,644.00	132.00	10,644.00	0.00
Parking lot expenses	1,680.30	1,295.00	385.30	11,179.94	31,932.00	(20,752.06)	48,141.00	36,961.06
Project Management Support	8,576.50	5,469.00	3,107.50	62,697.31	85,980.00	(23,282.69)	149,825.00	114,351.94
Renourishment 2013/14 Design Phase	0.00	28,850.00	(28,850.00)	20,062.96	144,249.00	(124,186.04)	346,200.00	339,180.37
Rent	411.85	583.00	(171.15)	2,225.08	2,917.00	(691.92)	7,000.00	4,774.92
Storage of records	159.00	159.00	0.00	636.00	795.00	(159.00)	1,910.00	1,274.00
Website Development	0.00	0.00	0.00	0.00	3,000.00	(3,000.00)	3,000.00	3,000.00
Total Expense	149,312.87	133,508.00	15,804.87	251,120.45	663,235.00	(412,114.55)	1,445,586.00	1,234,865.13
Net Ordinary Income (Loss)	(111,177.72)	(87,829.00)	(23,348.72)	246,530.58	(232,260.00)	478,790.58	(693,269.00)	(982,125.16)
Total Other Expense	0.00	500,000.00	(500,000.00)	0.00	500,000.00	(500,000.00)	977,351.00	977,351.00
Net Income	(111,177.72)	(587,829.00)	476,651.28	246,530.58	(732,260.00)	978,790.58	(1,670,620.00)	(1,959,476.16)

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

CEPD - CAPITAL PROJECTS FUND

Balance Sheet
As of February 28, 2011

	<u>February</u>
ASSETS	
Current Assets	
Checking/Savings	
Checking Wachovia Capital	1,625,767.34
Sanibel Captiva Bank - CD	250,000.00
SBA	<u>214,107.44</u>
Total Checking/Savings	2,089,874.78
Other Current Assets	
Due From General Fund	<u>400,417.62</u>
Total Other Current Assets	<u>400,417.62</u>
Total Current Assets	<u>2,490,292.40</u>
TOTAL ASSETS	<u><u>2,490,292.40</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Due to other governments	<u>487,597.00</u>
Total Other Current Liabilities	<u>487,597.00</u>
Total Current Liabilities	<u>487,597.00</u>
Total Liabilities	487,597.00
Equity	
Fund Balance	1,756,164.82
Net Income	246,530.58
Total Equity	<u>2,002,695.40</u>
TOTAL LIABILITIES & EQUITY	<u><u>2,490,292.40</u></u>

CEPD - GENERAL FUND
Balance Sheet
As of February 28, 2011

	<u>February</u>
ASSETS	
Current Assets	
Checking/Savings	
S.B.A. Account	112.50
Wachovia - checking	771,438.01
Total Checking/Savings	<u>771,550.51</u>
Total Current Assets	<u>771,550.51</u>
TOTAL ASSETS	<u><u>771,550.51</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Due to Capital Projects Fund	400,417.62
Total Other Current Liabilities	<u>400,417.62</u>
Total Current Liabilities	<u>400,417.62</u>
Total Liabilities	400,417.62
Equity	
Fund Balance	176,402.19
Net Income	194,730.70
Total Equity	<u>371,132.89</u>
TOTAL LIABILITIES & EQUITY	<u><u>771,550.51</u></u>

CEPD - CASH POSITIONS
 AS OF FEBRUARY 28, 2011

	GENERAL FUND	CAPTIAL FUNDS	TOTAL FUNDS
CASH and CASH EQUIVILANTS February 28, 2011			
Checking	\$771,438	\$1,625,767	\$2,397,205
S.B.A.	113	214,107	214,220
Certificates of Deposit		250,000	250,000
TOTAL CASH and CASH EQUIVILANTS February 28, 2011	771,551	2,089,875	2,861,425

PROJECTED ACTIVITY - March

Plus:

Parking Lot Receipts		18,461	18,461
Reserves			-
Other Income	100		100
Due From General Fund			-
Special Assessments collected		10,410	10,410
Tax Collector Distribution	8,644		8,644
Total Additions	8,744	28,871	37,615

Less:

Projected Expenditures -

Blind Pass		31,251	31,251
Partners in Progress	9,002	5,986	14,988
Beach Maintenance		40,658	40,658
2013/2014 Renourishment		17,300	17,300
Adminstrative costs	5,214		5,214
Parking lot		3,382	3,382
Property Appraise/Tax Collector Fees	173		173
Due to Projects			-
Rent	1,386	462	1,848
Reserves			-
Professional Fees	1,025	1,025	2,050
Total Reductions	16,799	100,064	116,863

Net Projected Increase(Decrease)

	(8,055)	(71,193)	(79,248)
--	----------------	-----------------	-----------------

Meeting Report

Meeting Date: April 11, 2011

Topic: Blind Pass Status and Interlocal Agreement

Participants:

Lee County – Steve Boutelle, Robert Neal (Lee County Division of Natural Resources)
City of Sanibel – Judi Zimomra (City Manager), Rob Loflin (Natural Resources), Gates Castle, Ken Cuyler (attorney)
CEPD – Kathy Rooker

Issues Discussed

Steve Boutelle opened the meeting stating that what is happening at the Pass is directly related to the bypassing issues of the 2000 interlocal agreement and will need to be addressed in the future. According to Steve, the 2004 Blind Pass interlocal agreement did not address these issues very well.

Steve told the group that opening Blind Pass causes erosion problems on Sanibel and that it is better for Sanibel when the passed is closed.

According to Steve, "the county does not want to have an obligation to keep the inlet open if maintenance is required every 2 years."

Judi Zimomra asked Steve if this was a shift in policy due to the economic situation. Steve made several comments in reference to this question:

- a) The County has not seen the expected benefit to sea grass. After 18 months the condition is worse.
- b) Rob Loflin commented that water quality was better. Steve disagreed and commented that only the DO water quality is better.
- c) Benefits were not as immediate as hoped.
- d) Costs will be an issue. The ability to get a state cost share will become difficult. It is unknown how this project will rank out and if there will be any state funds.
- e) At this time it is expected \$1.5 million will be needed every 2 years. The County would have been more likely to pay the costs if intervals were every 5 years. The 5 year interval is what was expected when the project began.
- f) If the Pass closed it would be a change but not a bad system – just a different system. Steve does not believe a closed pass is such a bad thing.

Steve Boutelle told the group that the County does not have much left to do under the 2004 agreement. Judi Zimomra commented that the City of Sanibel has met their obligations under the agreement but will have to address further issues with the silting in the canals caused by Clam Bayou. The City is not asking for help with Clam Bayou. Kathy Rooker commented on CEPD total expenses paid to date of over \$1million for the Pass project and the continuing cost of monitoring. She explained that CEPD will meet future monitoring costs by sharpening its pencil.

Kathy reviewed the CEPD Board's decision of June 8, 2010. At that meeting, the Board agreed in the presence of Robert Neal to spend additional District funds estimated at \$11,600 to carve out a critical path for Blind Pass. The Board notified Robert at this Board meeting that any further work would be

contingent upon funding from others. Kathy explained that CEPD does not have the financial means to provide for these projects.

Rob Loflin, Ken Cuyler, and Judi Zimomra brought up a number of times that the groin at Blind Pass was causing problems on Sanibel and that those interests on Sanibel need to be protected. Rob also described very unpleasant and costly meetings between CEPD and the City of Sanibel concerning the issue.

Rob Loflin suggested taking the \$700,000 left in the DNR budget for the Project and use it as far as it will go on Blind Pass. Kathy Rooker questioned the wisdom of such an approach since according to Robert Neal, in order to do what needs to be done will cost \$1.5 million. Kathy commented that spending money on a project knowing you are not doing it right makes no sense. "If the project is to be done it needs to be done correctly." Steve Boutelle agreed. Kathy also suggested that a long range maintenance approach and cost analysis be done in conjunction with any further work on the Pass. "Look at the whole picture." Kathy commented.

Kathy commented that the recent survey done by CP&E of the Pass indicated that the primary cause of the instability may be related to channels east of the bridge. She asked if the County were interested in investigating that area. Steve Boutelle said they would not investigate that area due to the problems with environmental permitting requirements and issues.

Robert Neal said that it does not appear that any maintenance needs to be done at this time on the Pass. He is expecting the permit modification sometime in June but does not feel the Pass will need any dredging in June. He did add that financially June would be a good time to dredge due to the availability of a dredge and the money left over in the DEP budget that may be gone by the end of the year.

Ken Cuyler shared that the sand obligation issue needed to be addressed and that he had sent CEPD a letter in reference to a new interlocal agreement. Ken wanted work to be done on a new interlocal agreement concerning a continued obligation to Sanibel for sand beyond 2015. Kathy Rooker stated that the agreement Ken is referring to is good for another 4 years and she is not here today to discuss it. She also commented that Rob had just described the unpleasantness of creating the agreement so why would she want to revisit this now.

Steve Boutelle said that he will develop a draft of a new interlocal agreement concerning Blind Pass for the group to look at. Kathy commented that if he wished to do this, that he should keep in mind CEPD's lack of funds. She also commented that CEPD is not willing to pay the cost for sand placed outside the template.

Steve Boutelle and Sanibel would like one new interlocal agreement that would combine the 2000 agreement concerning sand obligations and the 2004 Blind Pass Agreement. Kathy Rooker commented that while she is not speaking for the CEPD Board, she doubts they would want such a combined agreement.

A suggestion was made by Steve Boutelle that he ask Lee County to assume the cost and responsibility for the maintenance of Blind Pass. He felt that the County Commissioners would like to see the Pass left open. The group agreed to the idea. Steve emphasized that if the County paid the costs, the City of Sanibel and CEPD should not complain about their methods or schedules to maintain the pass. Kathy commented that Lee County citizens always have the right to share their views with the County.

Kathy asked about next steps. Steve said he would meet with Karen Hawes when she returns from vacation to see if she is okay with the idea. If she is, the idea will go in front of a workshop of the Lee County Board of Commissioners. Any agreements would then have to go back to the City of Sanibel and the CEPD for consideration.

Cell: [239.810.1813](tel:239.810.1813)
Email: Rneal@leegov.com

Please note: Florida has a very broad public records law. Most written communications to or from County Employees and officials regarding County business are public records available to the public and media upon request. Your email communication may be subject to public disclosure.

Under Florida law, email addresses are public records. If you do not want your email address released in response to a public records request, do not send electronic mail to this entity. Instead, contact this office by phone or in writing.

Reply Forward

Reply

|

Kathleen Rooker show details 6/10/10

to Robert

Robert,

The Board agreed to items 4-8 with several caveats. The agreement for items 4-8 was intended to carve out a critical path and get things started.

Commissioner Mullins stated that further work would be contingent upon funding from others. Sanibel and the County would need to be responsible for additional costs associated with the placement of sand and monitoring requirements on the project area outside of the original template. CEPD was interested in having future sand that is swept from the pass be placed on Captiva to help with increased erosion rates on Captiva since the pass was reopened.

Thanks for coming out yesterday and clarifying items for the commissioners.

Kathy

- Show quoted text -

On Wed, Jun 9, 2010 at 4:01 PM, Neal, Robert <RNeal@leegov.com> wrote:

Kathy,

As confirmation from today's meeting, the contract with Coastal Engineering Consultants for modifying the permit will be authorized in the amount of \$34,460. A breakdown of the cost is below:

- Task 4 – Design Update - \$7,250

- Task 5 – Permit Modification - \$13,210
- Task 6 – Bid Process - \$3,540
- Task 7 – RAI Response - \$6,300
- Task 8 – BO update - \$4,160

CEPD cost share is approx, 33.475% or \$11,535.49.

Thanks,

Robert Neal, P.E.
Coastal Engineer
Lee County Division of Natural Resources
1500 Monroe Street, 3rd Floor
Fort Myers, FL. 33901

Ph: [239.533.8566](tel:239.533.8566)
Fax: [239.485.8408](tel:239.485.8408)
Cell: [239.810.1813](tel:239.810.1813)
Email: Rneal@leegov.com

Please note: Florida has a very broad public records law. Most written communications to or from County Employees and officials regarding County business are public records available to the public and media upon request. Your email communication may be subject to public disclosure.

Under Florida law, email addresses are public records. If you do not want your email address released in response to a public records request, do not send electronic mail to this entity. Instead, contact this office by phone or in writing.

--

Kathleen Rooker
Senior Administrative Consultant
Captiva Erosion Prevention District
[239.472.2472](tel:239.472.2472)

"Florida has a very broad Public Records Law. Most written communications to or from State and Local Officials regarding State or Local business are public records available to the public and media upon request. Your email communications may therefore be subject to public disclosure."

Reply Forward
Reply

|

show details 6/11/10

Projection of Future Blind Pass Costs

TASK	FY 10/11	FY 11/12	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17
Physical Monitoring	\$70,070	\$70,070	\$70,070		\$70,070		\$70,070
Velocity/Tidal Meas.	\$20,000	\$20,000	\$20,000		\$20,000		\$20,000
Seagrass Monitoring	\$24,160	\$24,160	\$24,160	\$24,160	\$24,160		
Turtle Monitoring	\$12,000	\$12,000					
Tilling	\$800	\$800					
Design Update	\$7,250						
Permit Mod.	\$13,210						
Bid Process	\$3,540						
RAI Response	\$6,300						
BO Update	\$4,160						
Total	\$161,490	\$127,030	\$114,230	\$24,160	\$114,230		\$90,070
CEPD cost @ 33.475%	\$54,058.78	\$45,523.29	\$38,238.49	\$8,087.56	\$38,238.49		\$30,150.93
<p>Note: Costs do not include any new maintenance projects. According to DNR Long Range Plan a major maintenance project is planned for over \$2million beginning with design and permitting in FY 12/13. A new maintenance project would extend the costs of monitoring another 7 years.</p>							

P17



LEE COUNTY
SOUTHWEST FLORIDA

BOARD OF COUNTY COMMISSIONERS

John E. Manning
District One

February 7, 2011

A. Brian Bigelow
District Two

Ray Judah
District Three

Tammy Hall
District Four

Frank Mann
District Five

Karen B. Hawes
County Manager

David M. Owen
County Attorney

Diana M. Parker
County Hearing Examiner

Mr. Mike Mullins, Chairman
CAPTIVA EROSION PREVENTION DISTRICT
Post Office Box 365
Captiva, Florida 33924

RE: Blind Pass Ecozone Restoration

Dear Mr. Mullins:

Enclosed please find Invoice #1698 in the amount of \$22,459.28 representing a portion of the local share of permit modification and monitoring expenses on the subject project for the period October 1, 2010 through December 31, 2010. We have also enclosed a copy of the quarterly report to the Florida Department of Environmental Protection as required by DEP Contract No. 05LE1 with relevant back-up for your information.

Should you have any questions or comments, do not hesitate to contact this office. Thank you for your consideration.

Sincerely,

DEPARTMENT OF PUBLIC WORKS
Division of Natural Resources

Elin M. Clemons
Fiscal Manager

Enclosures



LEE COUNTY
SOUTHWEST FLORIDA

Invoice

BILL TO
Captiva Erosion Prevention District P.O. Box 365 Captiva, Fl 33924

FROM
LEE COUNTY NATURAL RESOURCES 1500 Monroe Street Fort Myers, FL 33901

DATE	INVOICE #	TERMS
1/27/2011	1698	Net 30

DESCRIPTION	QTY	RATE	AMOUNT
Blind Pass Ecozone Restoration October 1, 2010 – December 31, 2010 \$22,459.28		22,459.28	22,459.28
TOTAL			\$22,459.28

Please Remit to:
Lee County Comm. Dev/Public Works Center
1500 Monroe Street, 4th Floor Fort Myers, FL 33901
Attn: Fiscal Pool

For Questions please call Jennifer Fenske 239-533-8568

FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION
Beach Management Funding Assistance Program
FY 2011/2012 Local Government Funding Requests

BEACH RESTORATION AND NOURISHMENT PROJECTS

Project Name	Local Sponsor	Project Phase	Federal	State	Local	Total	Cumulative State Total
Post Construction Monitoring ⁽¹⁾	Numerous Local Sponsors	Monitoring	\$283,594	\$1,972,356	\$2,619,256	\$4,875,206	\$1,972,356
Dade County Beach Nourishment	Miami-Dade County	Construction	\$3,500,000	\$1,737,050	\$1,762,950	\$7,000,000	\$3,709,406
Long Key Beach Nourishment (Upham Beach)	Pinellas County	Feasibility, Design	\$210,000	\$135,000	\$135,000	\$480,000	\$3,844,406
Anna Maria Island Beach Nourishment	Manatee County	Design, Construction	\$1,036,000	\$909,416	\$6,409,416	\$8,354,832	\$4,753,822
Martin County Shore Protection Project	Martin County	Construction	\$3,261,300	\$2,957,258	\$1,381,442	\$7,600,000	\$7,711,080
Captiva/Sanibel Island Beach Nourishment	Captiva EPD	Design	\$0	\$100,660	\$223,527	\$324,187	\$7,811,740
Treasure Island Beach Nourishment	Pinellas County	Feasibility (federal)	\$240,000	\$80,000	\$80,000	\$400,000	\$7,891,740
Venice Beach Nourishment ⁽²⁾	City of Venice	Design	\$530,660	\$78,493	\$89,084	\$698,237	\$7,970,233
Lovers Key Beach Nourishment	Lee County	Design, Construction	\$0	\$3,246,049	\$586,000	\$3,832,049	\$11,216,282
Lido Key Beach Nourishment ⁽³⁾	City of Sarasota	Design	\$310,000	\$95,000	\$95,000	\$500,000	\$11,311,282
Ft. Pierce Shore Protection Project	St. Lucie County	Construction	\$5,000,000	\$890,000	\$890,000	\$6,780,000	\$12,201,282

(1) Environmental and physical post-construction monitoring required by state and federal permits after the first year of monitoring. First-year monitoring has been included with construction funds. A total of 27 previously constructed projects require monitoring activities for FY 2011/12. A complete monitoring project listing can be found on page 14.

(2) Project proposes an offshore borrow source located outside of the subregion boundaries.

(3) Federal funding is provided by FEMA for storm recovery nourishment.

(4) Projects at or above the cumulative state total of \$30 million are considered priority projects consistent with Section 201.15, Florida Statutes.

FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION
Beach Management Funding Assistance Program
FY 2011/2012 Local Government Funding Requests

BEACH RESTORATION AND NOURISHMENT PROJECTS (continued)

Project Name	Local Sponsor	Project Phase	Federal	State	Local	Total	Cumulative State Total
Delray Beach Nourishment	City of Delray Beach	Construction	\$5,409,932	\$2,279,537	\$2,279,537	\$9,969,006	\$14,480,819
St. Johns County Shore Protection Project	St. Johns County	Construction	\$7,000,000	\$1,034,760	\$1,588,870	\$9,623,630	\$15,515,579
St. Joseph Peninsula Beach Nourishment ⁽³⁾	Gulf County	Design	\$700,000	\$35,490	\$64,510	\$800,000	\$15,551,069
Ocean Ridge Beach Nourishment	Palm Beach County	Design	\$269,000	\$115,500	\$115,500	\$500,000	\$15,666,569
Smathers Beach Nourishment	City of Key West	Design, Construction	\$0	\$412,500	\$412,500	\$825,000	\$16,079,069
Pensacola Beach Nourishment ⁽³⁾	Santa Rosa Island Authority	Design, Construction	\$8,925,000	\$857,250	\$857,250	\$10,639,500	\$16,936,319
Jupiter/Carlin Shore Protection Project	Palm Beach County	Design, Construction	\$4,818,310	\$1,994,345	\$1,994,345	\$8,807,000	\$18,930,664
Honeymoon Island Beach Restoration	Pinellas County and FDEP-Parks	Construction	\$0	\$4,330,313	\$1,443,438	\$5,773,751	\$23,260,977
Navarre Beach Nourishment ⁽³⁾	Santa Rosa County	Design, Construction	\$221,548	\$314,052	\$337,103	\$872,703	\$23,575,029
Ft. Walton Beach/Okaloosa Island Restoration	Okaloosa County	Construction	\$0	\$897,822	\$897,822	\$1,795,644	\$24,472,851
Jupiter Island Beach Nourishment ⁽³⁾	Town of Jupiter Island	Design, Construction	\$2,300,000	\$1,392,258	\$9,163,145	\$12,855,403	\$25,865,109

- (1) Environmental and physical post-construction monitoring required by state and federal permits after the first year of monitoring. First-year monitoring has been included with construction funds. A total of 27 previously constructed projects require monitoring activities for FY 2011/12. A complete monitoring project listing can be found on page 14.
- (2) Project proposes an offshore borrow source located outside of the subregion boundaries.
- (3) Federal funding is provided by FEMA for storm recovery nourishment
- (4) Projects at or above the cumulative state total of \$30 million are considered priority projects consistent with Section 201.15, Florida Statutes.

P21

FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION
Beach Management Funding Assistance Program
FY 2011/2012 Local Government Funding Requests

BEACH RESTORATION AND NOURISHMENT PROJECTS (continued)

Project Name	Local Sponsor	Project Phase	Federal	State	Local	Total	Cumulative State Total
Collier County Beach Nourishment ⁽³⁾	Collier County	Design	\$258,750	\$27,807	\$58,443	\$345,000	\$25,892,916
South St. Lucie County Beach Restoration ⁽⁴⁾	St. Lucie County	Feasibility (federal), Construction	\$0	\$9,429,265	\$4,870,735	\$14,300,000	\$35,322,181
Jupiter Beach Erosion Control Project	Palm Beach County	Design, Construction	\$0	\$250,000	\$250,000	\$500,000	\$35,572,181
South Amelia Island Beach Nourishment	SAISSA & FDEP-Parks	Design, Construction	\$0	\$6,776,558	\$10,508,375	\$17,284,933	\$42,348,739
Brevard County Beach Restoration, Mid Reach	Brevard County	Design	\$0	\$218,862	\$321,138	\$540,000	\$42,567,601
Western Destin Beach Restoration	Okaloosa County	Construction	\$0	\$1,646,400	\$4,353,600	\$6,000,000	\$44,214,001
Wabasso Beach Restoration	Indian River County	Design, Construction	\$0	\$6,375,000	\$6,375,000	\$12,750,000	\$50,589,001
Longboat Key Beach Nourishment	Town of Longboat Key	Design, Construction	\$0	\$6,785,722	\$28,489,278	\$35,275,000	\$57,374,723
Ft. Zachary Taylor Beach Restoration	FDEP-Parks	Design, Construction	\$0	\$783,000	\$0	\$783,000	\$58,157,723
Hillsboro Beach Nourishment ⁽³⁾	Town of Hillsboro Beach	Design, Construction	\$1,727,120	\$1,462,393	\$3,953,879	\$7,143,392	\$59,620,116
Perdido Key Beach Restoration	Escambia County	Construction	\$0	\$5,249,896	\$9,497,004	\$14,746,900	\$64,870,012

(1) Environmental and physical post-construction monitoring required by state and federal permits after the first year of monitoring. First-year monitoring has been included with construction funds. A total of 27 previously constructed projects require monitoring activities for FY 2011/12. A complete monitoring project listing can be found on page 14.

(2) Project proposes an offshore borrow source located outside of the subregion boundaries.

(3) Federal funding is provided by FEMA for storm recovery nourishment.

(4) Projects at or above the cumulative state total of \$30 million are considered priority projects consistent with Section 201.15, Florida Statutes.

FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION
Beach Management Funding Assistance Program
FY 2011/2012 Local Government Funding Requests

BEACH RESTORATION AND NOURISHMENT PROJECTS (continued)

Project Name	Local Sponsor	Project Phase	Federal	State	Local	Total	Cumulative State Total
Central Boca Raton Beach Nourishment	City of Boca Raton	Design	\$0	\$83,200	\$116,800	\$200,000	\$64,953,212
Hollywood Beach Nourishment	City of Hollywood	Design, Construction	\$0	\$3,449,275	\$1,265,258	\$4,714,533	\$68,402,487
Key Biscayne Beach Nourishment	Town of Key Biscayne	Design, Construction	\$0	\$1,427,533	\$1,485,800	\$2,913,333	\$69,830,020
Rest Beach Nourishment	City of Key West	Construction	\$0	\$325,000	\$325,000	\$650,000	\$70,155,020
Midtown Beach Nourishment	Town of Palm Beach	Design	\$0	\$162,690	\$286,979	\$449,669	\$70,317,710
Hallandale Beach Nourishment	City of Hallandale	Design, Construction	\$0	\$2,909,103	\$1,076,630	\$3,985,733	\$73,226,813
Bonita Beach Nourishment	Lee County	Design	\$0	\$135,640	\$264,360	\$400,000	\$73,362,453
Phipps Ocean Park Beach Nourishment	Town of Palm Beach	Design	\$0	\$255,252	\$498,371	\$753,623	\$73,617,705
Marco Island Beach Nourishment ⁽³⁾	Collier County	Design	\$75,000	\$5,220	\$19,780	\$100,000	\$73,622,925
Knight/Don Pedro Island Beach Nourishment ⁽³⁾	Charlotte County	Feasibility, Design, Construction	\$2,474,100	\$1,454,271	\$1,780,319	\$5,708,690	\$75,077,196

- (1) Environmental and physical post-construction monitoring required by state and federal permits after the first year of monitoring. First-year monitoring has been included with construction funds. A total of 27 previously constructed projects require monitoring activities for FY 2011/12. A complete monitoring project listing can be found on page 14.
- (2) Project proposes an offshore borrow source located outside of the subregion boundaries.
- (3) Federal funding is provided by FEMA for storm recovery nourishment.
- (4) Projects at or above the cumulative state total of \$30 million are considered priority projects consistent with Section 201.15, Florida Statutes.

P23

FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION
Beach Management Funding Assistance Program
FY 2011/2012 Local Government Funding Requests

BEACH RESTORATION AND NOURISHMENT PROJECTS (continued)

Project Name	Local Sponsor	Project Phase	Federal	State	Local	Total	Cumulative State Total
Long Key State Park Beach Restoration	FDEP- Parks	Design, Construction	\$0	\$2,620,000	\$0	\$2,620,000	\$77,697,196
South Boca Raton Beach Nourishment	City of Boca Raton	Design	\$0	\$76,773	\$80,227	\$157,000	\$77,773,969
Singer Island Shore Protection	Palm Beach County	Construction	\$0	\$2,647,830	\$3,980,859	\$6,628,689	\$80,421,799
South End Palm Beach Restoration	Town of Palm Beach	Design	\$0	\$118,436	\$461,564	\$580,000	\$80,540,235
Sailfish Point Nourishment	Martin County	Design	\$0	\$31,500	\$108,500	\$140,000	\$80,571,735
New Projects - Feasibility/Design	Numerous Local Sponsors	Feasibility, Design	\$2,613,000	\$1,725,900	\$1,500,900	\$5,839,800	\$82,297,635
Regional Monitoring	FDEP	Monitoring	\$0	\$230,000	\$0	\$230,000	\$82,527,635
TOTAL			\$51,163,314	\$82,527,635	\$115,354,494	\$249,045,443	

- (1) Environmental and physical post-construction monitoring required by state and federal permits after the first year of monitoring. First-year monitoring has been included with construction funds. A total of 27 previously constructed projects require monitoring activities for FY 2011/12. A complete monitoring project listing can be found on page 14.
- (2) Project proposes an offshore borrow source located outside of the subregion boundaries.
- (3) Federal funding is provided by FEMA for storm recovery nourishment.
- (4) Projects at or above the cumulative state total of \$30 million are considered priority projects consistent with Section 201.15, Florida Statutes.

P24

SECTION IV: ORGANIZATION AND REORGANIZATION OF THE BOARD OF COMMISSIONERS

Rule 4.01 - Powers

Chapter 81-413, Laws of Florida, creating the Captiva Erosion Prevention District, provides that the legislation and governing body of the Captiva Erosion Prevention District shall have the power to carry out its duties to the extent not inconsistent with general or special law. This power shall include, but shall not be limited to, the power to adopt its own rules and procedures, select its officers and set the time and place of its official meetings.

Rule 4.02 - Annual Organization

The Board of Commissioners of the Captiva Erosion Prevention District shall, at the first regular meeting in December of each year, or thereafter, organize or re-organize the officers of the District Board as to designating or redesignating a Chairman, Vice-Chairman, Secretary and Treasurer. The Chairman, Vice Chairman, Secretary and Treasurer shall serve for a one-year term unless the District Board shall re-organize as set forth in the procedures below. An individual Commissioner may hold the office of Secretary and Treasurer concurrently.

* Any Commissioner who incurs more than three unexcused absences within one year shall be asked to resign his or her seat upon the Board.

The incumbent Chairman, Vice-Chairman or Secretary of the District Board shall be present and conduct the meeting until a new Chairman has been selected. The organization of the District Board will be the first item on the agenda for that meeting.

Rule 4.03 - Procedure for Annual Organization

The Board shall take the time to discuss the positions available, giving a commissioner the chance to decline a post if unable to perform its duties.

The incumbent Chairman shall call for nominations for the new Chairman, taking nominations until a vote is called to close the nominations.



INTEGRITY.....KNOWLEDGE.....SERVICE.....COMMITMENT®

March 28, 2011

Board of Directors
Captiva Erosion Prevention District
c/o Kathleen Rooker, Senior Administrative Consultant
P.O. Box 365
Sanibel, FL 33924

We are pleased to confirm our understanding of the services we are to provide for Captiva Erosion Prevention District for the year ending September 30, 2011.

We will audit the statement of financial position of Captiva Erosion Prevention District as of the fiscal year ending September 30, 2011 and the related statements of activities, functional expenses, and cash flows for the year then ended. Also, the document we submit to you will include the following additional information that will be subjected to the auditing procedures applied in our audit of the financial statements:

Schedule of Expenditures of Federal and State Awards

The objective of our audit is the expression of an opinion as to whether the financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America and to report on the fairness of the additional information referred to in the second paragraph when considered in relation to the financial statements taken as a whole. The objective also includes reporting on Captiva Erosion Prevention District:

- Internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with Government Auditing Standards.
- Internal control related to major programs and an opinion (or disclaimer of opinion) on whether Captiva Erosion Prevention District complied with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

Affiliations

Florida Institute of Certified Public Accountants

American Institute of Certified Public Accountants - Management Consulting Services Division / Private Companies Practice Section / Tax Division

PRINCIPAL OFFICE

20900 NE 30TH AVE., STE. 200
AVENTURA, FL 33180
786.427.1002 • f 305.749.0999

14030 METROPOLIS AVE., STE. 200
FORT MYERS, FL 33912
239.433.1002 • f 239.433.0249

1640 PERIWINKLE WAY, STE. 4
SANIBEL, FL 33957
239.395.5325 • f 239.395.2396

www.stroemercpa.com

Captiva Erosion Prevention District
March 28, 2011
Page 2

The reports on internal control and compliance will each include a statement that the report is intended for the information of the Board of Directors, management, specific legislative or regulatory bodies, federal awarding agencies, and if applicable, pass-through entities.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and provisions of OMB Circular A-133, and will include tests of the accounting records of Captiva Erosion Prevention District and other procedures we consider necessary to enable us to express such an opinion and to render the required reports. If our opinion on the financial statements or the single audit compliance opinion is other than unqualified, we will fully discuss the reasons with you in advance. If for any reason, we are unable to complete the audit, we will not issue a report as a result of this engagement.

The management of Captiva Erosion Prevention District is responsible for establishing and maintaining internal control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of the controls. The objectives of internal control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America and that federal award programs are managed in compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

In planning and performing our audit for the year ended September 30, 2011, we will consider the internal control sufficient to plan the audit in order to determine the nature, timing, and extent of our auditing procedures for the purposes of expressing our opinion on Captiva Erosion Prevention District's financial statements and on its compliance with requirements applicable to major programs.

We will obtain an understanding of the design of the relevant controls and whether they have been placed in operation, and we will assess control risk. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Tests of controls relative to the financial statements are required only if control risk assessed below the maximum level. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our audit report on internal control issued pursuant to Government Auditing Standards.

Captiva Erosion Prevention District
March 28, 2011
Page 3

We will perform tests of controls, as required by OMB Circular A-133, to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of Captiva Erosion Prevention District's major federal award programs. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control or to identify reportable conditions. However, we will inform you of any matters involving the internal control and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. We will also inform you of any nonreportable conditions or other matters involving internal control, if any, as required by OMB Circular A-133.

Identifying and ensuring that Captiva Erosion Prevention District complies with laws, regulations, contracts, and agreements, including grant agreements, is the responsibility of Captiva Erosion Prevention District's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Captiva Erosion Prevention District's compliance with certain provisions of laws, regulations, contracts, and agreements, including grant agreements. However, our objective is not to provide an opinion on overall compliance with such provisions, and we will not express such an opinion in our report on compliance issued pursuant to Government Auditing Standards.

OMB Circular A-133 requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and agreements applicable to major programs. Our procedures will consist of the applicable procedures described in the OMB's compliance supplement. The purpose of these procedures will be to express an opinion on Captiva Erosion Prevention District's compliance with requirements applicable to major programs in our report on compliance issued pursuant to OMB Circular A-133.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of assets, and direct confirmations of cash and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At

the conclusion of our audit, we will request certain written representations from you about the financial statements and related matters.

An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Also, we will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. As required by the Single Audit Act Amendments of 1996 and OMB Circular A-133, our audit will include tests of transactions related to federal award programs for compliance with laws and regulations and the provisions of contracts and agreements. Because of the concept of reasonable assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatement, errors, irregularities, or illegal acts, including fraud or defalcations, may exist and not be detected by us. In addition, an audit is not designed to detect errors, fraud, or other illegal acts that are immaterial to the financial statements or to major programs.

We will inform you, however, of any matters of that nature that come to our attention, unless they are clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to matters that might arise during any later periods for which we are not engaged as auditors.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to matters that might arise during any later periods for which we are not engaged as auditors.

We understand that you are responsible for making all financial records and related information available to us and that you are responsible for the accuracy and completeness of that information. We will advise you about appropriate accounting principles and their application and will assist in the preparation of your financial statements, including the Schedule of Expenditures of Federal and State Awards, but the responsibility for the financial statements remains with you. That responsibility includes the establishment and maintenance of adequate records and effective internal controls over financial reporting and compliance, the selection and application of accounting principles, and the safeguarding of assets. Additionally, as required by OMB Circular A-133, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review.

We understand that your employees will type all cash or other confirmations we request, will prepare any schedules that are needed, and will locate and copy any invoices and/or documents selected by us for testing.

We expect to begin our audit at a date mutually agreed upon. We will issue our reports and present them to the Board of Directors on mutually agreed upon dates. At the conclusion of the engagements, it is management's responsibility to submit the reporting package (including financial statements, Schedule of Expenditures of Federal and State Awards, Summary Schedule of Prior Audit Findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the designated Federal Clearinghouse and, if appropriate, to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditor's reports or 9 months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audit. At the conclusion of the engagement, we will provide information to management as to where the reporting packages should be submitted and the number to submit.

The workpapers for this engagement are the property of Stroemer & Company, P.A. and constitute confidential information. However, we may be requested to make certain workpapers available to an oversight or grantor agency pursuant to authority given to it by law and regulation. If requested, access to such workpapers will be provided under the supervision of Stroemer & Company, P.A. personnel. Furthermore, upon request, we may provide photocopies of selected workpapers to the oversight or grantor agency. The oversight or grantor agency may intend, or decide, to distribute the photocopies or information contained therein to others, including other governmental agencies.

The workpapers for this engagement will be retained for a minimum of three years after the date the auditor's report is issued or for any additional period requested by the Oversight Agency for Audit, or Pass-through Entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the workpapers.

We anticipate that the books and records of Captiva Erosion Prevention District will be accurate and will not require significant adjusting journal entries. Assuming records are clean and we get the assistance we need, fees for our financial and compliance audit services for the fiscal year ending September 30, 2011 will not exceed \$7,600. The draft financials will be submitted by January 31, 2011 provided we receive all records, schedules and assistance required by November 5, 2010. The fee also assumes that no material unusual or unforeseen circumstances arise, which causes an increase in audit effort, and that we receive the agreed-upon assistance from you and your staff. Delays in the receipt of required documentation may result in an increase in fees. We will make every effort to keep fees to a minimum. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of personnel assigned to your audit. Our invoices for these services will be rendered each month, as work progresses, and are payable upon presentation. This engagement is not considered complete until fees are paid in full.

Captiva Erosion Prevention District
March 28, 2011
Page 6

This fee estimate does not contemplate work outside the scope of the annual financial and compliance audit or other related assistance requested by you or your staff. All such services rendered will be billed based on standard hourly rates. This fee estimate does not include time required for implementation of the Florida Single Audit Act, because the specific legislation is still being developed by the State.

We reserve the right to withhold our services if any invoice goes unpaid for 60 days; and if the matter is not successfully resolved upon demand, you understand and agree to be liable for the costs of any collection efforts our office deems it necessary to take, to include attorney fees if any attorney is consulted or retained.

To the extent permitted by law, Captiva Erosion Prevention District hereby indemnifies Stroemer & Company, P.A. and its partners, principals, and employees and holds them harmless from all claims, liabilities, losses, and costs arising in circumstances where there has been a knowing misrepresentation by a member of Captiva Erosion Prevention District's management, regardless of whether such person was acting in Captiva Erosion Prevention District's interest. This indemnification will survive termination of this letter.

In the event we are requested or authorized by Captiva Erosion Prevention District or are required by government regulation, subpoena, or other legal process to produce our documents or our personnel as witnesses with respect to our engagements for Captiva Erosion Prevention District, Captiva Erosion Prevention District will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

All unpaid invoices shall accrue interest at the rate of 1 1/2% per month, and a failure to resolve your account within the allotted time will result in these charges being added to your fees. In addition, Captiva Erosion Prevention District agrees to personally guarantee the timely payment of amounts due to Stroemer & Company in accordance with the terms of this engagement letter.

Parties to this engagement agree that any dispute that may arise regarding the meaning, performance or enforcement of this engagement will, prior to resorting to litigation, be submitted to mediation upon the written request of any party to the engagement. All mediations initiated as a result of this engagement shall be administered by the American Arbitration Association (AAA) and in accordance with the "Mediation Rules for Professional Accounting and Related Disputes" as then adopted by the AAA. The results of this mediation shall be binding only upon agreement of each party to be bound. Costs of any mediation proceeding shall be shared equally by both parties. In the event of litigation you agree not to sue for damages greater than our fee.

Government Auditing Standards - requires that we provide you with a copy of our most recent quality control review report. Our most recent peer review report is attached for your review.

Captiva Erosion Prevention District

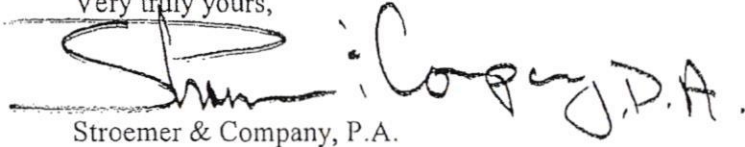
March 28, 2011

Page 7

We are pleased to be able to provide you with the above services. Because our employees are highly qualified, many employers would like to employ our staff on a permanent basis. Because of the extensive training and knowledge our staff has developed, their separation would be a tremendous resource loss to our firm. If any Stroemer & Company, P.A. employee, who participates in this engagement, is hired by you for any position during the engagement or within one year after the end of the engagement, we will invoice you for a placement fee of 40% of starting salary. The placement fee would be due and payable on the starting date of the employee.

We appreciate the opportunity to be of service to you. If the foregoing is acceptable to you, please acknowledge by signing this letter in the space provided and return it to us.

Very truly yours,


Stroemer & Company, P.A.

This letter correctly sets forth the understanding of Captiva Erosion Prevention District.

Officer signature: _____

Title: _____

Date: _____



INTEGRITY KNOWLEDGE SERVICE COMMITMENT

March 28, 2011

Board of Directors
Captiva Erosion Prevention District
c/o Kathleen Rooker, Senior Administrative Consultant
P.O. Box 365
Sanibel, FL 33924

We are pleased to confirm our understanding of the services we are to provide for Captiva Erosion Prevention District for the year ending September 30, 2012.

We will audit the statement of financial position of Captiva Erosion Prevention District as of the fiscal year ending September 30, 2012 and the related statements of activities, functional expenses, and cash flows for the year then ended. Also, the document we submit to you will include the following additional information that will be subjected to the auditing procedures applied in our audit of the financial statements:

Schedule of Expenditures of Federal and State Awards

The objective of our audit is the expression of an opinion as to whether the financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America and to report on the fairness of the additional information referred to in the second paragraph when considered in relation to the financial statements taken as a whole. The objective also includes reporting on Captiva Erosion Prevention District:

- Internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with Government Auditing Standards.
- Internal control related to major programs and an opinion (or disclaimer of opinion) on whether Captiva Erosion Prevention District complied with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

Affiliations

Florida Institute of Certified Public Accountants

American Institute of Certified Public Accountants - Management Consulting Services Division / Private Companies Practice Section / Tax Division

PRINCIPAL OFFICE

20900 NE 30TH AVE., STE. 200
AVENTURA, FL 33180
786.427.1002 • f 305.749.0999

14030 METROPOLIS AVE., STE. 200
FORT MYERS, FL 33912
239.433.1002 • f 239.433.0249
www.stroemercpa.com

1640 PERIWINKLE WAY, STE. 4
SANIBEL, FL 33957
239.395.5325 • f 239.395.2396

Captiva Erosion Prevention District
March 28, 2011
Page 2

The reports on internal control and compliance will each include a statement that the report is intended for the information of the Board of Directors, management, specific legislative or regulatory bodies, federal awarding agencies, and if applicable, pass-through entities.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and provisions of OMB Circular A-133, and will include tests of the accounting records of Captiva Erosion Prevention District and other procedures we consider necessary to enable us to express such an opinion and to render the required reports. If our opinion on the financial statements or the single audit compliance opinion is other than unqualified, we will fully discuss the reasons with you in advance. If for any reason, we are unable to complete the audit, we will not issue a report as a result of this engagement.

The management of Captiva Erosion Prevention District is responsible for establishing and maintaining internal control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of the controls. The objectives of internal control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America and that federal award programs are managed in compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

In planning and performing our audit for the year ended September 30, 2012, we will consider the internal control sufficient to plan the audit in order to determine the nature, timing, and extent of our auditing procedures for the purposes of expressing our opinion on Captiva Erosion Prevention District's financial statements and on its compliance with requirements applicable to major programs.

We will obtain an understanding of the design of the relevant controls and whether they have been placed in operation, and we will assess control risk. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Tests of controls relative to the financial statements are required only if control risk assessed below the maximum level. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our audit report on internal control issued pursuant to Government Auditing Standards.

We will perform tests of controls, as required by OMB Circular A-133, to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of Captiva Erosion Prevention District's major federal award programs. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control or to identify reportable conditions. However, we will inform you of any matters involving the internal control and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. We will also inform you of any nonreportable conditions or other matters involving internal control, if any, as required by OMB Circular A-133.

Identifying and ensuring that Captiva Erosion Prevention District complies with laws, regulations, contracts, and agreements, including grant agreements, is the responsibility of Captiva Erosion Prevention District's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Captiva Erosion Prevention District's compliance with certain provisions of laws, regulations, contracts, and agreements, including grant agreements. However, our objective is not to provide an opinion on overall compliance with such provisions, and we will not express such an opinion in our report on compliance issued pursuant to Government Auditing Standards.

OMB Circular A-133 requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and agreements applicable to major programs. Our procedures will consist of the applicable procedures described in the OMB's compliance supplement. The purpose of these procedures will be to express an opinion on Captiva Erosion Prevention District's compliance with requirements applicable to major programs in our report on compliance issued pursuant to OMB Circular A-133.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of assets, and direct confirmations of cash and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At

Captiva Erosion Prevention District

March 28, 2011

Page 4

the conclusion of our audit, we will request certain written representations from you about the financial statements and related matters.

An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Also, we will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. As required by the Single Audit Act Amendments of 1996 and OMB Circular A-133, our audit will include tests of transactions related to federal award programs for compliance with laws and regulations and the provisions of contracts and agreements. Because of the concept of reasonable assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatement, errors, irregularities, or illegal acts, including fraud or defalcations, may exist and not be detected by us. In addition, an audit is not designed to detect errors, fraud, or other illegal acts that are immaterial to the financial statements or to major programs.

We will inform you, however, of any matters of that nature that come to our attention, unless they are clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to matters that might arise during any later periods for which we are not engaged as auditors.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to matters that might arise during any later periods for which we are not engaged as auditors.

We understand that you are responsible for making all financial records and related information available to us and that you are responsible for the accuracy and completeness of that information. We will advise you about appropriate accounting principles and their application and will assist in the preparation of your financial statements, including the Schedule of Expenditures of Federal and State Awards, but the responsibility for the financial statements remains with you. That responsibility includes the establishment and maintenance of adequate records and effective internal controls over financial reporting and compliance, the selection and application of accounting principles, and the safeguarding of assets. Additionally, as required by OMB Circular A-133, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review.

We understand that your employees will type all cash or other confirmations we request, will prepare any schedules that are needed, and will locate and copy any invoices and/or documents selected by us for testing.

We expect to begin our audit at a date mutually agreed upon. We will issue our reports and present them to the Board of Directors on mutually agreed upon dates. At the conclusion of the engagements, it is management's responsibility to submit the reporting package (including financial statements, Schedule of Expenditures of Federal and State Awards, Summary Schedule of Prior Audit Findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the designated Federal Clearinghouse and, if appropriate, to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditor's reports or 9 months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audit. At the conclusion of the engagement, we will provide information to management as to where the reporting packages should be submitted and the number to submit.

The workpapers for this engagement are the property of Stroemer & Company, P.A. and constitute confidential information. However, we may be requested to make certain workpapers available to an oversight or grantor agency pursuant to authority given to it by law and regulation. If requested, access to such workpapers will be provided under the supervision of Stroemer & Company, P.A. personnel. Furthermore, upon request, we may provide photocopies of selected workpapers to the oversight or grantor agency. The oversight or grantor agency may intend, or decide, to distribute the photocopies or information contained therein to others, including other governmental agencies.

The workpapers for this engagement will be retained for a minimum of three years after the date the auditor's report is issued or for any additional period requested by the Oversight Agency for Audit, or Pass-through Entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the workpapers.

We anticipate that the books and records of Captiva Erosion Prevention District will be accurate and will not require significant adjusting journal entries. Assuming records are clean and we get the assistance we need, fees for our financial and compliance audit services for the fiscal year ending September 30, 2012 will not exceed \$8,000. The draft financials will be submitted by January 31, 2011 provided we receive all records, schedules and assistance required by November 5, 2010. The fee also assumes that no material unusual or unforeseen circumstances arise, which causes an increase in audit effort, and that we receive the agreed-upon assistance from you and your staff. Delays in the receipt of required documentation may result in an increase in fees. We will make every effort to keep fees to a minimum. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of personnel assigned to your audit. Our invoices for these services will be rendered each month, as work progresses, and are payable upon presentation. This engagement is not considered complete until fees are paid in full.

Captiva Erosion Prevention District
March 28, 2011
Page 6

This fee estimate does not contemplate work outside the scope of the annual financial and compliance audit or other related assistance requested by you or your staff. All such services rendered will be billed based on standard hourly rates. This fee estimate does not include time required for implementation of the Florida Single Audit Act, because the specific legislation is still being developed by the State.

We reserve the right to withhold our services if any invoice goes unpaid for 60 days; and if the matter is not successfully resolved upon demand, you understand and agree to be liable for the costs of any collection efforts our office deems it necessary to take, to include attorney fees if any attorney is consulted or retained.

To the extent permitted by law, Captiva Erosion Prevention District hereby indemnifies Stroemer & Company, P.A. and its partners, principals, and employees and holds them harmless from all claims, liabilities, losses, and costs arising in circumstances where there has been a knowing misrepresentation by a member of Captiva Erosion Prevention District's management, regardless of whether such person was acting in Captiva Erosion Prevention District's interest. This indemnification will survive termination of this letter.

In the event we are requested or authorized by Captiva Erosion Prevention District or are required by government regulation, subpoena, or other legal process to produce our documents or our personnel as witnesses with respect to our engagements for Captiva Erosion Prevention District, Captiva Erosion Prevention District will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

All unpaid invoices shall accrue interest at the rate of 1 1/2% per month, and a failure to resolve your account within the allotted time will result in these charges being added to your fees. In addition, Captiva Erosion Prevention District agrees to personally guarantee the timely payment of amounts due to Stroemer & Company in accordance with the terms of this engagement letter.

Parties to this engagement agree that any dispute that may arise regarding the meaning, performance or enforcement of this engagement will, prior to resorting to litigation, be submitted to mediation upon the written request of any party to the engagement. All mediations initiated as a result of this engagement shall be administered by the American Arbitration Association (AAA) and in accordance with the "Mediation Rules for Professional Accounting and Related Disputes" as then adopted by the AAA. The results of this mediation shall be binding only upon agreement of each party to be bound. Costs of any mediation proceeding shall be shared equally by both parties. In the event of litigation you agree not to sue for damages greater than our fee.

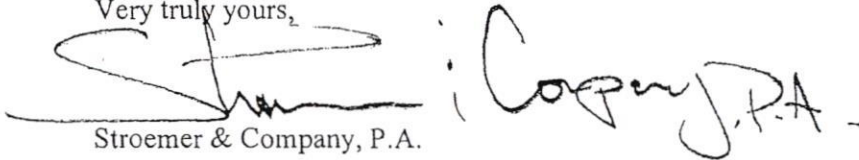
Government Auditing Standards - requires that we provide you with a copy of our most recent quality control review report. Our most recent peer review report is attached for your review.

Captiva Erosion Prevention District
March 28, 2011
Page 7

We are pleased to be able to provide you with the above services. Because our employees are highly qualified, many employers would like to employ our staff on a permanent basis. Because of the extensive training and knowledge our staff has developed, their separation would be a tremendous resource loss to our firm. If any Stroemer & Company, P.A. employee, who participates in this engagement, is hired by you for any position during the engagement or within one year after the end of the engagement, we will invoice you for a placement fee of 40% of starting salary. The placement fee would be due and payable on the starting date of the employee.

We appreciate the opportunity to be of service to you. If the foregoing is acceptable to you, please acknowledge by signing this letter in the space provided and return it to us.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Stroemer & Company, P.A.', is written over a horizontal line. The signature is stylized and cursive.

This letter correctly sets forth the understanding of Captiva Erosion Prevention District.

Officer signature: _____

Title: _____

Date: _____



INTEGRITY.....KNOWLEDGE.....SERVICE.....COMMITMENT®

March 28, 2011

Board of Directors
Captiva Erosion Prevention District
c/o Kathleen Rooker, Senior Administrative Consultant
P.O. Box 365
Sanibel, FL 33924

We are pleased to confirm our understanding of the services we are to provide for Captiva Erosion Prevention District for the year ending September 30, 2013.

We will audit the statement of financial position of Captiva Erosion Prevention District as of the fiscal year ending September 30, 2013 and the related statements of activities, functional expenses, and cash flows for the year then ended. Also, the document we submit to you will include the following additional information that will be subjected to the auditing procedures applied in our audit of the financial statements:

Schedule of Expenditures of Federal and State Awards

The objective of our audit is the expression of an opinion as to whether the financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America and to report on the fairness of the additional information referred to in the second paragraph when considered in relation to the financial statements taken as a whole. The objective also includes reporting on Captiva Erosion Prevention District:

- Internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with Government Auditing Standards.
- Internal control related to major programs and an opinion (or disclaimer of opinion) on whether Captiva Erosion Prevention District complied with laws, regulations, and the provisions of contracts or grant agreements that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations."

Affiliations

Florida Institute of Certified Public Accountants

American Institute of Certified Public Accountants - Management Consulting Services Division / Private Companies Practice Section / Tax Division

PRINCIPAL OFFICE

20900 NE 30TH AVE., STE 200
AVENTURA, FL 33180
786.427.1002 • f 305.749.0999

14030 METROPOLIS AVE., STE. 200
FORT MYERS, FL 33912
239.433.1002 • f 239.433.0249
www.stroemercpa.com

1640 PERIWINKLE WAY, STE. 4
SANIBEL, FL 33957
239.395.5325 • f 239.395.2396

Captiva Erosion Prevention District
March 28, 2011
Page 2

The reports on internal control and compliance will each include a statement that the report is intended for the information of the Board of Directors, management, specific legislative or regulatory bodies, federal awarding agencies, and if applicable, pass-through entities.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and provisions of OMB Circular A-133, and will include tests of the accounting records of Captiva Erosion Prevention District and other procedures we consider necessary to enable us to express such an opinion and to render the required reports. If our opinion on the financial statements or the single audit compliance opinion is other than unqualified, we will fully discuss the reasons with you in advance. If for any reason, we are unable to complete the audit, we will not issue a report as a result of this engagement.

The management of Captiva Erosion Prevention District is responsible for establishing and maintaining internal control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of the controls. The objectives of internal control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with accounting principles generally accepted in the United States of America and that federal award programs are managed in compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

In planning and performing our audit for the year ended September 30, 2013, we will consider the internal control sufficient to plan the audit in order to determine the nature, timing, and extent of our auditing procedures for the purposes of expressing our opinion on Captiva Erosion Prevention District's financial statements and on its compliance with requirements applicable to major programs.

We will obtain an understanding of the design of the relevant controls and whether they have been placed in operation, and we will assess control risk. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Tests of controls relative to the financial statements are required only if control risk assessed below the maximum level. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our audit report on internal control issued pursuant to Government Auditing Standards.

We will perform tests of controls, as required by OMB Circular A-133, to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each of Captiva Erosion Prevention District's major federal award programs. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control or to identify reportable conditions. However, we will inform you of any matters involving the internal control and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. We will also inform you of any nonreportable conditions or other matters involving internal control, if any, as required by OMB Circular A-133.

Identifying and ensuring that Captiva Erosion Prevention District complies with laws, regulations, contracts, and agreements, including grant agreements, is the responsibility of Captiva Erosion Prevention District's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Captiva Erosion Prevention District's compliance with certain provisions of laws, regulations, contracts, and agreements, including grant agreements. However, our objective is not to provide an opinion on overall compliance with such provisions, and we will not express such an opinion in our report on compliance issued pursuant to Government Auditing Standards.

OMB Circular A-133 requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with applicable laws and regulations and the provisions of contracts and agreements applicable to major programs. Our procedures will consist of the applicable procedures described in the OMB's compliance supplement. The purpose of these procedures will be to express an opinion on Captiva Erosion Prevention District's compliance with requirements applicable to major programs in our report on compliance issued pursuant to OMB Circular A-133.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of assets, and direct confirmations of cash and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At

the conclusion of our audit, we will request certain written representations from you about the financial statements and related matters.

An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Also, we will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. As required by the Single Audit Act Amendments of 1996 and OMB Circular A-133, our audit will include tests of transactions related to federal award programs for compliance with laws and regulations and the provisions of contracts and agreements. Because of the concept of reasonable assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatement, errors, irregularities, or illegal acts, including fraud or defalcations, may exist and not be detected by us. In addition, an audit is not designed to detect errors, fraud, or other illegal acts that are immaterial to the financial statements or to major programs.

We will inform you, however, of any matters of that nature that come to our attention, unless they are clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to matters that might arise during any later periods for which we are not engaged as auditors.

Our responsibility as auditors is limited to the period covered by our audit and does not extend to matters that might arise during any later periods for which we are not engaged as auditors.

We understand that you are responsible for making all financial records and related information available to us and that you are responsible for the accuracy and completeness of that information. We will advise you about appropriate accounting principles and their application and will assist in the preparation of your financial statements, including the Schedule of Expenditures of Federal and State Awards, but the responsibility for the financial statements remains with you. That responsibility includes the establishment and maintenance of adequate records and effective internal controls over financial reporting and compliance, the selection and application of accounting principles, and the safeguarding of assets. Additionally, as required by OMB Circular A-133, it is management's responsibility to follow up and take corrective action on reported audit findings and to prepare a summary schedule of prior audit findings and a corrective action plan. The summary schedule of prior audit findings should be available for our review.

We understand that your employees will type all cash or other confirmations we request, will prepare any schedules that are needed, and will locate and copy any invoices and/or documents selected by us for testing.

Captiva Erosion Prevention District

March 28, 2011

Page 5

We expect to begin our audit at a date mutually agreed upon. We will issue our reports and present them to the Board of Directors on mutually agreed upon dates. At the conclusion of the engagements, it is management's responsibility to submit the reporting package (including financial statements, Schedule of Expenditures of Federal and State Awards, Summary Schedule of Prior Audit Findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the designated Federal Clearinghouse and, if appropriate, to pass-through entities. The Data Collection Form and the reporting package must be submitted within the earlier of 30 days after receipt of the auditor's reports or 9 months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audit. At the conclusion of the engagement, we will provide information to management as to where the reporting packages should be submitted and the number to submit.

The workpapers for this engagement are the property of Stroemer & Company, P.A. and constitute confidential information. However, we may be requested to make certain workpapers available to an oversight or grantor agency pursuant to authority given to it by law and regulation. If requested, access to such workpapers will be provided under the supervision of Stroemer & Company, P.A. personnel. Furthermore, upon request, we may provide photocopies of selected workpapers to the oversight or grantor agency. The oversight or grantor agency may intend, or decide, to distribute the photocopies or information contained therein to others, including other governmental agencies.

The workpapers for this engagement will be retained for a minimum of three years after the date the auditor's report is issued or for any additional period requested by the Oversight Agency for Audit, or Pass-through Entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the workpapers.

We anticipate that the books and records of Captiva Erosion Prevention District will be accurate and will not require significant adjusting journal entries. Assuming records are clean and we get the assistance we need, fees for our financial and compliance audit services for the fiscal year ending September 30, 2013 will not exceed \$8,400. The draft financials will be submitted by January 31, 2011 provided we receive all records, schedules and assistance required by November 5, 2010. The fee also assumes that no material unusual or unforeseen circumstances arise, which causes an increase in audit effort, and that we receive the agreed-upon assistance from you and your staff. Delays in the receipt of required documentation may result in an increase in fees. We will make every effort to keep fees to a minimum. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of personnel assigned to your audit. Our invoices for these services will be rendered each month, as work progresses, and are payable upon presentation. This engagement is not considered complete until fees are paid in full.

Captiva Erosion Prevention District

March 28, 2011

Page 6

This fee estimate does not contemplate work outside the scope of the annual financial and compliance audit or other related assistance requested by you or your staff. All such services rendered will be billed based on standard hourly rates. This fee estimate does not include time required for implementation of the Florida Single Audit Act, because the specific legislation is still being developed by the State.

We reserve the right to withhold our services if any invoice goes unpaid for 60 days; and if the matter is not successfully resolved upon demand, you understand and agree to be liable for the costs of any collection efforts our office deems it necessary to take, to include attorney fees if any attorney is consulted or retained.

To the extent permitted by law, Captiva Erosion Prevention District hereby indemnifies Stroemer & Company, P.A. and its partners, principals, and employees and holds them harmless from all claims, liabilities, losses, and costs arising in circumstances where there has been a knowing misrepresentation by a member of Captiva Erosion Prevention District's management, regardless of whether such person was acting in Captiva Erosion Prevention District's interest. This indemnification will survive termination of this letter.

In the event we are requested or authorized by Captiva Erosion Prevention District or are required by government regulation, subpoena, or other legal process to produce our documents or our personnel as witnesses with respect to our engagements for Captiva Erosion Prevention District, Captiva Erosion Prevention District will, so long as we are not a party to the proceeding in which the information is sought, reimburse us for our professional time and expenses, as well as the fees and expenses of our counsel, incurred in responding to such requests.

All unpaid invoices shall accrue interest at the rate of 1 1/2% per month, and a failure to resolve your account within the allotted time will result in these charges being added to your fees. In addition, Captiva Erosion Prevention District agrees to personally guarantee the timely payment of amounts due to Stroemer & Company in accordance with the terms of this engagement letter.

Parties to this engagement agree that any dispute that may arise regarding the meaning, performance or enforcement of this engagement will, prior to resorting to litigation, be submitted to mediation upon the written request of any party to the engagement. All mediations initiated as a result of this engagement shall be administered by the American Arbitration Association (AAA) and in accordance with the "Mediation Rules for Professional Accounting and Related Disputes" as then adopted by the AAA. The results of this mediation shall be binding only upon agreement of each party to be bound. Costs of any mediation proceeding shall be shared equally by both parties. In the event of litigation you agree not to sue for damages greater than our fee.

Government Auditing Standards - requires that we provide you with a copy of our most recent quality control review report. Our most recent peer review report is attached for your review.

Captiva Erosion Prevention District

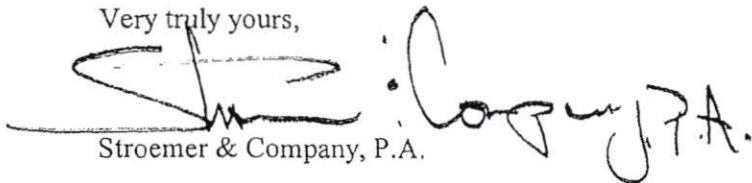
March 28, 2011

Page 7

We are pleased to be able to provide you with the above services. Because our employees are highly qualified, many employers would like to employ our staff on a permanent basis. Because of the extensive training and knowledge our staff has developed, their separation would be a tremendous resource loss to our firm. If any Stroemer & Company, P.A. employee, who participates in this engagement, is hired by you for any position during the engagement or within one year after the end of the engagement, we will invoice you for a placement fee of 40% of starting salary. The placement fee would be due and payable on the starting date of the employee.

We appreciate the opportunity to be of service to you. If the foregoing is acceptable to you, please acknowledge by signing this letter in the space provided and return it to us.

Very truly yours,


Stroemer & Company, P.A.

This letter correctly sets forth the understanding of Captiva Erosion Prevention District.

Officer signature: _____

Title: _____

Date: _____



COASTAL PLANNING & ENGINEERING, INC.

2481 NW BOCA RATON BOULEVARD, BOCA RATON, FL 33431

(561) 391-8102 Telephone (561) 391-9116 Facsimile

Web Site: <http://www.coastalplanning.net>

E-mail: mail@coastalplanning.net

April 10, 2011

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

**Subject: REVISED SCOPE OF DESIGN PHASE SERVICES FOR THE 2013-14
CAPTIVA ISLAND RENOURISHMENT PROJECT**

Dear Kathy:

This is a request for approval of professional engineering, survey and geology services in preparation for the 2013-14 Renourishment Project. The proposed tasks are part of the long range plan, except for updating the project schedule and the total project cost estimate. The task order and organization has been modified per our discussion on Friday. We recommend that Phase I and II be approved initially, and Phase III be approved subject to matching funding.

Scope of Services

The scope of work detailed in Exhibit 1 attached to this proposal consists of the tasks needed to improve the efficiency of the project, prepare a permit modification for these improvements, prepare a biological assessment, plans and specifications needed to secure a biological opinion (BO) and notice to proceed for the next nourishment project. The purpose of these tasks is to secure the permit authority needed to construct the next project either in response to an emergency situation or conduct the routine renourishment in 2013-14 (at an 8-year renourishment interval) or when needed.

Proposed Costs

The lump sum fee for the tasks is \$181,549.00 as detailed in the Cost Proposal attached hereto as Exhibit 2.

Schedule and Deliverables

CPE will proceed with the services when it receives written authorization from you to do so. We anticipate completing Phases I and II services on or before August 30, 2011, and Phase III will be completed on or before 120 days after notice to proceed for this task or August 30, 2011

whichever is later. These time frames do not include responses for additional information by the permit agencies. The field work is contained in Phase I and II, and surveys need to be completed together as priced.

Assumptions Made in the Preparation of this Proposal

1. CPE has no control over the permit application process once it moves to the State and Federal governments. CEPD staff and political assistance may be required to further expedite permit issuance. Periodic CEPD contact with project management and higher level administration of the U.S. Army Corps of Engineers and FDEP may be recommended by CPE. CPE will work closely with the County to keep them updated on our efforts to secure permits and to assist in making contacts to expedite the process.
2. This scope of work does not address an extension to the permits beyond the November 2014 expiration.
3. Aerial photographs taken as part of the County's or other government's annual programs will be used for this project and are not included in the cost.

This proposal is conditioned on CPE's receipt of an executed copy of the Professional Services Agreement (PSA) attached hereto as Exhibit 3.

If the proposal meets with your approval, please have the attached PSA signed by an individual with the authority to do so and return a signed copy to me as authorization for CPE to proceed with the services.

If you have any questions, please call me.

Sincerely,

COASTAL PLANNING & ENGINEERING, INC.



Stephen Keehn, P.E.
Senior Coastal Engineer

cc: Tom Campbell, P.E., CPE:
Sheri Dindial, CPE

EXHIBIT 1

**SCOPE OF DESIGN PHASE SERVICES FOR THE
2013-14 CAPTIVA ISLAND RENOURISHMENT PROJECT
CAPTIVA EROSION PREVENTION DISTRICT
April 2011**

SCOPE OF SERVICES

The scope of work consist of the tasks needed to improve the efficiency of the project, prepare a permit modification for these improvements, prepare a biological assessment, plans and specifications needed to secure a biological opinion (BO) and notice to proceed for the next nourishment project. The purpose of these tasks is to secure the permit authority needed to construct the next project either in response to an emergency situation or conduct the routine renourishment in 2013-14 (at an 8-year renourishment interval) or when needed. The lump sum fee for all the tasks is \$181,549.

PHASE I: BORROW AREA PLANS, GEOPHYCISAL SURVEY AND COORDINATION

TASK 1: FDEP AND FEDERAL AGENCY COORDINATION (\$5,145)

A meeting will be arranged with FDEP and other State agencies in Tallahassee to familiarize them with the 2013-14 project and to solicit their guidance on how to proceed with permit modifications, submittal of plans and specifications and notice to precede procedures under the authority of the existing permits. In particular, we will discuss borrow areas and pipeline corridor modifications, and the environmental agency requirements for issuance of a notice to proceed and permit modification. The State procedures and policies on pipeline corridors and implementation of 10 year permits have varied over the years, and clarification is needed prior to proceeding. Federal agencies will be contacted separately for their guidance. The price for this item was included as part of Task 2 in the Long Range Plan.

TASK 2: PREPARE & EXPAND BORROW AREA PLANS (\$19,260)

Borrow Area VI was fully developed as a larger borrow area in support of the 2006 project, but was reduced in size at the request of FDEP. The area removed from Borrow Area VI is needed to support the next renourishment project tentatively schedule for 2013-14 and to be ready if needed for an emergency project. The sand needs for the 2006 and 2008 project proved greater than planned, and Borrow Area IV proved to have less dredgeable sand than anticipated in support of the 2006 project and is exhausted. In addition, dredging the sand remaining in Borrow Areas IIIa and IIIb effectively will be difficult. An additional amount of permitted sand is needed for an efficient renourishment, especially if project construction is administered by a third party such as the Corps of Engineers.

The geotechnical documents required for Attachment No. 27 of a JCP permit application will be assembled and prepared to support a permit modification request for an expanded Borrow Area VI out to its original border. This will include geotechnical, cultural resources and permit

sketches. A compatibility analysis will be conducted to compare the borrow area and beach sand characteristics. The results of the existing beach sand samples along with the compatibility analysis will be included as part of the final geotechnical documents.

The documents for use in Attachment No. 27 of the permit modification will be submitted to CEPD for review and comment. A final document summarizing the results of the geotechnical analysis will be prepared and submitted to FDEP, USACE and CEPD. These documents will include project results, including bathymetric and isopachous (sediment thickness) maps, sub-bottom (seismic) survey profiles, vibracore logs, vibracore photographs, granulometric reports and grain size distribution curves. CPE will provide all geotechnical information in an electronic format suitable for input to the FDEP Reconnaissance Offshore Sand Search (ROSS) database. The data will be submitted in Access or gINT files. The submission will include shapefiles (with the associated FGDC compliant metadata) of borrow area boundaries and seismic tracklines. Seismic data will be provided in HTML format. The documents will be accompanied by a signed and sealed updated permit sketches.

TASK 3: GEOPHYSICAL SURVEY FOR PERMITTING/EXPANDING PIPELINE CORRIDOR (\$52,795)

In consultation with FDEP, the pipeline corridors for the Captiva Project will be improved to support a more cost effective dredging, by allowing for shorter pumping distances. This will be accomplished by eliminating the need for nearshore pipeline corridors or increasing their number.

The geophysical survey includes a sidescan sonar survey utilizing the EdgeTech 4200 HFL chirp sidescan system and a fathometer. Approximately 60 line miles of geophysical data will be collected during the geophysical survey.

To ensure that survey control and accuracy standards shall be consistent with FDEP specifications, a report from the surveyor will be submitted certifying that the survey meets the minimum technical standards of Chapter 61G17-6, Florida Administrative Code.

Geophysical Survey Equipment

Navigation System

A Trimble Real Time Kinematic Global Positioning (RTK GPS) system with dual frequency receivers will be used on board the survey vessel to provide high-precision navigation and instantaneous tide corrections. In order to maintain the vessel navigation along the track lines the Hypack Inc.'s hydrographic system Hypack 6.2a® will be used. This software merges RTK GPS vertical and horizontal positioning with the sounding data, allowing real time review of the profile data in plan view or cross section format. It also provides navigation to the helm to control the deviation from the online azimuth.

Bathymetric Survey

The Odom Hydrographic Systems, Inc.'s Hydrotrac, a single frequency portable hydrographic echo sounder, will be used to perform the bathymetric survey. The

Hydrotrac operates a frequency of 210 kHz and is a digital, survey-grade sounder. The sounder will be calibrated using an Odom Hydrographic Systems, Inc.'s Digital Pro® speed-of-sound velocity meter. Speed of sound through water and other selected parameters will be adjusted to accurately reflect physical water conditions in the survey area.

Sidescan Sonar Survey

An EdgeTech 4200-HFL/FS sidescan sonar system (or equivalent) will be used to collect sidescan sonar data over the entire area of investigation. The 4200-HFL uses full-spectrum chirp technology to deliver wide-band, high-energy pulses coupled with high resolution and superb signal to noise ratio echo data. The portable sidescan package includes a laptop computer running the Discover® acquisition software and a 300/600 kHz dual frequency towfish running in high definition mode.

No magnetometer or cultural resources investigation is anticipated, since no excavation or disturbance of the Gulf substrate will occur in the use of the corridors.

Geophysical Data Analysis

The digital sidescan data will be merged with RTK GPS positioning data via HYPACK Navigation Software video displayed, and recorded to the acquisition computer's hard disk for post processing and/or replay. The position of the sensor relative to the RTK GPS antenna will be documented to ensure proper positioning of the data.

All sidescan sonar data will be processed using the SonarWiz.MAP software package developed by Chesapeake Technologies Inc. This software package allows for advanced processing, interpretation, and digital mosaic output and can produce georeferenced HTML's viewable in generic web-browser software programs. SonarWiz.MAP also produces digital geographic information for both sub-bottom and sidescan data that are exportable for incorporation into a GIS database. All sidescan sonar, and bathymetric data will be processed and interpreted by CPE personnel. The need for diver verification is not anticipated nor included as part of the SOW.

The results of the survey will be plotted along with historic corridors and cleared areas for analysis and development of new areas cleared for pipeline corridors. The goal is to clear the nearshore area for use by pipelines during construction, and the final layout will be governed by any hardbottom or habitat discovered and FDEP interpretation of the results.

PHASE II: PREPARE LONG RANGE PLAN AND BORROW AREA VI SURVEY

TASK 4: PREPARE LONG RANGE PLAN AND SCHEDULE (\$5,277)

Update the long range plan (LRP), cost, schedule and project map based on the CEPD decision and guidance provided during the 2010 apportionment planning process. The plan cost will use the updated design in the 2011 engineering monitoring report. The long range plan and schedule will be updated for initial review and comment by the CEPD board and staff as early as practical. The schedule will include branching to illustrate the project with and without the Corps of

Engineers participation. The content of the LRP will be coordinated with FDEP and an attempt will be made to get input from the Corps of Engineers. The plan and schedule will be updated a second time for submittal to the County and FDEP for consultation for inclusion into their plans. Comments on the required figures will be provided to the County for their modifications of required maps and figures.

TASK 5. BORROW AREA VI SURVEY.

(\$16,407)

A Hydrographic survey will be collected at the borrow area sites using up to 200' line spacing and at least 500' outside defined borrow area limits. A sufficient number of cross lines will be collected to verify survey accuracies. Soundings will be collected at intervals to provide an accurate depiction of the seafloor. This cost for this task was part of task 7 in the Long Range Plan.

The hydrographic survey will be conducted using an Odom Hydrotrac sounder with digitizer on CPE's survey vessel with a centrally located hull-mounted transducer. A Trimble RTK GPS and a TSS Motion Compensator will be used on board the survey vessel to provide instantaneous tide corrections as well as heave, pitch, and roll corrections. Vessel navigation along the profile lines will use HYPACK navigation software

Upon completion of the hydrographic survey, data will be reduced using standard procedures and in compliance with all rules and standards set forth in the Bureau of Beaches and Coastal Systems, Monitoring Standards for Beach Erosion Control Projects, March 2004, section 01200.

PHASE III: PREPARE BIOLOGICAL ASSESSMENT, PLANS & SPECIFICATIONS AND NEPA PROCESSING

TASK 6: PREPARE BIOLOGICAL ASSESSMENT

(\$19,336)

In order to satisfy Section 7 Consultation requirements in compliance with the Endangered Species Act, a *current* Biological Opinion (BO) issued by appropriate federal agencies is required for the nourishment project based on current FWS practices. The permit for this project was issued in 2005, and is good for 10 years. As such, it is anticipated that regulatory agencies will require an updated BO before issuing a Notice to Proceed (NTP) for future work. For work below MHW, the Regional Biological Opinion for Dredging of Gulf of Mexico Navigation Channels and Sand Mining (Borrow) Areas Using Hopper Dredges by COE Galveston, New Orleans, Mobile, and Jacksonville Districts (Consultation Number F/SER/2000/01287) issued by NOAA NMFS may be applied to the project. To receive a BO from the USFWS for listed species under that agency's jurisdiction, or to satisfy any additional consultation requirements of NMFS, a Biological Assessment (BA) is proposed.

This task involves updating information on listed species that have the potential to occur or are known to occur in the project area, in order to provide federal agencies with the information they

need to consult on potential project impacts to listed species, and to issue a Biological Opinion that satisfies regulatory requirements for issuing the NTP and a second use of the existing federal and State permits.

TASK 7: PREPARATION OF PLANS AND SPECIFICATIONS_ (\$63,329)

Plans and specifications to support the NEPA process, and emergency and routine project construction for beach renourishment projects will be prepared. The plans will include plan views and cross-sections of the beach fill. The plans will also include information related to access to the beach, beach storage areas, pipeline corridors, and other information required for construction of the beach nourishment project. Borrow area information and borrow area cross-sections will also be incorporated into the plans. The specifications will incorporate requirements for the bidding process. The specifications will provide sections addressing general conditions, technical provisions, and environmental protection. Specifications will also incorporate all permit documents, requiring contractor compliance with permits through reference. Also incorporated into the design document will be the geotechnical information for the borrow area. The plans and specifications will incorporate detailed information concerning beach survey control monuments required for constructing the beach renourishment project. The plans and specifications will incorporate the new pipeline corridor and borrow area changes, along with updated design based on the 2011 Engineering Monitoring Report. The plans and specifications are required for permit approval of the next project, and need to be submitted with ample time for agency review, actions and approvals.

A. Develop Beach Nourishment Construction Plans

Using the 2011 five year survey and report, which included an updated design for the 2013-14 renourishment projects, a new set of plans will be developed. The plans will incorporate a project on Sanibel Island similar to that built in 2006, since it represents the largest project size anticipated. One set of plans for construction for the Captiva and Sanibel Islands beach nourishment project will be prepared. The beach plans will include plan views and cross-sections of the beach fill. The beach plans will also include information related to construction access to the beach, equipment storage areas, staging areas, pipeline corridors, hardbottom avoidance areas and other information required for construction of the beach project.

Borrow area information and borrow area cross-sections will be incorporated into the beach plans. Borrow Area IIIa will be updated using the 2006 post-construction survey, and Borrow Area IIIb needs no updating, since it was unused. As part of the deployment of side scan survey in Task 3 above, Borrow Area VI will be surveyed as described below.

B. Develop Beach Nourishment Construction Specifications

One set of specifications for construction of the Captiva and Sanibel Islands beach nourishment project will be prepared. The standard bidding document used in the previous project will be updated and incorporated into the beach technical specifications. The specifications will provide sections addressing bidding, contracting, General

Conditions, Technical Provisions, and Environmental Protection. Specifications will incorporate the permit documents, requiring contractor compliance with permits through reference. Also incorporated into the specifications will be the geotechnical information for the borrow area, and the sediment QA/QC plan required by the FDEP. A bid form will be developed for the project. All areas requiring specified bidding dates, amounts or instruction will be highlighted for ease of modification prior to bidding. These documents will be suitable for bidding both an emergency and routine project.

The specifications to be developed for the project will be divided into two general categories. The first section will include bidding requirements and contract forms supplied by CEPD for retention of construction contractors. Bidding requirements will include the Invitation to Bid, Instructions to Bidders, Bid Form and other appropriate documents. The bidding requirements will also address the bid bond required for the project. The CEPD form of contract will be included in this section. The section will include such items as the Certificate of Corporate Authority, Acknowledgments of the Contractor, Performance and Payment Bonds, Final Receipt and any special instructions.

The second section of the specifications will include General Conditions, Technical Provisions and Environmental Protection. The General Conditions portion of the contract will include information related to the commencement, prosecution and completion of the work. It will address such issues as liquidated damages, performance of work by the contractor and subcontractors, and a designation of certain contractor personnel for tasks such as project superintendent. General Conditions will describe the layout of the beach fill, address mobilization and demobilization from the project area and acceptance sections for beach fill. It will identify the method of payment to the contractor and the clauses for liquidated damages, if necessary. Project details of a general nature will be included in this section. Lastly, this section includes the District's right to terminate the contract, liability insurance, liens and other legal issues.

The Technical Provisions will identify the work to be accomplished. It will include the order of work, the project schedule, excavation requirements, beach fill requirements, clean-up requirements and other issues related to construction. It will address issues such as nighttime operations and beach tilling requirements.

The plans and specifications will be submitted for review to CEPD in draft form. On approval, they will be submitted to the FDEP for review and approval. The plans may be updated prior to construction to incorporate the latest beach conditions and interlocal agreements, but that is not part of the 2011 scope of work.

C. Permitting and NEPA Processing

The preparation of plans and specifications are in support of the "maintenance dredging event authorized under the 10-year permit interval" (Permit No.: 200269-001-JC, November 9, 2004, Expiration Date: November 9, 2014 Captiva and Sanibel Islands Nourishment Project). A notice to proceed on an approved permit is based on the submittal of plans and specifications and other NTP items as described in the permits.

Plans and specifications along with the borrow areas will be submitted to initiate the notice to proceed process and response to request for additional information will be answered for routine questions. An updated sediment QA/QC, physical monitoring plan, and shorebird management plan will be prepared and submitted. A notice to proceed cannot be issued without approval of turbidity qualification at the time of construction, but notification of completion of all but this item will be possible by FDEP. It is important to start this process early, since the Biological Opinion is now being required for each dredging event, which can take a minimum of 135 days for completion or longer if it is not in FWS priority. The permit modification for the borrow area and pipeline corridors will also be submitted for review and approval.

It is anticipated that up to three (3) minor requests for additional information (RAI) may be required by the Florida Department of Environmental Protection and FWC. Even though few new field studies are planned under this task, CPE engineers, biologists, and geologists will reference previous fieldwork and research to address any environmental/geotechnical concerns in the RAIs. A visit to Tallahassee is included under this task. This task does not include any new field investigations or significant studies.

CPE will assist CEPD in initiating the Federal project funding process by providing a suggested letter, cost and basic information on the two Federal funding processes.

Captiva 2011 Design Phase Services				
Activity Type/Task	Type	Resource	Hours/Units	Billing Rate
Total			400.0	\$52,795.00
PHASE I: BORROW AREA PLANS, GEOPHYSICAL SURVEY AND COORDINATION				
1. FDP and Federal Agency Coordination and Meetings				
Labor	Principal Engineer		1.0	\$215.00
Labor	Project Manager		10.0	\$175.00
Labor	Junior Coastal Engineer		4.0	\$95.00
Labor	Senior Marine Biologist		12.0	\$135.00
Labor	Professional Geologist		2.0	\$125.00
Labor	Professional Geologist		28.0	\$100.00
Labor	Junior Geologist		32.0	\$85.00
2. Prepare & Expand Borrow Area Plans				
Labor	Professional Surveyor & Mapper		6.0	\$165.00
Labor	Professional Geologist		24.0	\$125.00
Labor	Geologist		40.0	\$100.00
Labor	Junior Geologist		40.0	\$85.00
Labor	Hydrographer		8.0	\$115.00
Labor	Geologist		16.0	\$100.00
Labor	Junior Geologist		16.0	\$85.00
Labor	Travel		40.0	\$3,820.00
Labor	Geologist		8.0	\$100.00
Labor	Junior Geologist		16.0	\$85.00
Labor	Geologist		16.0	\$100.00
Labor	Junior Geologist		12.0	\$85.00
Labor	Boat Captain		12.0	\$85.00
Labor	RTK GPS (REAL TIME)		1.0	\$495.00
Labor	Tide Gauge		1.0	\$175.00
Labor	Truck (2WD road use)		1.0	\$50.00
3. Geophysical Survey for Pipeline Corridor Improvements				
Project Management				
Labor	Project Manager		16.0	\$175.00
Labor	Professional Surveyor & Mapper		8.0	\$165.00
Labor	Professional Geologist		8.0	\$125.00
Labor	Geologist		8.0	\$100.00
Mob / Demob				
Labor	Hydrographer		40.0	\$3,880.00
Labor	Geologist		8.0	\$100.00
Labor	Junior Geologist		16.0	\$85.00
Labor	Geologist		16.0	\$100.00
Labor	Junior Geologist		12.0	\$85.00
Labor	Geologist		12.0	\$100.00
Labor	Boat Captain		12.0	\$85.00
Labor	RTK GPS (REAL TIME)		1.0	\$495.00
Labor	Tide Gauge		1.0	\$175.00
Labor	Truck (2WD road use)		1.0	\$50.00
Side Scan Survey				
Labor	Geologist		36.0	\$100.00
Labor	Junior Geologist		36.0	\$85.00
Labor	Boat Captain		36.0	\$85.00
Labor	EdgeTech Sidescan Sonar System		3.0	\$695.00
Labor	RTK GPS (REAL TIME)		3.0	\$495.00
Labor	Fathometer w/Digitizer		3.0	\$165.00
Labor	Heave, Pitch, Roll Compensator		3.0	\$215.00
Labor	Velocity Meter		3.0	\$63.00
Labor	Tide Gauge		3.0	\$175.00
Labor	Hypack Navigation System		3.0	\$280.00
Labor	Truck (2WD road use)		200.0	\$50.00
Labor	Enclosed 18' Trailer		3.0	\$78.00
Labor	Meals		9.0	\$36.00
Labor	Lodging		6.0	\$100.00
Labor	Survey Boat (28 ft. Parker Boat)		3.0	\$1,050.00
Labor	Field Supplies		1.0	\$300.00
SSS Data Reduction				
Labor	Professional Surveyor & Mapper		8.0	\$165.00
Labor	Hydrographer		8.0	\$115.00
Labor	Geologist		40.0	\$100.00
Labor	Package		5.0	\$155.00
Bathymetric Data Reduction				
Labor	Professional Surveyor & Mapper		8.0	\$165.00
Labor	Hydrographer		8.0	\$115.00
Labor	Geologist		36.0	\$78.00
Labor	Survey Technician		8.0	\$115.00
Labor	CADD & GIS		28.0	\$2,520.00
Labor	Senior CAD Operator		4.0	\$100.00
Labor	GIS Operator		16.0	\$90.00
Labor	CADD Operator		8.0	\$85.00

Captiva 2011 Design Phase Services				
Activity Type/ Task	Type	Resource Hours/ Units	Billing Rate	Resource Contract
Continuation page 2				
PHASE II. PREPARE LONG RANGE PLAN AND BORROW AREA VI SURVEY				
4. Prepare Long Range Plan Update		43.0		\$5,277.00
Labor	Principal Engineer	1.0	\$215.00	\$215.00
Labor	Project Manager	16.0	\$175.00	\$2,800.00
Labor	Senior CAD Operator	8.0	\$100.00	\$800.00
Labor	Junior Coastal Engineer	14.0	\$85.00	\$1,190.00
Labor	Clerical	4.0	\$68.00	\$272.00
5. Borrow Area VI Survey		112.0		\$16,407.00
Labor	Professional Surveyor & Mapper	4.0	\$165.00	\$660.00
Labor	Surveyor	24.0	\$90.00	\$2,160.00
Labor	Geologist	24.0	\$100.00	\$2,400.00
Labor	Boat Captain	24.0	\$85.00	\$2,040.00
Expense	RTK GPS (REAL TIME)	2.0	\$495.00	\$990.00
Expense	Fathometer w/Digitizer	2.0	\$165.00	\$330.00
Expense	Heave, Pitch, Roll Compensator	2.0	\$215.00	\$430.00
Expense	Velocity Meter	2.0	\$63.00	\$126.00
Expense	Tide Gauge	2.0	\$175.00	\$350.00
Expense	Hypack Navigation System	2.0	\$260.00	\$520.00
Expense	Truck (2WD road use)	50.0	\$0.50	\$25.00
Expense	Meals	6.0	\$36.00	\$216.00
Expense	Lodging	4.0	\$100.00	\$400.00
Expense	Survey Boat (28 ft. Parker Boat)	2.0	\$1,050.00	\$2,100.00
Expense	Field Supplies	1.0	\$300.00	\$300.00
Labor	Surveyor	24.0	\$90.00	\$2,160.00
Labor	Project Surveyor	6.0	\$100.00	\$600.00
Labor	Senior CAD Operator	6.0	\$100.00	\$600.00
PHASE III. PREPARE BIOLOGICAL ASSESSMENT, PLANS AND SPECIFICATION				
6. Captiva Biological Assessment		170.0		\$19,336.00
Administration and Agency Coordination		22.0		\$2,710.00
Labor	Senior Marine Biologist	12.0	\$135.00	\$1,620.00
Labor	Senior Coastal Engineer	2.0	\$145.00	\$290.00
Labor	Marine Biologist	8.0	\$100.00	\$800.00
Literature Review		56.0		\$6,160.00
Labor	Senior Marine Biologist	16.0	\$135.00	\$2,160.00
Labor	Marine Biologist	40.0	\$100.00	\$4,000.00
Prepare BA		92.0		\$10,466.00
Labor	Senior Marine Biologist	40.0	\$135.00	\$5,400.00
Labor	Marine Biologist	40.0	\$100.00	\$4,000.00
Labor	CADD Operator	8.0	\$85.00	\$680.00
Labor	Senior CAD Operator	2.0	\$100.00	\$200.00
Labor	Clerical	2.0	\$68.00	\$136.00
Expense	CAD Plotter Copies 11x17	10.0	\$2.00	\$20.00
Expense	Photocopies B/W 8 1/2x11	200.0	\$0.10	\$20.00
Expense	Photocopies- Color 8 1/2 x 11	20.0	\$0.50	\$10.00
7. Prepare Preliminary Plans & Permits for FDEP NTP		594.0		\$63,329.00
A. Develop Beach Nourishment Construction Plans		282.0		\$28,036.00
Labor	Project Manager	16.0	\$175.00	\$2,800.00
Labor	Senior Coastal Engineer	8.0	\$145.00	\$1,160.00
Labor	Coastal Engineer	24.0	\$115.00	\$2,760.00
Labor	Junior Coastal Engineer	48.0	\$95.00	\$4,560.00
Labor	CADD Operator	120.0	\$85.00	\$10,200.00
Labor	Senior CAD Operator	64.0	\$100.00	\$6,400.00
Labor	Clerical	2.0	\$68.00	\$136.00
Expense	CAD Plotter Copies 11x17	10.0	\$2.00	\$20.00
B. Develop Beach Nourishment Construction Specifications		154.0		\$16,192.00
Labor	Project Manager	8.0	\$175.00	\$1,400.00
Labor	Senior Coastal Engineer	30.0	\$145.00	\$4,350.00
Labor	Project Geologist	32.0	\$115.00	\$3,680.00
Labor	Junior Coastal Engineer	60.0	\$85.00	\$5,100.00
Labor	Clerical	24.0	\$68.00	\$1,632.00
Expense	Photocopies B/W 8 1/2x11	200.0	\$0.10	\$20.00
Expense	Photocopies- Color 8 1/2 x 11	20.0	\$0.50	\$10.00
C. Permitting and NEPA Processing		158.0		\$19,101.00
Labor	Project Manager	8.0	\$175.00	\$1,400.00
Labor	Senior Coastal Engineer	24.0	\$145.00	\$3,480.00
Labor	Coastal Engineer	4.0	\$115.00	\$460.00
Labor	Junior Coastal Engineer	16.0	\$95.00	\$1,520.00
Labor	Senior Marine Biologist	30.0	\$135.00	\$4,050.00
Labor	Marine Biologist	40.0	\$100.00	\$4,000.00
Labor	Project Geologist	24.0	\$115.00	\$2,760.00
Labor	Clerical	12.0	\$68.00	\$816.00
Travel		1.0	\$615.00	\$615.00

EXHIBIT 3

COASTAL PLANNING & ENGINEERING, INC.
PROFESSIONAL SERVICES AGREEMENT
FIXED PRICE BASIS

1. SERVICES: COASTAL PLANNING & ENGINEERING, INC. ("CPE") a Florida corporation, agrees to perform for the undersigned CLIENT professional environmental, health and safety, consulting and/or analytical services ("Services") described in CPE's attached Proposal dated April 8, 2011, in accord with the following terms and conditions.

2. FEES, INVOICES AND PAYMENTS: The Services will be performed on a fixed price basis for One Hundred Eighty-One Thousand and Five Hundred Forty-Nine Dollars (\$181,549.00). Invoices will be submitted by CPE no more frequently than every two weeks, with payment due upon CLIENT'S receipt of invoice. Payment shall be in U.S. Dollars. CLIENT shall be responsible for payment (without deduction or offset from the total invoice amount) of any and all sales, use, value added, gross receipts, franchise and like taxes, and tariffs and duties, and all disposal fees and taxes, levied against CPE or its employees by any government or taxing authority. A service charge equal to one and one-half percent (1 ½ %) per month, or the maximum rate permitted by law, whichever is less, will be added to all accounts which remain unpaid for more than thirty (30) calendar days beyond the date of the invoice. Should there be any dispute as payments to be made on a percent complete basis to any portion of an invoice, the undisputed portion shall be promptly paid.

3. CLIENT'S COOPERATION: To assist CPE in performing the Services, CLIENT shall (i) provide CPE with relevant material, data, and information in its possession pertaining to the specific project or activity, (ii) consult with CPE when requested, (iii) permit CPE reasonable access to relevant CLIENT sites, (iv) ensure reasonable cooperation of CLIENT's employees in CPE's activities, and (v) notify and report to all regulatory agencies as required by such agencies.

4. CONFIDENTIALITY: In the course of performing Services, to the extent that CLIENT discloses to CPE, business or technical information that CLIENT clearly marks in writing as confidential or proprietary, CPE will exercise reasonable efforts to avoid the disclosure of such information to others. Nonetheless, CLIENT shall treat as confidential all information and data furnished to it by CPE in connection with this Agreement including, but not limited to, CPE's technology, formulae, procedures, processes, methods, trade secrets, ideas, inventions, and/or computer programs; and CLIENT shall not disclose such information to any third party.

Nothing herein is meant to prevent nor shall be interpreted as preventing either party from disclosing and/or using any information or data (i) when the information or data are actually known to the receiving

party before being obtained or derived from the transmitting party, (ii) when information or data are generally available to the public without the receiving party's fault at any time before or after it is acquired from the transmitting party; (iii) where the information or data are obtained or acquired in good faith at any time by the receiving party from a third party who has the same in good faith and who is not under any obligation to the transmitting party in respect thereto; (iv) where a written release is obtained by the receiving party from the transmitting party; (v) three (3) years from the date of receipt of such information; or (vi) when required by process of law; provided, however, upon service of such process, the recipient thereof shall use reasonable efforts to notify the other party and afford it an opportunity to resist such process.

CLIENT shall obtain CPE's prior consent and cooperation with the formulation and release of any public disclosure in connection with this Agreement or work performed hereunder, before issuing a news release, public announcement, advertisement, or other form of publicity.

5. RIGHT TO USE INFORMATION AND DOCUMENTS: CLIENT may use any final reports of findings, feasibility studies, industrial hygiene and safety, engineering work or other work performed or prepared by CPE under this Agreement for its internal purposes in connection with the project and/or location indicated in the Services for which such work was prepared, but CPE reserves all other rights with respect to such documents and all other documents produced in performing the Services. CLIENT shall obtain prior written consent from CPE for any other use, distribution, or publication of such reports or work results. Unless otherwise expressly agreed to in writing, nothing in this Agreement shall be interpreted to prevent CPE from application and use of any information learned by it from the services (subject to the provisions of Section 4). All reports will be delivered subject to CPE's then current limitations and disclaimers.

6. PATENTS AND CONFIDENTIAL INFORMATION: CPE shall retain all right and title to all patentable and unpatentable inventions including confidential know-how developed by CPE hereunder. However, CPE hereby grants to CLIENT a royalty-free, nonexclusive, nonassignable license as to such inventions and know-how to use the same in any of CLIENT's facilities. Information submitted to CLIENT by CPE hereunder is not intended nor shall such submission constitute inducement and/or contribution to infringe any patent(s) owned by a third party, and CPE specifically disclaims any liability therefor.

7. DELAYS AND CHANGES IN CONDITIONS:

If CPE is delayed or otherwise in any way hindered or impacted at any time in performing the Services by (i) an act, failure to act or neglect of CLIENT or CLIENT's employees or any third parties; (ii) changes in the scope of the work; (iii) unforeseen, differing or changed circumstances or conditions including differing site conditions, acts of force majeure (such as fires, floods, riots, and strikes); (iv) changes in government acts or regulations; (v) delay authorized by CLIENT and agreed to by CPE; or (vi) any other cause beyond the reasonable control of CPE, then 1) the time for completion of the Services shall be extended based upon the impact of the delay, and 2) CPE shall receive an equitable compensation adjustment.

8. INSURANCE: CPE is presently protected by Worker's Compensation Insurance as required by applicable law and by General Liability and Automobile Liability Insurance for bodily injury and property damage. Insurance certificates will be furnished to Client on request. If the CLIENT requires further insurance coverage, CPE will endeavor to obtain said coverage, and CLIENT shall pay any extra costs therefor.

9. RISK ALLOCATION - CLIENT hereby agrees that: (1) there are risks inherent to the Services, many of which cannot be ascertained or anticipated prior to or during the course of the Services; (2) due to the inherently limited nature and amount of the data resulting from environmental investigation methods, complete analysis of conditions is not always possible, and, therefore, conditions frequently vary from those anticipated earlier; and (3) technology, methods, accepted professional standards as well as law and policy, are undefined and/or constantly changing and evolving. In light of all of the foregoing and considering CPE's lack of responsibility for creating the conditions requiring the Services, as a material inducement to and consideration for CPE's agreement to perform the Services on the terms and at the price herein provided for, CLIENT SPECIFICALLY AGREES THAT CPE'S LIABILITY SHALL BE STRICTLY LIMITED AS PROVIDED IN SECTIONS 10 THROUGH 12 OF THIS AGREEMENT.

10. WARRANTY: CPE is an independent contractor and CPE's Services will be performed, findings obtained, and recommendations prepared in accordance with generally and currently accepted professional practices and standards governing recognized firms in the area engaged in similar work. THIS WARRANTY IS IN LIEU OF ALL OTHER WARRANTIES EITHER EXPRESSED OR IMPLIED.

11. INDEMNITIES: CPE shall defend, indemnify and hold harmless CLIENT from and against loss or damage to tangible property, or injury to persons, to the extent arising from the negligent acts or omissions or willful misconduct of CPE, its subcontractors, and their respective employees and agents acting in the course

and scope of their employment; provided, however, CPE shall indemnify CLIENT from and against any loss or damage in the handling or management of any hazardous or radioactive material, or any pollution, contamination, or release of hazardous or radioactive materials, only to the extent resulting from CPE's gross negligence or willful misconduct. CLIENT shall defend, indemnify and save harmless CPE (including its parent, subsidiary, and affiliated companies and their officers, directors, employees, and agents) from and against, and any indemnity by CPE shall not apply to, loss, damage, injury or liability arising from the (i) acts or omissions of CLIENT, its contractors, and their respective subcontractors, employees and agents, or of third parties; (ii) any allegations that CPE is the owner, operator, manager, or person in charge of all or any portion of a site addressed by the services, or arranged for the treatment, transportation, or disposal of, or owned or possessed, or chose the treatment, transportation or disposal site for, any material with respect to which Services are provided, and (iii) any pollution, contamination or release of hazardous or radioactive materials, including all adverse health effects thereof, except for any portion thereof which results from CPE's gross negligence or willful misconduct.

12. LIMITATIONS OF LIABILITY:

a. GENERAL LIMITATION - CLIENT'S SOLE AND EXCLUSIVE REMEDY FOR ANY ALLEGED BREACH OF WARRANTY BY CPE SHALL BE TO REQUIRE CPE TO RE-PERFORM ANY DEFECTIVE SERVICES. CPE'S LIABILITY AND CLIENT'S REMEDIES FOR ALL CAUSES OF ACTION ARISING HEREUNDER WHETHER BASED IN CONTRACT, WARRANTY, NEGLIGENCE, INDEMNITY, OR ANY OTHER CAUSE OF ACTION, SHALL NOT EXCEED IN THE CUMULATIVE AGGREGATE (INCLUDING ANY INSURANCE PROCEEDS) WITH RESPECT TO ALL CLAIMS ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHATEVER MINIMUM AMOUNT MAY BE REQUIRED BY LAW OR, IF NONE, THE LESSER OF THE AMOUNT OF COMPENSATION FOR SUCH SERVICES, OR \$100,000 (WHICH AMOUNT INCLUDES ANY FEES AND COSTS INCURRED IN RE-PERFORMING SERVICES). THE REMEDIES IN THIS AGREEMENT ARE CLIENT'S SOLE AND EXCLUSIVE REMEDIES. ALL CLAIMS, INCLUDING THOSE FOR NEGLIGENCE OR ANY OTHER CAUSE WHATSOEVER SHALL BE DEEMED WAIVED UNLESS SUIT THEREON IS FILED WITHIN ONE (1) YEAR AFTER THE EARLIER OF (1) CPE'S SUBSTANTIAL COMPLETION OF THE SERVICES OR (2) THE DATE OF CPE'S FINAL INVOICE. FURTHER, CPE SHALL HAVE NO LIABILITY FOR ANY ACTION INCLUDING DISCLOSURE OF INFORMATION WHERE IT BELIEVES IN GOOD FAITH THAT SUCH ACTION IS REQUIRED BY PROFESSIONAL STANDARDS OF CONDUCT FOR

THE PRESERVATION OF PUBLIC HEALTH, SAFETY OR WELFARE, OR BY LAW.

b. CONSEQUENTIAL DAMAGES: FURTHER AND REGARDLESS OF ANY OTHER PROVISION HEREIN, CPE SHALL NOT BE LIABLE FOR ANY INCIDENTAL, INDIRECT, OR CONSEQUENTIAL DAMAGES (INCLUDING LOSS OF PROFITS, DECLINE IN PROPERTY VALUE, REGULATORY AGENCY FINES, LOST PRODUCTION OR LOSS OF USE) INCURRED BY CLIENT OR FOR WHICH CLIENT MAY BE LIABLE TO ANY THIRD PARTY OCCASIONED BY THE SERVICES OR BY APPLICATION OR USE OF REPORTS OR OTHER WORK PERFORMED HEREUNDER.

c. ALL CLAIMS AGAINST CPE, ITS INSURERS, EMPLOYEES, AGENTS, DIRECTORS OR OFFICERS AND ALL OTHER PERSONS FOR WHOM CPE IS LEGALLY LIABLE, SHALL BE DEEMED WAIVED UNLESS AND TO THE EXTENT CLIENT SHALL BRING SUIT THEREFOR AGAINST CPE WITHIN ONE (1) YEAR AFTER CPE'S SUBSTANTIAL COMPLETION OF THE PARTICULAR SERVICES WITH RESPECT TO WHICH THE CLAIM IS MADE

13. GOVERNING LAWS: This Agreement shall be governed and construed in accordance with the laws of the State in which the site to which the Services are performed is located.

14. TERMINATION: Either party may terminate this Agreement with or without cause upon twenty (20) days' written notice to the other party. Upon such termination, CLIENT shall pay CPE for all Services performed hereunder up to the date of such termination. In addition, if CLIENT terminates, CLIENT shall pay CPE all reasonable costs and expenses incurred by CPE in effecting the termination, including, but not limited to non-cancelable commitments and demobilization costs.

15. ASSIGNMENT: Neither CPE nor CLIENT shall assign any right or delegate any duty under this Agreement without the prior written consent of the other, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, the Services may be performed by any subsidiary or affiliate of The SHAW Group, Inc. or other person designated by CPE, and, CPE may, upon notice to CLIENT, assign, pledge or otherwise hypothecate the cash proceeds and accounts receivable resulting from the performance of any Services or sale of any goods pursuant to this Agreement.

16. MISCELLANEOUS:

a. ENTIRE AGREEMENT, PRECEDENCE, ACCEPTANCE MODIFICATIONS: The terms and

conditions set forth herein constitute the entire understanding of the Parties relating to the provisions of the Services by CPE to the CLIENT. All previous proposals, offers, and other communications relative to the provisions of these Services by CPE, oral or written, are hereby superseded, except to the extent that they have been expressly incorporated by reference herein. In the event of conflict, the four pages of this Agreement shall govern. CLIENT may accept these terms and conditions by execution of this Agreement or by authorizing CPE to begin work. Any modifications or revision of any provisions hereof or any additional provisions contained in any purchase order, acknowledgement or other document issued by the CLIENT is hereby expressly objected to by CPE and shall not operate to modify the Agreement.

b. DISPUTES, ATTORNEY FEES - Any dispute regarding this Agreement or the Services shall be resolved first by exchange of documents by senior management of the parties, who may be assisted by counsel. Any thereafter unresolved disputes shall be litigated in the state whose law governs under Section 13 hereunder. In any litigation, the Prevailing Party shall be entitled to receive, as part of any award or judgment, eighty percent (80%) of its reasonable attorneys' fees and costs incurred in handling the dispute. For these purposes, the "Prevailing Party" shall be the party who obtains a litigation result more favorable to it than its last formal written offer (made at least twenty calendar days prior to the formal trial) to settle such litigation.

c. WAIVER OF TERMS AND CONDITIONS - The failure of CPE or CLIENT in any one or more instances to enforce one or more of the terms or conditions of this Agreement or to exercise any right or privilege in the Agreement or the waiver by CPE or CLIENT of any breach of the terms or conditions of this Agreement shall not be construed as thereafter waiving any such terms, conditions, rights, or privileges, and the same shall continue and remain in force and effect as if no such failure to enforce had occurred.

d. NOTICES - Any notices required hereunder may be sent by orally confirmed US Mail, courier service (e.g. FedEx), orally confirmed telecopy (fax) or orally confirmed email (further confirmed by US Mail) to the addresses set forth below.

e. SEVERABILITY AND SURVIVAL - Each provision of this Agreement is severable from the others. Should any provision of this Agreement be found invalid or unenforceable, such provision shall be ineffective only to the extent required by law, without invalidating the remainder of such provision or the remainder of this Agreement.

Further, to the extent permitted by law, any provision found invalid or unenforceable shall be deemed automatically redrawn to the extent necessary to render it valid and enforceable consistent with the parties'

intent. For example, if the gross negligence standard in Section 11 is unenforceable under an applicable "anti-indemnity" statute, but a sole negligence standard is enforceable, the sole negligence standard shall be

automatically substituted therefor. The terms and conditions set forth herein shall survive the termination of this Agreement.

CLIENT and CPE agree to the foregoing (INCLUDING THE LIMITATIONS ON LIABILITY IN SECTIONS 9-12) and have caused this Agreement to be executed by their duly authorized representatives as of the date set forth below.

Executed on _____, 2011.

CLIENT

Client Name: CAPTIVA EROSION PREVENTION DISTRICT

By (Sign): _____

Print Name: _____

Title: _____

Address: _____

Phone: _____

Fax: _____

E-mail: _____

COASTAL PLANNING & ENGINEERING, INC.

By (Sign): _____

Print Name: _____

Title: _____

Address: _____

Phone: _____

Fax: _____

E-mail: _____

Below are all the questions that Kathleen asked and attached are the maps.

If you need any additional information please do not hesitate to ask.

Thanks,

Jimi

Please include at least the following:

- Description of the business and its purpose

The business will rent non-motorized equipment exclusively to the guest of South Seas Island Resort.

- Days and Hours of operation of the business

7 days a week from 11:00 a.m. to sometime prior to sunset, weather permitting.

- List of equipment the vendor is renting

Skim Boards, Boogie Boards, Stand Up Paddle Boards, Rafts and Tubes. At a later date, should there be a demand, a Hobie Cat and/or small sailboat such as a sunfish.

- Location on the beach of vendor and the equipment (please provide drawing on map including physical set up of business)

Attached

- Description of how the vendor will house the business. For example, will the vendor operate the business from under a beach umbrella?

Business will be conducted under an umbrella or quick shade pop up.

- Description of any signage

Signage will be very limited probably limited to the umbrella that is screen printed.

- Where will equipment be stored during and after hours of operation?

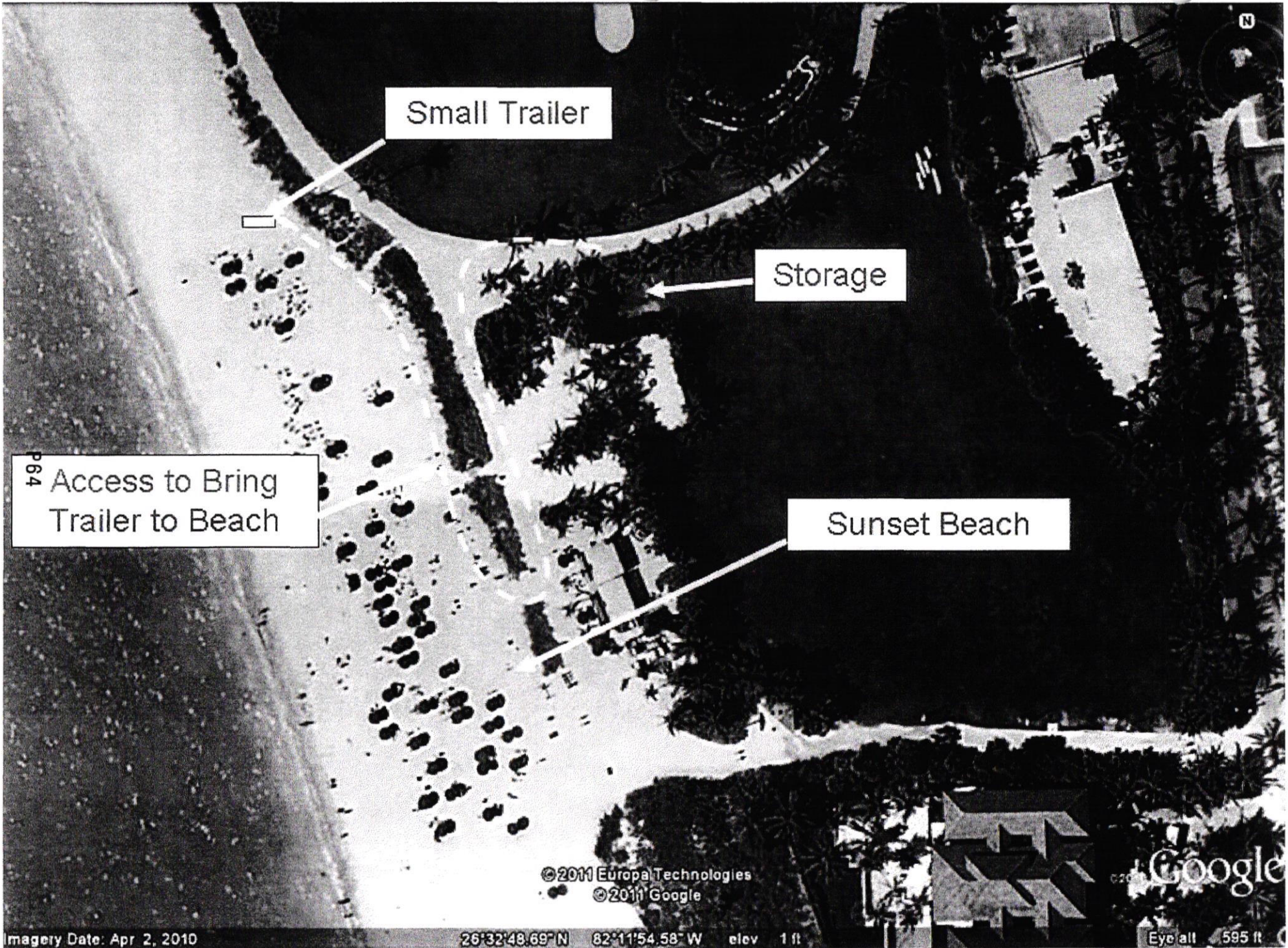
Equipment will be stored off the beach on property.

- How will the equipment be brought onto and removed from the beach by the vendor?

Equipment will be on a small trailer brought onto the beach with an ATV in the morning and pulled off in the evening. The ATV will be stored off the beach and not used on the beach other than set up and break down.

- Who is carrying liability insurance should someone be injured using the equipment?

Best Boat Club and Rentals will be carrying all liability insurance as it does with the motorized rental equipment on the north end of the resort.



Small Trailer

Storage

P64
Access to Bring Trailer to Beach

Sunset Beach

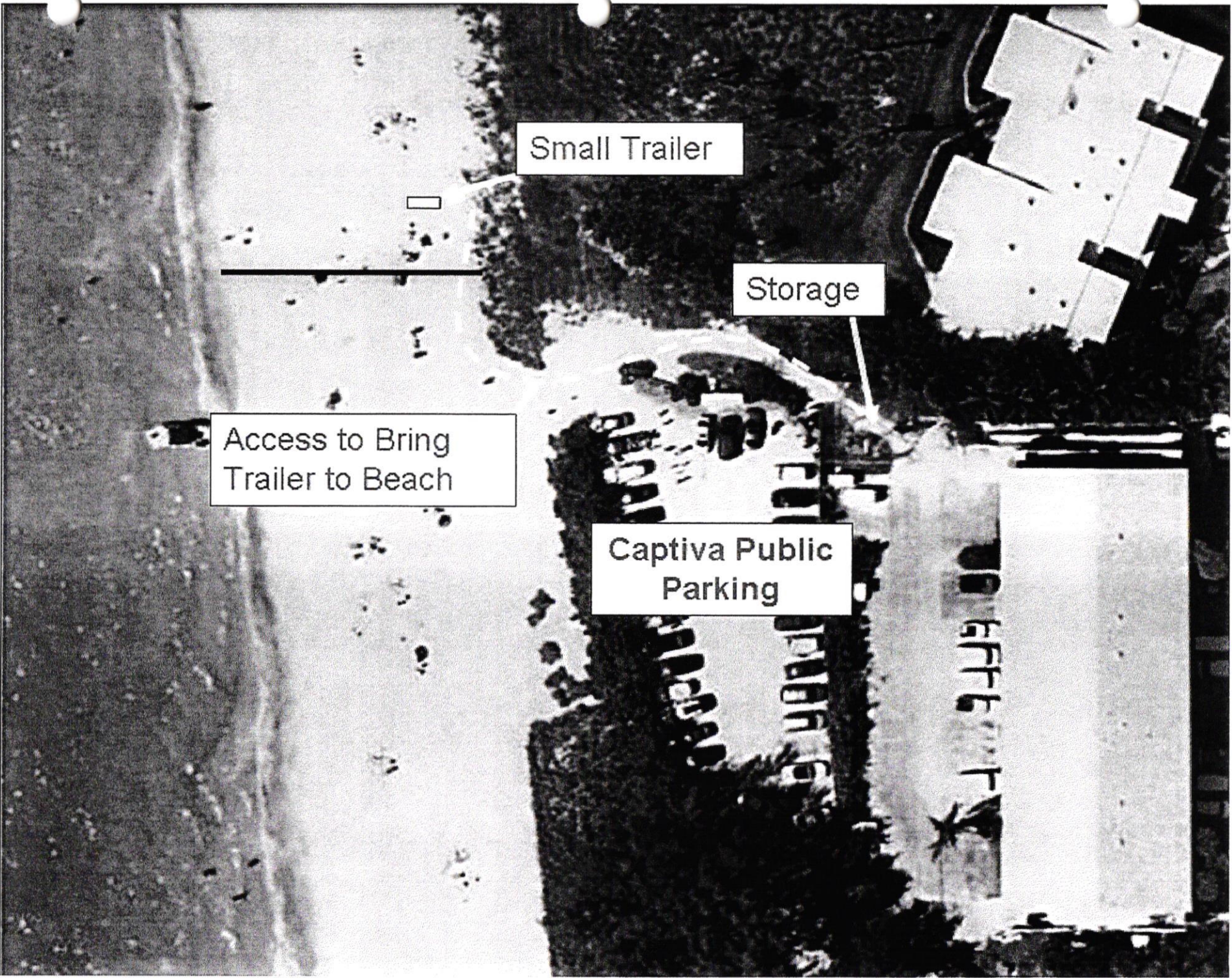
©2011 Europa Technologies
©2011 Google

Google

Imagery Date: Apr 2, 2010

26°32'48.69" N 82°11'54.58" W elev 1 ft

Eye all 595 ft



Small Trailer

Storage

Access to Bring Trailer to Beach

Captiva Public Parking

GULFPORT

P 65

March 21, 2011

03-25-11 P03:18 IN

RE: Independent Study FGCU, Woods Hole Oceanographic Institution and Others Linking Excess Nitrogen to Red Drift Algae Blooms

Dear Friends,

In response to the City of Sanibel's position that excess nitrogen, and to some extent phosphorus, is intermittently exacerbating the blooms algae that have inundated Sanibel and other local beaches in the past, we are sometimes referred to studies prepared by the University of Florida that are argued by the fertilizer industry to represent the science in this field.

The City of Sanibel and Lee County have jointly contributed approximately \$700,000 to contract with **nationally renowned scientific institutions** to specifically study this issue. Florida Gulf Coast University, Woods Hole Oceanographic Institution, Jackson Estuarine Laboratory, National Coral Reef Institute and others have spent the past **two years studying and researching this issue** and have produced the Report that is attached for your review. **This independent and authoritative scientific Report concludes, beyond any reasonable doubt, that excess nitrogen is the major factor leading to the magnified and exacerbated red drift algae blooms** that, on a number of occasions, have resulted in fouling the beaches of the City of Sanibel, as well as other cities and counties in Florida (photo of red drift algae attached).

Our City felt it essential that our legislators be aware that the science does strongly support the conclusion: **nitrogen, and to some extent phosphorus, which is introduced into our local waterways through the uncontrolled use of fertilizers is a major contributing factor to the abnormal algae blooms** and other events that occur in the Gulf of Mexico and in our bays and estuaries.

The introduction of nitrogen **and phosphorus must be controlled at the local level** in order to effectively address these issues. **We believe our State legislators should respect the constitutional and statutory Home Rule authority of cities and counties** to regulate and legislate in this area. **PLEASE JOIN US URGING OUR STATE LEGISLATORS TO DEFEAT ANY LEGISLATION THAT ELIMINATES OR EVEN DIMINISHES OUR ABILITY TO ADDRESS THE LOCAL ISSUE OF EXCESS NITROGEN IN OUR LOCAL WATERS.**

Sincerely,



Mick Denham
Vice Mayor

Attachment



City of Sanibel

800 Dunlop Road
Sanibel, Florida 33957-4096

www.mysanibel.com

AREA CODE - 239

CITY COUNCIL	472-4135
ADMINISTRATIVE	472-3700
BUILDING	472-4555
EMERGENCY MANAGEMENT	472-3111
FINANCE	472-9615
LEGAL	472-4359
NATURAL RESOURCES	472-3700
RECREATION	472-0345
PLANNING	472-4136
POLICE	472-3111
PUBLIC WORKS	472-6397

CITY OF SANIBEL

03-25-11 P03:18 IN

RESOLUTION 11-031

A RESOLUTION STRONGLY URGING THE STATE LEGISLATURE TO RESPECT THE CONSTITUTIONAL AND STATUTORY HOME RULE AUTHORITY OF LOCAL GOVERNMENTS WITH RESPECT TO THE ENACTMENT, MONITORING AND ENFORCEMENT OF NITROGEN AND PHOSPHORUS CONTROL ORDINANCES, WHICH INCLUDE PROHIBITIONS ON EXCESSIVE FERTILIZATION OF LAWNS AND RULES REASONABLY RELATED THERETO; DIRECTING THE CITY MANAGER TO FORWARD A COPY OF THIS RESOLUTION TO THE GOVERNOR, THE STATE SENATE PRESIDENT AND THE STATE HOUSE SPEAKER; DIRECTING THE CITY MANAGER TO FORWARD A COPY OF THIS RESOLUTION TO THE OVER 50 LOCAL GOVERNMENT JURISDICTIONS WHO HAVE ENACTED REASONABLE REGULATIONS ATTEMPTING TO LIMIT EXCESSIVE NITROGEN AND PHOSPHORUS ENTERING THEIR LOCAL WATERWAYS THROUGH OVER FERTILIZATION OF LAWNS AND OTHER VEGETATION, AS WELL AS THOSE JURISDICTIONS THAT ARE CONSIDERING SUCH LEGISLATION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Sanibel has recognized the detrimental effects of the introduction of excessive amounts of nitrogen and to some extent phosphorus into the local bays and estuaries surrounding Sanibel Island; and

WHEREAS, in 2007, the City adopted an ordinance which regulates the indiscriminate use of fertilizers which invariably, primarily through run-off, enter our local waterways; and

WHEREAS, excessive nitrogen has been directly linked to harmful nuisance drift algal blooms on area beaches, fish kills and other abnormal or exacerbated events in our surrounding rivers, bays and estuaries; and

WHEREAS, a two-year scientific study was jointly commissioned by the City of Sanibel, the Lee County Board of County Commissioners, the Lee County Tourist Development Council, and the West Coast Inland Navigation District to investigate Bioavailability and Sources of Nutrients and Linkages to Nuisance Drift Algae; and

WHEREAS, the study was conducted by a team of scientists from Florida Gulf Coast University, the Sanibel-Captva Conservation Foundation, the University of Miami, Woods Hole Oceanographic Institution, the University of New Hampshire, and Nova Southeastern University; and

WHEREAS, the study found that nitrogen was the primary nutrient limiting the growth of microalgae and macroalgae in the waters surrounding Sanibel Island, and that a majority of the nitrogen is coming from Lake Okeechobee and the eastern portion of the Caloosahatchee watershed; and

SECTION 2. The City Manager is hereby directed to forward a copy of this Resolution to Governor Scott, State Senate President Michael Haridopolos, Speaker of the State House of Representatives Dean Cannon, and the local legislative delegation.

SECTION 3. The City Manager is hereby directed to forward a copy of this Resolution to the over 50 local government jurisdictions who have enacted reasonable regulations attempting to limit the excessive nitrogen and phosphorus entering their local waterways through over fertilization of lawns and similar vegetation, as well as those jurisdictions that are considering such legislation.


SECTION 4. Effective date.

This Resolution shall take effect immediately upon adoption.

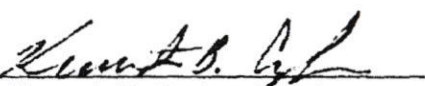
DULY PASSED AND ENACTED by the City Council of the City of Sanibel, Florida, this 15th day of March, 2011.



Mayor

AUTHENTICATION:


Pamela Smith, City Clerk

APPROVED AS TO FORM: 

Kenneth B. Cuyler, City Attorney

3/9/11
Date

Vote of Council Members:

Ruane yea
Denham yea
Congress yea
Harrity yea
Jennings yea

Date filed with City Clerk: March 15, 2011