



**LAKE WORTH DRAINAGE DISTRICT
BOARD OF SUPERVISORS
MONTHLY MEETING AGENDA
July 16, 2014
8:30 AM**

1. Call to Order – Harry Raucher, President
2. Pledge of Allegiance
3. 25-Year Service Recognition – Rosemary Rayman
4. Agenda Revisions – Robert M. Brown, Executive Director
5. Abstentions by Board Members from Items on the Agenda
6. General Public Comment (limited to 5 minutes)

CONSENT

7. Approval of Minutes, Check Register, Financial Statement and Documents for the previous month; approval of revised May 2014 minutes to reference Resolution 14-03
8. Approval of revised Annual Leave Policy – Reagan Walker, Director of Administrative Services
9. Approval to enter into a settlement agreement with Donovan and Brenda Holmes (LWDD Project No. 13-8726L.50) – Mark A. Perry, District Counsel
10. VITAS Hospice - Approval to accept an encumbered right-of-way on the L-34 Canal at the Southeast Quad of Atlantic Avenue and Lakes of Delray Boulevard (LWDD Project No. 00-5606P.01) – Nicole Smith, Right-of-Way Coordinator (REVISED)
11. Board Vote on Consent Agenda

WORKSHOP

12. Proposed Reclaimed Water Service from Broward County – Bevin A. Beaudet, P.E., Director, Palm Beach County Water Utilities Department
13. Presentation of FY2015 Operating Budget – Karen Hoyt, Director of Finance

DISCUSSION

14. Approval to enter into an agreement with PEBB Enterprises, Inc. to authorize access to a portion of the E-1 Canal right-of-way at the Southeast Quad of State Road 7 and Pioneer Road (LWDD Project No. 97-3084P.01) – Nicole Smith, Right-of-Way Coordinator
15. Approval of the bid and award of contract to the lowest responsible and responsive bidder for construction of the Electrical Room / Storage Building at Control Structure No. 4. (LWDD Project No. 14-7147P.03) – Tommy Strowd, Director of Operations and Maintenance
16. Approval to solicit bids for the Phase III Sale of Transfer of Development Rights (TDRs) for LWDD canal rights-of-way located within the Ag Reserve (LWDD Project No. 12-7664P.02) – Mark A. Perry, District Counsel
17. Approval to issue a quit-claim deed to Boundbrook Condominium Association, Inc. for the South 20.55 feet of the North 70.95 feet of the Northeast ¼ of the Southwest ¼ of Section 17, Township 44 S, Range 43 East Less Florida Mango Road right-of-way. (LWDD Project No. 04-7241P.03) – Patrick A. Martin, P.E., Director of Engineering & Right-of-Way

STAFF REPORTS

18. Executive Director's Report
 - Director of Operations & Maintenance
 - Director of Administrative Services
 - Director of Engineering & Right-of-Way
 - Director of Finance
 - District Counsel
19. Board Comment
20. Adjourn

**MINUTES OF A REGULAR MEETING OF
THE BOARD OF SUPERVISORS OF
LAKE WORTH DRAINAGE DISTRICT
HELD AT THE DELRAY BEACH OFFICE ON
JULY 16, 2014 AT 8:30 A.M.**

Board Members Present:

Harry Raucher	James M. Alderman
John I. Whitworth, III	Joyce D. Haley

Board Members Absent:

David C. Goodlett

1. Call to Order

President Raucher called the meeting to order at 8:30 A.M.

2. Pledge of Allegiance

3. 25-Year Service Recognition – Rosemary Rayman

President Raucher recognized Rosemary Rayman for 25 years of dedicated service to the District.

4. Agenda Revisions

Mr. Brown announced that the agenda title for Item 10 was revised to reflect the correct project location. Due to public involvement, Mr. Brown requested Item 14 to be moved immediately after approval of the consent agenda. President Raucher approved the revised agenda.

5. Abstentions by Board Members from items on the Agenda

There were no abstentions from the Board members.

6. General Public Comment

There was no general public comment.

CONSENT

7. Approval of Minutes, Check Register, Financial Statement and Documents for the previous month

8. Approval of revised Annual Leave Policy – Reagan Walker, Director of Administrative Services

9. Approval to enter into a settlement agreement with Donovan and Brenda Holmes (LWDD Project No. 13-8726L.50) – Mark A. Perry, District Counsel

10. **Approval to accept an encumbered right-of-way on the L-34 Canal at the Southwest Quad of Atlantic Avenue and Military Trail (LWDD Project No. 00-5606P.01) – Nicole Smith, Right-of-Way Coordinator**

11. **Board Vote on Consent Agenda**

A motion was made by Vice President Whitworth to approve the Consent Agenda, seconded by Senior Vice President Haley and approved unanimously.

WORKSHOP

12. **Proposed Reclaimed Water Service from Broward County – Bevin A. Beaudet, P.E., Director, Palm Beach County Water Utilities Department**

Mr. Beaudet shared that he is retiring as Palm Beach County's Water Utilities Director in September 2014 and thanked the District for working with him over the years.

Mr. Beaudet provided a presentation on the South County Reclaimed Water Partnership. He provided an overview of the Palm Beach County Water Utilities Department and reclaimed water operations. He shared that Palm Beach County could use additional reclaimed water in the southern portion of the county. Due to legislative requirements, Broward County must implement reuse and eliminate ocean outfalls. However, Northern Broward County is very commercialized and has limited demand for reclaimed water. Palm Beach and Broward Counties are proposing a reclaimed water transmission line connecting the counties. The pipeline will be built by Palm Beach County and paid for by Broward County. The proposed transmission line will run from the Hillsboro Canal north along the Turnpike, then west at Glades Road to the South County Golf Course Park, and north through several residential communities. Mr. Beaudet indicated that the County will need the District's assistance with right-of-way along Boca Rio Road. Financial assistance is not requested; they will pay the normal fees for easements and any ongoing maintenance costs. He also suggested combining the easement fees and potential 20-year annual maintenance fee into a lump sum payment to the District so that it can be included in the Broward County bond. Mr. Beaudet shared the proposed schedule for the project.

Mr. Brown thanked Mr. Beaudet for his presentation and inquired regarding how much right-of-way they are requesting from the District.

Brian Shields, Deputy Water Utilities Director for Palm Beach County, replied they do not have specifics yet but plan on working with District staff on an exact route.

Mr. Brown inquired about the average parts per billion for phosphorus in reclaimed water due to concerns with numeric nutrient criteria and potential federal jurisdiction of canals.

Mr. Beaudet indicated he did not have an exact figure, but indicated it is extremely low for effluent.

Vice President Whitworth shared his concern with the use of District rights-of-way. He asked that the County make every attempt to find another route, as he would not support use of the District's right-of-way to accomplish the project.

Mr. Beaudet said he will work with staff to look at every option.

Mr. Perry stated that staff does not have direction from the Board on how to proceed, and inquired about bringing a design back to the next Board meeting.

Mr. Beaudet stated they will not be ready next month. Mr. Brown suggested the County provide a proposed map to staff for closer inspection, understanding that design specifics have not been finalized.

Mr. Shields indicated he would provide a map and the County would work with staff during the routing analysis to avoid the District's right-of-way where possible. The County would only request access where absolutely necessary.

Mr. Perry cautioned against finalizing a route prior to the District's board approval and expressed concerns that Broward County and Palm Beach County would enter into an agreement prior to the District's approval, making it difficult for the Board to have an autonomous decision on the matter.

Mr. Martin inquired about the application of reclaimed water on golf courses and the retrofit of existing systems to allow for direct application rather than storage in lakes.

Mr. Shields and Mr. Beaudet indicated golf courses will have the option to use direct irrigation or lake discharge, and that retrofit is not difficult if they are currently using irrigation wells.

On behalf of the Board and staff, President Raucher presented a proclamation to Mr. Beaudet recognizing his retirement and 20 years of dedicated public service.

13. Presentation of FY2015 Operating Budget - Karen Hoyt, Director of Finance

Ms. Hoyt presented the proposed budget for Fiscal Year 2015, stating that the preliminary budget will be presented for Board approval in August, and the final budget will be presented in September.

The proposed budget consists of total revenues equaling \$13.6 million, representing a slight increase from last year's budget due to approximately \$400,000 in carryforward from FY14. A majority of the carryforward represents funds not utilized for the culvert project on the Hillsboro Canal.

Proposed FY15 expenditures total \$13.6 million. Significant increases in expenditures include an estimated 20% increase for health insurance which includes a 7% increase due to the Affordable Care Act. Also, significant changes within the Field Operations & Maintenance budget include an increase of \$166,000 for payments on leased vehicles and a \$150,000 reduction in herbicides.

Mr. Whitworth indicated that staff needs to consider fuel costs with the increase in mechanical removal of vegetation. Ms. Hoyt explained that staff monitors fuel costs, and has increased the fuel budget in FY15 by approximately \$30,000.

Ms. Hoyt stated that we are proposing \$2.7 million for capital expenditures, of which a large portion is dedicated to the culvert project on the Hillsboro Canal, replacement of fleet vehicles and the addition of a grapple truck.

Supervisor Haley inquired about the use of extraordinary income for capital expenditures. Ms. Hoyt indicated the capital expenditures presented are budgeted in the operating budget, and use of extraordinary income requires prior approval by the Board.

Mr. Whitworth suggested staff replace a few vehicles each year rather than replacing numerous vehicles in one year. Mr. Brown agreed and indicated this should have been done in the past. In the future, staff will consistently review fleet needs and the resources spent on maintaining equipment.

Mr. Brown continued the budget presentation and provided information on future capital improvement projects including telemetry, facility upgrades, and necessary infrastructure refurbishment projects due to an aging water management system. Staff is working on a Capital Improvement Plan that will include an assessment of the District's infrastructure, a risk-based project prioritization and a multi-year funding analysis. Staff is also considering ongoing operational efficiencies including mechanical treatment of vegetation, equipment leasing, contractual services and consolidation of job functions through attrition.

Mr. Brown discussed the appropriate balance of expenditures on field operations and maintenance versus salary and benefits. He also shared future uncertainties faced by the District, including potential regulatory and operational challenges.

Mr. Brown presented potential revenues from Transfer of Development Rights, but indicated that the District could not depend on this revenue. He inquired about the appropriate balance for the Extraordinary Income fund and suggested not falling below \$10 million for emergency purposes.

Mr. Brown presented a history of the assessment rate and justification for the FY2014 increase based on the Consumer Price Index. Over the last year, the Consumer Price Index increased a 1.7% which equates to a \$0.72 increase in the District's current assessment of \$42.00. Considering funding necessary for future projects and infrastructure improvements, Mr. Brown recommended a minimum increase of \$0.72.

Mr. Whitworth expressed concern with continuing to use Extraordinary Income for capital improvements and recommended being able to pay for these projects out of the operating budget.

Supervisor Alderman stated the District has aging control structures that are in need of improvement. He also inquired about analyzing the condition of the structures, including under water. He stated that staff should prioritize

infrastructure upgrades, and indicated that the Board should consider a phased approach to increase the assessment in order to refurbish priority structures.

Mr. Strowd indicated preliminary inspections began as part of the telemetry project and agreed the aging infrastructure requires attention. He stated staff would be analyzing the structures to determine the future priorities.

Supervisor Whitworth requested staff consider consistent design and the use of submersible versus belt-driven pumps as structures are refurbished. Mr. Strowd indicated these issues would be considered as part of the Capital Improvement Plan.

Supervisor Alderman suggested increasing the assessment in order to allow refurbishment of at least one structure per budget year.

Mr. Brown expressed that an assessment increase can be justified given the estimated costs of refurbishing the control structures.

Mr. Martin estimated that the cost to refurbish one structure per year is approximately \$1 million which would equate to a \$3.00 per year assessment increase.

Supervisor Alderman reiterated that a \$3.00 increase would provide funds to refurbish at least one structure per year.

Vice President Whitworth stated that the Consumer Price Index needs to be reviewed annually. He also stated that any funds collected due to the increase should be dedicated specifically for capital improvements.

Ms. Hoyt indicated that a separate line item could be added to the monthly financial statements to track these expenditures.

A motion was made by Supervisor Alderman to raise the assessment \$3.00 to \$45.00 with the understanding that the increase will be dedicated to capital expenditures and tracked as a separate budget line item, seconded by Vice President Whitworth and approved unanimously.

DISCUSSION

- 14. Approval to enter into an agreement with PEBB Enterprises, Inc. to authorize access to a portion of the E-1 Canal right-of-way at the Southeast Quad of State Road 7 and Pioneer Road (LWDD Project No. 97-3084P.01) – Nicole Smith, Right-of-Way Coordinator**

Due to public involvement, Item 14 was discussed immediately after approval of the consent agenda.

Attorney Mark Perry informed the Board that he has a conflict of interest with Item 14 and will be stepping down from the dais. He further stated that the District has retained Michelle Diffenderfer with Lewis, Longman and Walker, P.A. to represent the District on this Item.

Ms. Smith stated the project is located on the Southeast corner of Pioneer Road and State Road 7 on the east side of the E-1 Canal, and provided a brief history of the project. She explained PEBB Enterprises is requesting a permit to utilize a portion of the E-1 Canal right-of-way in order to access their site. PEBB Enterprises' proposal included allowing only one-way traffic into the site at the access point; extinguishing the existing Access Easement (ORB 10133/1394) and all utility easements within the E-1 Canal right-of-way; removing all encroachments including utilities from the District's E-1 Canal easement (ORB 10133/1392); and providing funds for stabilization of the east and west banks of the E-1 Canal for a distance of approximately 1,850 feet.

Staff recommended approval to permit access within a portion of the E-1 Canal right-of-way subject to District Operating Policies; PEBB Enterprises providing funding for the stabilization of the E-1 Canal for approximately 1,850 feet of the east and west banks; extinguishment of all easements overlapping the District's E-1 Canal Easement (ORB 10133/1392); removal of all encroachments and utilities from the District's E-1 Canal easement (ORB 10133/1392); obtaining required permits and submitting permitting fees of \$3,660; and PEBB Enterprises providing the plat to the District for review prior to the Village of Royal Palm Beach's approval.

Gerald N. Goldstein from Westwoods Homeowners' Association residing at 175 Westwood Circle East, West Palm Beach, Florida 33411 stated he has identified potential traffic impacts related to large trucks maneuvering the turn onto the bridge.

President Raucher stated it is not in the District's purview to approve safety and traffic plans.

Mr. Goldstein inquired about the owner of the bridge. Ms. Smith stated that Palm Beach County owned the bridge.

Roberta Roderick, a resident of Westwoods at 235 Westwood Circle East, West Palm Beach, Florida 33411 and Treasurer for the Westwoods Homeowners' Association, inquired if any District representative had visited the site and why the District would grant access to cross the District's right-of-way when it is not needed. She stated the property is not landlocked and already has access over another bridge. She further indicated that PEBB Enterprises is requesting a permit to cross over the L-5 Canal to interconnect the properties, and restated that the access is not needed. Ms. Roderick also inquired about permitting access to the District's rights-of-way to other developers.

Ms. Smith and Mr. Brown explained that the District permits residential and commercial access over the District's rights-of-ways on a case-by-case basis. Staff reviews each permit request to ensure access does not interfere with the District's operation and maintenance of canals. Mr. Brown further indicated that the proposed access does not impact the operations and maintenance of the E-1 Canal.

Elyce Werner, a resident of Westwoods at 314 Westwood Circle North, West Palm Beach, Florida 33411 and President of Westwoods Homeowners' Association shared a history of the property access and easement agreements. Ms. Werner explained that developers thoroughly inspect these issues before purchasing property. She indicated that the developer is requesting permits because the Village of Royal Palm Beach prefers to connect properties. However, access is not needed. Ms. Werner requested the Board deny the request for access to the property.

Vice President Whitworth inquired why the developer cannot access the property through Pioneer Road.

Ms. Smith replied there is a 25-foot buffer along the south side of Pioneer Road owned by Westwoods HOA, and PEBB Enterprises initially planned the entrance further from State Road 7 through the buffer. Westwoods HOA denied access through the buffer and the County denied eminent domain.

Mr. Brown stated there is the possibility for an entrance and two-way traffic on Pioneer Road further to the east; however, the road is private and the developer would have to work out an agreement with the owner of the road.

Ms. Smith stated that PEBB Enterprises has complied with the District's requirements, including a permit condition to close the access as needed to perform canal maintenance.

Ms. Diffenderfer reiterated that the District does not have the authority to regulate traffic and safety in this area. Palm Beach County, the Village of Royal Palm Beach and the Florida Department of Transportation will review the request, and the Village of Royal Palm Beach will have final authority to approve the request. She further indicated that there is an access easement that was improperly granted, and the District would like the easement released as it encumbers the entire right-of-way. The property owner is willing to release the easement at their cost and remove all utilities and other improperly granted easements from the right-of-way. Staff reviewed the request and believes that the minimized access with permit conditions will not impact District operations in that area.

Ms. Werner stated if the access is granted across the easement the District will contradict the original recorded easement deed preventing new construction on the property.

Ms. Diffenderfer explained the original easement does include language regarding new improvements. However, the second overlying easement provides access to the landowner, including vehicular access which presumes the ability to improve the right-of-way for those purposes. The District would like the secondary easement released as it is inconsistent with the primary easement.

Penny Leonard, a resident of Westwoods at 9805 Pioneer Road, West Palm Beach, Florida 33411, inquired regarding the District's liability if there should be a fatality resulting from traffic issues at the site.

Ms. Diffenderfer indicated a permit condition would be included requiring the property owner fully indemnify the District and insure the District as a third party. She also reiterated safety and traffic issues fall under the purview of the County and Village of Royal Palm Beach.

Vice President Whitworth shared his concern regarding the initial access provided to the property and future access over the L-5 Canal.

President Raucher reiterated that safety and traffic issues do not fall under the District's purview.

A motion was made by Supervisor Alderman to approve the recommendation, seconded by Vice President Whitworth and approved with a 3 to 1 vote with Senior Vice President Haley opposing.

Attorney Mark Perry returned to the dais following Item 14.

15. Approval of the bid and award of contract to the lowest responsible and responsive bidder for construction of the Electrical Room / Storage Building at Control Structure No. 4. (LWDD Project No. 14-7147P.03) – Tommy Strowd, Director of Operations and Maintenance

Mr. Strowd informed the Board there were two bids received for the construction of the Electrical Room/ Storage Building at Control Structure No. 4 from West Construction, Inc. and Murray Logan Construction, Inc. The lowest bidder was West Construction, Inc. at \$85,710. Mr. Strowd recommended approval of the bid and award of contract to West Construction, Inc. and authorization for use of Extraordinary Income Funds as identified in the spend down plan presented last year.

A motion was made by Vice President Whitworth to approve the recommendation, seconded by Senior Vice President Haley and approved unanimously.

16. Approval to solicit bids for the Phase III Sale of Transfer of Development Rights (TDRs) for LWDD canal rights-of-way located within the Ag Reserve (LWDD Project No. 12-7664P.02) – Mark A. Perry, District Counsel

Mr. Perry explained the Board directed staff to continue the investigation of District rights-of-way that qualified for the TDR program in the Ag Reserve. Staff completed research for the Phase III Sale of TDRs and identified an additional 123.37 acres. An updated appraisal was obtained and reflects a value of \$80,000 per TDR. Staff recommended approval to advertise bids for the purchase of the Phase III TDRs.

A motion was made by Senior Vice President Haley to approve the recommendation, seconded by Vice President Whitworth and approved unanimously.

17. Approval to issue a quit-claim deed to Boundbrook Condominium Association, Inc. for the South 20.55 feet of the North 70.95 feet of the Northeast ¼ of the Southwest ¼ of Section 17, Township 44 S, Range 43 East Less Florida Mango Road right-of-way. (LWDD Project No. 04-7241P.03) – Patrick A. Martin, P.E., Director of Engineering & Right-of-Way

Mr. Martin recommended approval to issue a quit-claim deed to Boundbrook Condominium Association, Inc. for the South 20.55 feet of the North 70.95 feet of the Northeast ¼ of the Southwest ¼ of Section 17, Township 44S, Range 43 less the Florida Mango Road right-of-way subject to certification of title and District operating policies.

Mr. Martin indicated the area was not platted when constructed and the buildings are within the area identified. The District would like to clear title on the property.

Vice President Whitworth expressed concern about giving the homeowners association authority over a resident's property.

Mr. Perry indicated the District could enter into an agreement with the association to stipulate that the homeowners association would work with the individual homeowners to transfer deeds at no cost.

Robert James, President of Boundbrook Condominium Association, stated he is agreeable to entering into an agreement with the District stipulating the homeowner's association will take ownership and work with the individual unit owners to transfer the deeds at no cost with the exception of expenses for recording fees.

A motion was made by Supervisor Alderman to approve the recommendation, seconded by Senior Vice President Haley and approved unanimously.

STAFF REPORTS

18. Executive Director's Report

Mr. Brown announced that Supervisor Goodlett provided notice on June 4, 2014 that he will be tendering his resignation from the Board effective August 1, 2014. His term was due to expire in January 2015.

Supervisor Alderman shared his appreciation for Mr. Goodlett's service on the Board and indicated that he should be recognized for his service. Mr. Brown indicated staff would work on appropriate recognition.

Vice President Whitworth suggested finding an immediate replacement.

President Raucher requested suggestions from the Board on potential replacements.

Senior Vice President Haley suggested Jeffrey Phipps, Sr., and stated he is a qualified individual and lives in Sub-District 3.

Mr. Perry confirmed Mr. Phipps willingness to serve and suggested inviting him to attend the August Board meeting for formal appointment to serve until January 2015.

Senior Vice President Haley left the meeting at 11:05 AM.

Director of Operations and Maintenance

Mr. Strowd stated he had no items to report.

Director of Administrative Services

Ms. Walker stated she had no items to report.

Director of Engineering & Right-of-Way

Mr. Martin provided an update on the telemetry project and indicated that staff is hopeful to bring a contract to the August Board meeting.

Director of Finance

Ms. Hoyt stated she had no items to report.

District Counsel

Mr. Perry stated he had no items to report.

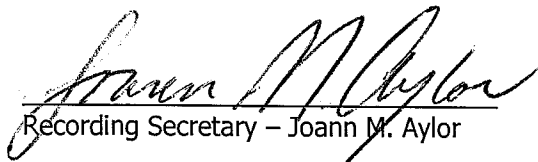
19. Board Comment

There was no additional Board comment.

20. Adjourn

There being no further business, the meeting adjourned at 11:10 A.M.

President – Harry Raucher



Recording Secretary – Joann M. Aylor