

**MINUTES OF A REGULAR MEETING OF
THE BOARD OF SUPERVISORS OF THE
LAKE WORTH DRAINAGE DISTRICT
HELD AT THE DELRAY BEACH OFFICE ON
JULY 17, 2013 AT 8:30 A.M.**

There were present:

Harry Raucher	Patrick Martin	Doug Gunther	Ed Sol
John I. Whitworth, III	Joann Aylor	Thomas Barry	Robert S. Haine
Joyce Haley	Fran Cappellini	Robert Troy Lee	Larry Portnoy
C. David Goodlett	David Bends	Melissa Wheelihan	Nicole Smith
Robert M. Brown	Shaughn Webb	Lany Altman	Anne Perry
Mark A. Perry	Rosemary Rayman	Adam Johnson	Bob Wise
Michael D. Baker	Megan Hanney	Armando Pereda	James Fandrey
Carol W. Connolly	Karen Hoyt	Vickie Smith	Alice Finst

James Alderman was not present at meeting.

1. Call to order by the President
2. Pledge of Allegiance
3. Board Agenda approval

*Vice President Whitworth made a motion to approve the Board Agenda.
Senior Vice President Haley seconded and it passed unanimously.*

4. Announcement – Notice of July 17, 2013 Board meeting was published in the Palm Beach Post
5. Approval of Minutes, Check Register, Financial Statement, Documents and Self-Insurance fund for the previous month

*Vice President Whitworth made a motion to approve the minutes, check register, financial statement, documents and self-insurance fund for the previous month.
Supervisor Goodlett seconded and it passed unanimously.*

6. Presentation of the Employee of the Month Award

Vickie Smith made the presentation for Tom Kirk as the Employee of the Month for July 2013. Mr. Kirk was congratulated by the Board.

7. **PUBLIC COMMENTS NOT SCHEDULED ON THE AGENDA – Limited to 5 minutes for each speaker**

None

CONSENT AGENDA

8. Approve Replacing Service Agreement for Discharge of Reclaimed Water with Drainage Permit Special Condition – Patrick A. Martin, P.E., Director of Engineering

*Vice President Whitworth made a motion to approve the Consent Agenda.
Supervisor Goodlett seconded and it passed unanimously.*

WORKSHOP

9. Proposed 2014 Operating Budget - Karen Hoyt, Director of Finance
 - a. Summary of Costs
 - b. Overview of Non-Ad Valorem Assessments

Ms. Hoyt presented the Proposed Operating Budget for 2013/2014. Ms. Hoyt stated that the 2013/2014 budget as proposed shows a deficit of \$822,000.00. In light of the proposed shortfall, Ms. Hoyt provided the Board with a history of assessment rate increases for the past 21 years. Ms. Hoyt explained to the Board that the last increase took place in 2009 and since that time, there has been a cumulative increase in the Consumer Price Index (CPI) of approximately 10.2%. Robert Brown, Executive Director stated that the District has been extremely conservative in its spending of public funds and his recommendation would be to not utilize the extraordinary account to make up the proposed shortfall. Mr. Brown proposed that the Board strongly consider an increase in the current \$438.00 per parcel assessment that corresponds to the CPI rate that Ms. Hoyt discussed which would equate to a \$4.00 increase per parcel. He further added that a decision can be made in the future as to whether the District should address assessment increases on an annual basis in order to keep increases lower or do as we have in the past and address the issue every three to five years. Ms. Hoyt completed her presentation by informing the Board that she will be presenting a preliminary budget at the August 2013 Board meeting and a final budget at the September 2013 meeting for Board adoption.

*Supervisor Goodlett made a motion to receive and file.
Vice President Whitworth seconded and it passed unanimously.*

10. Discussion on Transfer of Development Rights (TDRs) pertaining to Lake Worth Drainage District - Mark A. Perry, Legal Counsel

Vice President Whitworth abstained from this item and completed the required Form 8B Memorandum of Voting Conflict for County, Municipal, and Other Local Public Officers.

Mr. Perry stated that this item is intended to provide the Board with the concept as to whether the District should consider selling Transfer of Development Rights (TDRs) within the Ag Reserve. The proposal is to offer District owned TDRs for sale to adjoining property owner(s) who qualify. In areas where the adjacent property owner does not wish to participate, the District would solicit bids from the public. President Raucher asked Mr. Perry if this item will be on next month's agenda. Mr. Perry said that it will be placed on a future agenda within the next sixty (60) days.

*Supervisor Goodlett made a motion to approve staff recommendation to review the status of TDRs as described and to bring back within sixty (60) days a report.
Senior Vice President Haley seconded and it passed unanimously.*

Vice President Whitworth returned to the meeting.

11. Proposed Criteria for Right-of-Way Encroachments - Mark A. Perry, Legal Counsel

Mr. Perry informed the Board that at the June 2013 Board meeting, there was an adjacent landowner to the District's L-11 Canal who spoke during the Public Comment portion of the agenda and requested relief in reference to encroachments within District right-of-way. Mr. Perry further stated that the Board was concerned with the District's current no encroachment policy and had directed staff to come up with a proposal as far as maybe being able to prevent encroachments into the Lake Worth Drainage District's right-of-way. Mr. Perry said that he and staff had met and prepared a Draft Right-of-Way Encroachment Policy for discussion. At this time, staff is proposing scenarios for Board consideration. Mr. Perry said that he reviewed criteria from several other agencies and municipalities and how they handle variance provisions. Mr. Perry reviewed the requirements that he displayed on the PowerPoint presentation. Vice President Whitworth stated that Lake Worth Drainage District should be treated as a private property owner and asked the hypothetical question would you want someone putting their fence on your property. It is totally wrong whether done by accident or not. Vice

President Whitworth further stated that while he is aware of hardships, they have to be treated on a case by case basis. Mr. Perry said that he would like to use this as an unofficial guide over the next sixty days and continue to refine the policy. Senior Vice President Haley asked Mr. Perry to define what would qualify for a substantial hardship. Mr. Perry responded that the Board would need to address hardship on a case-by-case basis.

*Supervisor Goodlett made a motion to receive and file.
Vice President Whitworth seconded and it passed unanimously.*

DISCUSSION AGENDA

12. Selection of Firm to Provide Auditing Services - Karen Hoyt, Director of Finance

Ms. Hoyt presented this item and provided the Board with background information on the existing contract which will be expiring. The District recently issued a Request for Proposals (RFP) and received six proposals. Ms. Hoyt stated that an audit committee was formed consisting of David Goodlett, Steve Corso, a local CPA and herself and the Committee reviewed and evaluated each of the proposals based on a structured guideline. The six respondents were ranked according to the guidelines with Rampell & Rampell ranked first, Alberni, Caballero & Company, LLP ranked second and Grau & Associates ranked third. Supervisor Goodlett stated that while Rampell & Rampell has provided the District with very good service and understands the workings of the District, their proposal was higher than several others. He stated that he would like for staff to meet with representatives of Rampell & Rampell and ask if they would be willing to reduce their price to be more in line with the other proposals received. He further stated that if they are not interested in negotiating, then staff should move to the second ranked firm and begin negotiating with them.

STAFF RECOMMENDATION MADE BY KAREN HOYT – Authorize management to begin negotiations with Rampell & Rampell based on the summary of the total price and if an agreement cannot be reached then authorize staff to enter into negotiations with the second ranked firm of Alberni, Caballer & Company, LLP.

*Supervisor Goodlett made a motion to approve staff recommendation through the committee process.
Vice President Whitworth seconded and it passed unanimously.*

13. Authorization to Reinvest Extraordinary Funds - Karen Hoyt, Director of Finance

Ms. Hoyt presented this item and stated that she was following up to a presentation she made at the May 2013 Board meeting. The District has a Certificate of Deposit (CD) maturing in the near future that is valued at approximately \$3.1 million. Staff reviewed several different options in order to achieve the most favorable rate of return in the future with the CD funds. Based on the review, Ms. Hoyt recommended that the District enter into an Interlocal Agreement with the Clerk & Comptroller of Palm Beach County and invest the funds presently in the maturing CD.

STAFF RECOMMENDATION MADE BY KAREN HOYT – Authorize management to enter into an Interlocal Agreement with Clerk & Comptroller, Palm Beach County to invest the CD proceeds in the amount of \$3 million for a three month period from October 1, 2013 through December 31, 2013. At the January 14, 2014 Board meeting Ms. Hoyt will provide an investment update and recommendation for future investments.

*Supervisor Goodlett made a motion to approve staff recommendation.
Vice President Whitworth seconded and it passed unanimously.*

14. Authorization to make formal offer for the purchase of the Farm Bureau Facility located in Delray Beach - Robert Brown, Executive Director

Mr. Brown presented this item and stated that he was following-up to a presentation made to the Board by Mike Baker at the April 17, 2013 meeting. To re-acquaint the Board with this item, Mr. Brown showed the Board members several slides previously presented by Mr. Baker at the April 2013 meeting. The Farm Bureau is comprised of seven parcels, with the main facility and five additional parcels fronting Military Trail and the seventh parcel (a vacant lot) fronting the road to the south of the facility. In total, the facility is comprised of 1.2 acres with the main building just over 3,700 sq. ft. The Palm Beach County Property Appraiser's market value for all seven parcels is \$307,000.00. At the April 17th Board meeting, the Board gave staff authorization to explore the potential purchase of the subject property. On June 19th, the District received an appraisal from Anderson & Carr, Inc. The appraisers developed an opinion based on improved parcels (the main building and adjoining easement) and vacant land parcels (combining the remaining five undeveloped parcels). The market value that Anderson & Carr, Inc. established for the improved parcels was \$470,000.00 and \$67,000.00 for the five combined vacant land parcels totaling \$537,000.00. Mr. Brown said that his position would be to formally make an offer in writing to the Farm Bureau. Supervisor Goodlett said that he wouldn't be interested in anything near what the appraisers provided in their report. However, he stated that he might be interested in purchasing the property at the assessed value and cautioned staff to stay as close as possible to that value and that the Board will ultimately decide whether it's something the District needs or not depending upon the price negotiated. Vice President Whitworth stated that he did not think the District could go wrong with the purchase of the property as it will appreciate in value. Supervisor Goodlett asked Mr. Perry if the Board members could discuss this item in an executive session so that they are not showing their "hand" as the District negotiates for the parcel located across the street. Mr. Perry stated that he did not know the answer, but would have an answer for them at the next Board meeting.

STAFF RECOMMENDATION MADE BY ROBERT BROWN – Authorize staff to make a formal offer for the purchase of the facility located in Delray Beach.

*Senior Vice President Haley made a motion to approve.
Vice President Whitworth seconded and it passed unanimously.*

STAFF REPORTS

15. Board comment

None

16. Executive Director's Report

Mr. Brown stated that the next month's WRAC meeting will be held in Martin County and that he will be attending the meeting with Mr. Raucher. Mr. Brown also informed the Board that the Palm Beach County Task Force will be meeting at Lake Worth Drainage District facilities next Thursday (July 25th).

a. Director of Operations & Maintenance

Mr. Baker updated the Board on the construction of Control Structure No. 3 and the progress that Murray Logan Construction has made to date on the installation of the pumps and control houses. Mr. Baker stated that there could potentially be a change order in the future to add a roofed area between the two pump houses.

Mr. Baker updated the Board on the E-1 Canal at Southern Boulevard & State Road 7 project. In order to improve flows, the District enlarged the southeast corner of the E-1 Canal and added riprap material in order to stabilize the area. All work was done by District staff.

Mr. Baker also updated the Board on the L-5 Canal at the Whispering Wood Crossing. Staff fabricated and installed a new gate along the west side of the Whispering Wood crossing in order to improve outfall for a new water control structure constructed by the Palm Beach Plantation development.

b. Director of Administrative Services

Nothing

c. Director of Engineering & Right-of-Way

Patrick Martin updated the Board on the L-11 Canal Rehabilitation Program. Mr. Martin stated that he expects the project to be complete within the next two to three weeks, weather permitting.

d. District Counsel

District staff met with staff from South Florida Water Management District and representatives of Palm Beach Aggregates to discuss the permitting process for the C-51 Reservoir Project. There is a meeting scheduled for Monday, July 22nd with Palm Beach Aggregates and District staff to discuss the conveyance agreement as well as the next steps for governance of the C-51 project.

Supervisor Goodlett complimented District employees for their great work in handling and responding to recent rainfall events. He further stated that Mr. Baker and his group are doing a great job. Supervisor Goodlett told Ms. Connolly that during her absence he worked closely with Mrs. Hoyt on the solicitation of an auditing firm for the District and all went smoothly. Mr. Goodlett also thanked Mr. Brown for all the improvements he has implemented which are making a big difference and it is appreciated at the Board level.

There being no further business, the meeting adjourned at 10:25 A.M.

President – Harry Raucher

Absent
Supervisor – James M. Alderman

Sr. Vice President – Joyce Haley

Supervisor – C. David Goodlett

Vice President – John I. Whitworth, III

Recording Secretary – Joann M. Aylor