

**MINUTES OF A REGULAR MEETING OF
THE BOARD OF SUPERVISORS OF
LAKE WORTH DRAINAGE DISTRICT
HELD AT THE DELRAY BEACH OFFICE ON
December 17, 2014 AT 8:30 A.M.**

Board Members Present:

Harry Raucher	James M. Alderman	Joyce D. Haley
John I. Whitworth, III	Jeffrey P. Phipps, Sr.	

1. Call to Order

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

2. Pledge of Allegiance

Mr. Whitworth led the Pledge of Allegiance.

3. Employee Recognition – Michael Hoechst, Equipment Operator III

Committee Member Vickie Demerski announced Michael Hoechst as the Employee of the Quarter. Mr. Hoechst was recognized for his hard work and dedication which has resulted in his advancement at the District. The Board thanked Mr. Hoechst for his service to the District.

**4. Employee Service Recognitions –
Robert M. Brown, Executive Director, and
Melissa Wheelihan, Business Operations Specialist**

Mr. Brown recognized Noe (Peanut) Maldonado for his 32 years of dedicated service to the District. The Board thanked Mr. Maldonado for his hard work and dedication and stated that he will be missed.

Ms. Wheelihan announced employee service milestones and the Board presented service pins.

10 Years:	25 Years:	30 Years:
Pam Barrera	Rosemary Rayman	Lany Altman
Vincent Foulon		
Jeffrey Mills		

5. Agenda Revisions – Robert M. Brown, Executive Director

Mr. Brown stated there are no revisions to the agenda and noted a permanent agenda item was added that will offer the Board an opportunity to comment on or request items to be pulled from the consent agenda.

6. Announcement of Annual Landowners' Meeting and Notice of Intent to run by candidates seeking office of Supervisor – Robert M. Brown, Executive Director

Mr. Brown announced the Annual Landowners' Meeting will be held Wednesday, January 7, 2015 at 9:00 AM and all notices of intent to run by candidates seeking office of Supervisor must be turned in before the close of the Board meeting.

7. Abstentions by Board Members from items on the Agenda

There were no abstentions from Board members.

8. General Public Comment

There was no general public comment.

CONSENT

9. Board Comment or Request to Pull Items from Consent Agenda

Mr. Alderman requested Item 12 to be pulled for discussion. Item 12 was moved to the discussion agenda.

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

11. Resolution No. 14-08 - Authorization to establish a new bank account for eRecording transaction fees – Reagan Walker, Director of Administrative Services

12. Item moved to Discussion agenda.

13. Approval to issue a Right-of-Way Permit to South Florida Water Management District allowing temporary use of the E-1WS Canal right-of-way – Patrick A. Martin, Director of Engineering and Right-of-Way

14. Approval of District Vehicle Use Policy – Robert M. Brown, Executive Director

15. Approval to enter into a Settlement Agreement with Don and Mary Rogers and Thomas and Patricia Wilson (LWDD Project No. 12-7268L.04) – Mark A. Perry, District Counsel

16. Approval for Kids College to purchase Chancery Case 407 and a portion of the platted road, and to enter into a Piping License Agreement with LWDD (Previous approval at May 13, 2013 Board meeting). Location: Adjacent to L-6 Canal (LWDD Project No. 04-7543P.01) – Nicole Smith, Right-of-Way Coordinator

17. Authorization to enter into a Tri-Party Assumptions of Tri-Party Piping, Paving and Parking Agreement with Regency Centers, L.P., ARR Realty Investments, LLC and Bank Street Partners, LLC. Location: Boynton Lakes Plaza, L-18 Canal, NE Quad of Congress Avenue and Hypoluxo

Road (LWDD Project Nos. 11-64H.16, 13-64H.18 & 13-64H.19) – Mark A. Perry, District Counsel

18. Board Vote on Consent Agenda

A motion was made by Senior Vice President Haley to approve the Consent Agenda with the exception of Item 12, seconded by Vice President Whitworth and approved unanimously.

WORKSHOP

19. Capital Improvement Plan - Structure Maintenance Assessment – Anthony LasCasas, Structure Maintenance/Fleet Section Leader

Mr. LasCasas presented an update on the Capital Improvement Plan in relation to the presentations previously provided by Mr. Brown and Mr. Strowd. The Board adopted and approved an assessment increase of approximately \$1 million for FY2015 to be allocated specifically for infrastructure refurbishment. Detailed field assessments on the District's 10 major water control structures were conducted. These structures were rated on a scale with zero (0) being missing or in-operable to five (5) being like new condition. The assessment items were categorized into three areas; facility (building & site), structure (gates & appurtenances) and pumping units (pumps & appurtenances). Mr. LasCasas presented a listing of proposed repairs and upgrades on these structures stating that ongoing evaluations include; evaluating the secondary control structures, subaqueous inspections of the 10 major structures, which are currently scheduled and will be presented at the January 2015 Board meeting; developing a master structure refurbishment plan considering SCADA improvements with schedule and costs being presented to the Board early next year; and developing a preventative maintenance plan, including regular inspections and maintenance as well as scheduled overhaul and life cycle replacements.

Mr. Whitworth commented on the importance of using consistent, reliable equipment and keeping some equipment on stand-by for repairs and replacement.

20. District Fleet Surplus and Disposition – Anthony LasCasas, Structure Maintenance/Fleet Section Leader

Mr. LasCasas stated the District's goal is to maintain a safe, efficient, reliable and operable fleet. An assessment was conducted on the District's fleet of 106 vehicles based on the Board's guidance established in 2011 to consider surplus and replacement of vehicles at 10 years of age and 200,000 miles. Mr. LasCasas requested Board approval on an updated vehicle surplus and disposition policy to consider surplus at 12 years or 200,000 miles. Surplus and disposition of heavy equipment will be brought back for discussion at a future Board meeting.

Supervisor Alderman requested the policy only include light duty trucks. Mr. LasCasas confirmed the policy will reflect surplus and disposal of general purpose vehicles of 1.5 tons or less.

Mr. Brown reminded the Board that regardless of the policy all requested surplus items are presented to the Board for discussion and approval.

A motion was made by Supervisor Alderman to approve the recommendation, seconded by Supervisor Phipps and approved unanimously.

DISCUSSION

12. Resolution No. 14-09 - Authorization to use Extraordinary Income Funds to supplement purchase of four dump trucks – Karen Hoyt, Director of Finance – MOVED FROM CONSENT AGENDA

Supervisor Alderman inquired if this purchase is a new request or was it already approved by the Board.

Ms. Hoyt confirmed the purchase was approved at the April 2014 Board meeting.

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

23. Presentation of 2014 Audit and Financial Statements – Karen Hoyt, Director of Finance, and Deborah Diaz, Rampell & Rampell

Ms. Hoyt introduced Deborah Diaz from Rampell & Rampell to present the 2014 Audit and Financial Statements.

Ms. Diaz introduced Dana McDonald who managed the auditing process for the District.

Ms. Diaz spoke about the Governance Letter and Financial Statements, which are in draft form, as the Auditor General of the State of Florida had only issued the information needed to compile the financial condition assessment procedures yesterday. She stated the procedures have been completed and the report is ready to be finalized.

Ms. Diaz reviewed the two most sensitive estimates affecting the District's financial statements which included the Estimate of Closure and Post-Closure Costs related to the horticultural waste landfill site based on the estimated capacity and future costs to perform all closure and post-closure activities and depreciation on property, plant and equipment, which they determined to be reasonable in all respects.

Ms. Diaz stated they had no difficulties performing the audit and no disagreements with management and management is prepared to sign the representation letter.

Ms. Diaz said, with respect to the financial statements, they have issued an unmodified opinion, since all information presented was accurate in all material respects throughout the year, and the District had no adjusting journal entries.

Ms. Diaz reported that there is a new report required to issue, an Independent Accountant's Report on an examination conducted in accordance with AICPA Professional Standards, Section 601, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General, and she would like to inform the Board, they did not find any issues of noncompliance.

Ms. Diaz stated that there were no Management Letter comments.

Ms. Diaz said it was another good year for the District and she would like to thank Ms. Hoyt.

Ms. Diaz indicated, this is a draft and they are going to proceed with some minor changes to the Management Discussion and Analysis.

The final report will be presented to the Board for approval at the January 2015 Board meeting.

Mr. Brown thanked Ms. Diaz and Ms. McDonald as well as Rampell & Rampell for the good work they do and being very prompt.

21. Approval to surplus and dispose of designated vehicles and equipment – Karen Hoyt, Director of Finance

Ms. Hoyt provided the Board with a list of vehicles and equipment the District is requesting to surplus. Staff recommended approval to declare the listed items surplus and authorization for disposal through the recommended method.

Supervisor Alderman confirmed that water truck T-25 will be removed from the surplus list.

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

22. Approval to purchase one new dump truck with proceeds from surplus sales and authorization to use Extraordinary Funds to supplement balance – Robert M. Brown, Executive Director

Mr. Brown stated he is seeking approval to purchase one new Mack dump truck to replace Freightliner dump truck T-115. The new truck will be purchased with proceeds from surplus sales and extraordinary funds to supplement the balance as needed.

Supervisor Phipps inquired if Mr. Brown researched the advantages of leasing versus buying. Mr. Brown confirmed the cost to lease a dump truck is not in the District's favor.

Supervisor Alderman asked how many 18-yard and 14-yard dump trucks the District will own. Mr. Brown responded the District will own one 18-yard and five 14-yard dump trucks.

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

24. Authorization to solicit a Request for Bids for construction of District Headquarters parking lot (LWDD Project No. 13-5947D.06) – Patrick A. Martin, Director of Engineering & Right-of-Way

Mr. Martin requested authorization from the Board to solicit a request for bids for the concrete paving of the parking lot. Mr. Martin discussed the parking lot as it currently exists and the problem with dust and standing water after rain events.

Mr. Martin discussed the paving, grading and drainage plans and the proposed concrete pavement. The paving project will include the construction of new drainage structures such as inlets and pipes to capture stormwater and convey the water to a new detention area. This detention area is necessary to provide the required water quality treatment. The detention area will be connected to the District's L-30 Canal by a combination of existing ditches and existing pipes. To hold the stormwater back for treatment in the detention area and to prevent direct discharge of stormwater into the L-30 Canal, the project will include construction of a new water control structure on the north side of the District property. The new control structure will have a weir plate that can be opened with a hand wheel to allow the District to discharge water during severe storm events. This design has been permitted by the South Florida Water Management District.

A motion was made by Supervisor Joyce D. Haley to approve the recommendation, seconded by Supervisor Alderman and approved unanimously.

25. Approval to issue Right-of-Way Encroachment Permits to Jonathan S. Resnick, Roland Resnick & Diane Resnick (Lot 2) and Joanna R. & William H. Karp (Lot 8) of Boca Grove Plantation pursuant to proposal previously approved by the LWDD Board of Supervisors. Location: South L-46 Canal right-of-way (LWDD Project No. 14-6831E.20 & .21) – Patrick A. Martin, Director of Engineering & Right-of-Way

Mr. Martin advised that the District has worked for several years with Boca Grove, located on the L-46 Canal, south of Glades Road and east of the Florida Turnpike. He stated that the District entered into Encroachment Agreements with many of those property owners having encroachments within the canal right-of-way. However, there are several properties that do not have agreements. Residents Resnick and Karp are requesting to keep their existing encroachments within the 8 ft. area permitted in previous encroachment agreements. The Karp residence has a fence, hedge and a small portion of a basketball court that have been there for 12 years.

Mr. Martin advised that the District currently uses a Right-of-Way Encroachment Permit that replaces the Encroachment License Agreement. He requested the Board's approval to allow property owners' Resnick and Karp to maintain their

existing encroachments within the 8 ft. portion of the L-46 Canal adjacent to their properties, subject to them executing a Right-of-Way Encroachment Permit. Mr. Martin further advised that if these encroachments are approved, the District will have 14 of the 20 property owners along this portion of the L-46 Canal in compliance with District Operating Policies.

A motion was made by Supervisor Alderman to approve the recommendation, seconded by Supervisor Phipps and approved unanimously.

26. Approval of ranking of qualified firms for Brokerage Services for Health Insurance and Employee Benefits and authorization to enter into contract negotiations with the top-ranked firm (RFP #14-9584L.01) – Reagan Walker, Director of Administrative Services

Reagan Walker stated that the Board authorized staff to solicit proposals for Brokerage Services for Health Insurance and Employee Benefits at the September 2014 Board meeting. The District advertised the Request for Proposals and received four responses; Argosy Insurance Advisors, Inc., Brown & Brown of Florida, Inc., Cundy, Inc. and USI Insurance Services, Inc., which is the District's current broker. Ms. Walker further stated that the Selection Committee, consisting of herself, Mr. Alderman, Melissa Wheelihan, and Nicole Smith, evaluated the proposals based on responsiveness of submittals, expertise and reliability, service factors, and the fee proposal. A public evaluation committee meeting was held on November 19th to discuss and rank the proposals. The final ranking was Brown & Brown of Florida, Inc. (1st), USI Insurance Services, Inc., the District's current broker, (2nd), Cundy, Inc. (3rd) and Argosy Insurance Advisors, Inc. (4th). The ranking was unanimous, with the exception of one committee member who had Brown & Brown tied with USI Insurance Services for 1st. Ms. Walker requested the Board approve the committee's rankings of the authorized firms for brokerage services and authorization to enter into discussions and contract negotiations with Brown & Brown. The draft contract will be presented to the Board at the January 2015 meeting for consideration and approval.

Because of the perception of a conflict of interest, Mr. Perry stated he specifically spoke to Mr. Brown and the committee members to ensure none of them communicated regarding any matters regarding the bid process for brokerage services for health insurance and employee benefits, and more specifically Ms. Blair Hall, Mr. Brown's daughter, who works for the firm Brown & Brown of Florida, Inc. They all confirmed they had not. Mr. Perry stated he reviewed the facts and it is his position there is no conflict of interest. Mr. Perry also stated that he had received an outside ethics opinion from Torcivia, Donlon, Goddeau & Ansay, P.A., which also confirms there is no conflict of interest. The opinion will be made part of the minutes. Mr. Perry also indicated the opinion stated that the Florida Commission on Ethics was also contacted and also informally confirmed there is no conflict of interest.

Senior Vice President Haley inquired about the employees' point of contact for any issues regarding insurance coverage.

Mr. Alan Florez, Brown & Brown Executive Vice President, addressed the Board and confirmed that a team led by Laurie Nelson will service the account and indicated that all employee questions will be addressed by an Account Manager that will be identified upon earning the District's business.

Senior Vice President Haley stated she was not concerned with an ethical conflict of interest, but the perceived conflict by employees that they might not feel comfortable in expressing issues or complaints with insurance coverage.

Mr. Perry requested a motion to have the external ethics opinion from Torcivia, Donlon, Goddeau & Ansay, P.A. be included as part of the minutes.

A motion was made by Supervisor Alderman to approve the recommendation, seconded by Supervisor Phipps and approved unanimously.

President Raucher called for a motion to authorize staff to proceed with contract negotiations.

A motion was made by Vice President Whitworth to approve the recommendation, seconded by Supervisor Alderman and passed with four votes and one opposing vote from Senior Vice President Haley.

STAFF REPORTS

27. Executive Director's Report

Mr. Brown invited the Board members to the District's Holiday luncheon on Thursday, December 18th at 12:00 PM.

Mr. Brown said he attended the Palm Beach County Delegation meeting with Mr. Raucher and they also attended the League of Cities luncheon along with Mr. Strowd.

Mr. Brown said he will be inviting Mr. Chris Pettit from Palm Beach County to attend next month's meeting to present an update on the Waters of the United States. A copy of a letter from Attorney General Pam Bondi on this topic was provided to the Board for their information.

Director of Operations and Maintenance

Mr. Strowd provided an update on the SCADA project. The District has moved toward implementation and he has taken on the role of project manager for the next phase. CH2MHill is in the process of finalizing the project definition document. The project is on schedule and he will present a timeline at next month's meeting.

Mr. Strowd announced the bid for the annual aquatic herbicide contract will be solicited and bids will be brought to the board next month for approval.

Director of Administrative Services

Ms. Walker stated the new security access system has been completed and permitted. New identification badges have been issued to all employees that will provide access to District facilities.

Ms. Walker provided copies of pages from the District's new Facebook and Twitter accounts to the Board members to illustrate the work that has been done with social media to enhance the District's outreach program. Ms. Walker thanked Megan Hanney for all her work.

Director of Engineering & Right-of-Way

Mr. Martin said he and Mr. Raucher will be attending the C-51 Governance and Finance Work Group meeting later that afternoon. He anticipates bringing a resolution to the board to endorse the efforts of the working group.

Director of Finance

Ms. Hoyt thanked everyone for their timely response to the auditors stating it made the audit go much smoother and it is greatly appreciated.

District Counsel

Mr. Perry updated the Board on the status of the Sale of Transfer of Development Rights (TDRs). Last month, Palm Beach County Planning and Zoning Department pulled GL Homes' Valencia Cove project for approval, which included TDRs derived from the Lake Worth Drainage District's right-of-way. Palm Beach County is objecting to the District's ability to use its right-of-way to generate TDRs. Mr. Perry said District representatives met with County staff and that after the meeting, Mr. Perry received a call from Verdenia Baker, Deputy County Administrator and she indicated the County would be objecting to the District's claim of ownership of any TDRs. It is County staffs' position that the intent of the Ag Reserve was not for Lake Worth Drainage District to utilize its rights-of-way for TDRs. Mr. Perry further stated that he had a meeting with GL Homes and they brought their outside counsel. Mr. Perry said he would like authority for Mr. Brown to proceed with this issue and to spend time with GL Homes and speak with their outside counsel and also for himself to be able to meet with Palm Beach County Commissioners and County Attorney Denise Dytrych.

Vice President Whitworth stated his interest in have a board member attend any future meetings with Palm Beach County regarding this issue.

28. Board Comment

29. Announcement of candidates seeking office of Supervisor – Robert M. Brown, Executive Director

Mr. Brown said there are two supervisor positions open and we have received intent letters from Mr. John I. Whitworth, III in Sub-District 5 and Mr. Jeffrey P. Phipps in Sub-District 3.

Mr. Perry stated, upon adjournment of this meeting there will be two qualified individuals to run for their respective sub-districts, Mr. Whitworth and Mr. Phipps.

Mr. Brown stated as a follow-up to his announcement earlier, the Landowners' meeting will be held on Wednesday, January 7, 2015 at 9:00 AM and the Board meeting will be held on Wednesday, January 14, 2015 at 8:30 AM.

30. Adjourn

There being no further business, the meeting adjourned at 10:30 A.M.

President – Harry Raucher

Recording Secretary – Joann M. Aylor