

**MINUTES OF A REGULAR MEETING OF
THE BOARD OF SUPERVISORS OF
LAKE WORTH DRAINAGE DISTRICT
HELD AT THE DELRAY BEACH OFFICE ON
JANUARY 14, 2015 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. Alderman led the Pledge of Allegiance.

3. Oath of Elected Board of Supervisors

John I. Whitworth, III, having been duly elected to the Board of Supervisors at the Annual Landowners' Meeting held on January 7, 2015, for a period of three years in accordance with the legislative act, Chapter 98-525, Laws of Florida 1998, took the oath of office in the form and manner required by law, after which he took his seat as the newly elected Supervisor of the Board of Supervisors of the Lake Worth Drainage District from Sub-District 5.

OATH OF JOHN I. WHITWORTH, III

State of Florida
County of Palm Beach

Before me, the undersigned, a Notary Public, personally appeared John I. Whitworth, III, who being duly sworn, did depose and say: That he will honestly, faithfully and impartially perform the duties devolved upon him in the office of Supervisor of the Lake Worth Drainage District, to which office he has been duly elected, and that he will not neglect any of the duties imposed upon him by the laws of the State of Florida.

The foregoing instrument was acknowledged before me this the 14 day of January 2015, by John I. Whitworth, III, who is personally known to me or who has produced _____ as identification and who did (did not) take an oath.

My Commission Expires: _____
Notary Public State of Florida

Jeffrey P. Phipps, Sr., having been duly elected to the Board of Supervisors at the Annual Landowners' Meeting held on January 7, 2015, for a period of three years in accordance with the legislative act, Chapter 98-525, Laws of Florida 1998, took the oath of office in the form and manner required by law, after which he took his seat as the newly elected Supervisor of the Board of Supervisors of the Lake Worth Drainage District from Sub-District 3.

OATH OF JEFFREY P. PHIPPS, SR.

State of Florida
County of Palm Beach

Before me, the undersigned, a Notary Public, personally appeared Jeffrey P. Phipps, Sr., who being duly sworn, did depose and say: That he will honestly, faithfully and impartially perform the duties devolved upon him in the office of Supervisor of the Lake Worth Drainage District, to which office he has been duly elected, and that he will not neglect any of the duties imposed upon him by the laws of the State of Florida.

The foregoing instrument was acknowledged before me this the 14 day of January 2015, by Jeffrey P. Phipps, Sr., who is personally known to me or who has produced _____ as identification and who did (did not) take an oath.

My Commission Expires: _____
Notary Public State of Florida

4. Election of Board Officers: President, Senior Vice President and Vice President

A nomination for Harry Raucher for President was made by Mr. Alderman, seconded by Mr. Whitworth and approved unanimously.

A nomination for Joyce D. Haley for Senior Vice President was made by Mr. Whitworth, seconded by Mr. Phipps and approved unanimously.

A nomination for John I. Whitworth, III for Vice President was made by Mr. Alderman, seconded by Mr. Phipps and approved unanimously.

5. 100 Year Anniversary Kick-off and Centennial Moment 1915-1925 – Rosemary Rayman, Outreach and Records Manager

Ms. Rayman stated June 15, 2015 will mark the 100th Year Anniversary of the creation of the Lake Worth Drainage District. To commemorate this milestone the District will host various celebratory events throughout the year including an open

house reception for our residents in June and employee picnic in the fall. The District will also launch a new anniversary logo and share social media posts with historical photos and facts throughout the year. The first of a twelve part series of centennial moment videos was presented. The video was created by Ms. Rayman, Megan Hanney and Tom Barry with cameo voice-overs by other staff members. Additional videos will be presented at Board meetings throughout the year.

6. Employee Recognition – Michael Hoechst, Equipment Operator III

Committee Member Vickie Demerski announced Michael Hoechst as the 2014 Employee of the Year. Mr. Hoechst was recognized for his hard work, dedication and leadership skills which has resulted in his advancement at the District. The Board thanked Mr. Hoechst for his service to the District.

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

There were no agenda revisions.

8. Abstentions by Board Members from items on the Agenda

Mr. Alderman and Mr. Whitworth abstained from discussion and voting on Item 20 and completed Form 8B Memorandum of Voting Conflict for County, Municipal, and other Local Public Officers.

9. General Public Comment

Richard Rosen, 8605 Sunbird Place, Whisper Walk in Boca Raton requested the Board consider his three concerns on the condition of the L-41 Canal. Mr. Rosen respectfully requested the District flatten the ridge along the Whisper Walk side of the canal (the south side), raise the water level so it is visible from their patios, and replace the current grass with grass that matches the grass in their yards.

Sheila Gesher, 8947 Sunnywood Place, and Arlene Mount, 8939 Sunnywood Place, Whisper Walk in Boca Raton also spoke on the condition of the L-41 Canal stating that it is detrimental to the sale of the homes in this area.

Mr. Strowd presented before and after photographs of the area with an overview of the design cross-section of the canal and explained the rehabilitation work that was completed in the area. It is the District's business practice when refurbishing canal banks, to recreate the original slope so that water drains away from top of bank. Mr. Strowd further explained that the reason the District placed a mixture of straw, millet, rye grass and Bahia was to stabilize the area. The straw holds the seed down; the millet and the rye will sprout up first allowing the Bahia to take hold and sprout in late spring or early summer. There are a number of different factors contributing to the different color of grasses, but the Bahia grass will start to grow and fill in over a period of several months. It is a natural process and typically takes six months to one year to be fully re-established.

Mr. Strowd further explained the goal is to re-establish the canal bank slope so rainfall runoff does not go over the top of bank creating erosion on the side of the canal. The District cannot change the slope geometry without violating the original design intent.

President Raucher suggested continued communication with the residents to provide reassurance and requested that Mr. Strowd report back to the Board with the progress over the next few months.

CONSENT

- 10. Board Comment or Request to Pull Items from Consent Agenda**
- 11. Approval of Minutes, Check Register, Financial Statement and Documents for the previous month**
- 12. Approval of 2014 Audited Financial Statements – Karen Hoyt, Director of Finance**
- 13. Board Vote on Consent Agenda**

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

WORKSHOP

- 14. Update on the Proposed Rule for Waters of the United States - Chris Pettit, Water Supply Policy and Legislation Manager, Palm Beach County Water Utilities Department**

Mr. Pettit presented a PowerPoint on the Possible Impacts of the Environmental Protection Agency's Waters of the United States (WOTUS) Rulemaking in South Florida.

Supervisor Alderman commented that Florida's water control infrastructure is very unique.

Mr. Brown thanked Mr. Pettit for attending and providing an update, and indicated that in Florida "one size does not fit all." Mr. Brown inquired regarding how the District and other 298 District's should proceed.

Mr. Pettit suggested staying in close contact with the Congressional Delegation.

Supervisor Phipps inquired about major corporations and agriculture interests in South Florida that have an interest in what is going to happen with WOTUS.

Mr. Pettit presented that many of the larger landowners in the State of Florida have been very active in commenting on the proposed rule as it relates to agriculture practices.

15. Presentation of Fiscal Year 2014 Financial Highlights – Karen Hoyt, Director of Finance

Ms. Hoyt presented the financial highlights for the year ended September 30, 2014 including the District's Revenues, Expenditures and Fund Balance. Ms. Hoyt recognized Ms. Owens and Ms. Wheelihan for their help with the audit process.

16. Approval to sign the Annexation Application and Affidavit to include the E-4 Canal within Village of Palm Springs jurisdictional boundaries (LWDD Project No. 14-361L.50) – Nicole Smith, Right-of-Way Coordinator

Due to scheduling considerations, Item 16 was presented immediately following approval of the Consent Agenda.

Ms. Smith explained that the Village of Palm Springs is expanding their jurisdictional boundaries and in order for the Village to include the properties adjacent to the E-4 Canal, they need the District to voluntarily annex this property to the Village. Staff is requesting approval to sign the Annexation Application and Affidavit to include the E-4 Canal within the Village of Palm Springs jurisdictional boundaries.

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

DISCUSSION

17. Approval to award bid for aquatic plant herbicides – Tommy Strowd, Director of Operations & Maintenance

Mr. Strowd provided an overview of the annual aquatic herbicide program stating the District uses 13 commercially available chemicals on a day to day basis to manage nuisance terrestrial, aquatic and submerged aquatic vegetation. The District is currently modifying the vegetation management program to reduce reliance on aquatic herbicides by improving efficiency in mechanical harvesting. Staff has installed 30 new 50 ft. vegetation trash booms and purchased a mechanical harvesting grapple truck. Mr. Strowd reviewed the annual aquatic herbicide budget history stating that we can maintain the same level of service with aquatic treatment, but accomplish it more cost effectively. Mr. Strowd presented the Bid Quotes Comparative Table from the bid opening with the projected low bidders. Staff recommended award of the aquatic herbicide chemical contract to the respective successful bidders, Helena Chemical Corp., Crop Production, Inc., Alligare, Inc., Brewer and Future Horizons.

Supervisor Phipps asked Mr. Strowd if all the chemicals used are ecologically friendly.

Mr. Strowd confirmed and indicated that the State's Department of Environmental Protection has very strict application protocols.

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

18. Approval to award bid for construction of water control structure located at intersection of the E-1-1/2 Canal and SFWMD Hillsboro Canal (LWDD Project No. 10-9035D.01) – Tommy Strowd, Director of Operations & Maintenance

Mr. Strowd stated this is a construction contract for an 84" corrugated aluminum outfall culvert for a water control structure located at the intersection of the E-1-1/2 Canal and South Florida Water Management District Hillsboro Canal. The control structure is aging and deteriorating and requires replacement. The engineering design proposes replacement with a corrugated metal culvert / riser and operable gate of equivalent capacity. This project was budgeted in the FY2014 budget for \$200,000. The District solicited three request for quotes from American Engineering & Development, Giannetti Contracting Corp. and Murray Logan Construction, Inc. Murray Logan Construction Inc. was the only contractor to submit a quote of \$147,450. Staff recommends award of the contract for construction of the 84" corrugated aluminum outfall culvert with operable riser at the E-1-1/2 Canal and Hillsboro Canal to Murray Logan Construction, Inc. for \$147,450.

Vice President Whitworth stated that it is rocky in this area of the canal and asked Mr. Martin if this would cause leakage.

Mr. Martin answered that the water will not pipe or flow around the culvert.

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

19. Approval to enter into the C-51 Conveyance Agreement with Palm Beach Aggregates – Robert M. Brown, Executive Director

Mr. Brown stated that he, Mr. Martin, and Mr. Perry have attended many meetings over the last year and a half regarding the C-51 Conveyance Agreement. This project is located on the west side of the existing L-8 Reservoir under the ownership of the South Florida Water Management District. The purpose of the project is to capture and store excess surface water from the C-51 Basin to benefit regional water supplies. The project has been modified from three to two phases: Phase I - 17,000 acre feet of storage and Phase II - 44,000 acre feet of storage. Water will be routed to the C-51 Canal through the District's Control Structure No. 2 at State Road 7 and Southern Boulevard then south through the E-1 Canal to SFWMD's Hillsboro Canal. Mr. Brown mentioned that authorized expenses are to be paid by the Reservoir owner directly to the District and it will be the Reservoir owner's responsibility to collect fees from the stakeholders/utilities. There will be a one-time license fee of \$380,160 (\$3.00 per linear foot) and an annual canal user fee beginning the second year totaling

\$77,874 (annual system O&M - \$76,032 and annual pumping costs - est. \$1,842). The canal user fee will be adjusted for CPI every five years. Staff recommended approval to enter into the C-51 Conveyance System Agreement (Phase I) with Palm Beach Aggregates, LLC.

Supervisor Phipps inquired regarding the owner of the reservoir.

Mr. Albert Carbon representing Palm Beach Aggregates LLC, replied that Palm Beach Aggregates LLC, a joint venture with Palm Beach Aggregates Trust and Florida Crystals, is the owner.

Supervisor Alderman inquired if the annual fees can be adjusted in the future if actual operating costs are more than expected.

Mr. Brown said Phase I does not require any structural improvements or addition of pumps or pump stations. There will be additional movement of water through District canals, resulting in some routine wear and tear that the annual fees will cover.

Mr. Alderman asked staff to define Phase I of the project.

Mr. Martin stated Phase I is the movement of up to 35 million gallons of water per day through District canals, which can be operated by our current Control Structure No. 2. No additional infrastructure or pump stations will need to be installed in Phase I. Phase II will require additional pumping structures to push the quantity of water south.

Supervisor Alderman inquired if the utilities have signed on yet.

Mr. Carbon answered that letters of intent have been received from three utilities and others are expected in the next couple of months. The letters of intent are the precursor for obtaining a consumptive use permit (CUP) modification. Broward County, Sunrise and Dania Beach are in the process of working with South Florida Water Management District on modifying their CUP. Mr. Carbon stated they are anticipating commencement of construction to start June 2015 and anticipate it will take about 24 months. If the process is continuous, Phase II would be on-line in approximately seven years from the time of construction of Phase I. If it was just an aggregate mining process it is expected to be a 25-year construction timeline.

Mr. Brown clarified that the project will not affect the District's consumptive water use permit. SFWMD will issue a letter modification to LWDD reflecting the C-51 Project.

Supervisor Phipps inquired about other water routes available.

Supervisors Alderman and Whitworth explained the project has been studied for several years, and that the E-1 Canal is the most economical and beneficial route.

As a follow-up to earlier questions, Mr. Perry shared that in the Conveyance System Agreement for Phase I, Paragraph 4.2. Authorized Expenses (a) states "to the extent that there are any ongoing incremental expenses incurred by the LWDD to operate the LWDD Conveyance System for the benefit of Phase I of the C-51 Reservoir, Reservoir Owner will collect such expenses from the Participants and will pay such collected amounts to the LWDD." Mr. Perry indicated the District is making a commitment to be part of this project. Mr. Perry further stated that the agreement for Phase I does not include governance of the project or the entity that will ultimately assume control of the Reservoir.

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

20. Approval to award bid for the Phase IV 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, General Counsel

Supervisor Alderman and Vice President Whitworth both abstained from discussion and voting on this Item and completed Form 8B Memorandum of Voting Conflict for County, Municipal, and other Local Public Officers.

Mr. Perry stated this is the final Phase of the Sale of Transfer of Development Rights (TDRs) for Lake Worth Drainage District. Phase IV is 21.6 acres. There was one bidder who met the minimum appraised value of \$80,000 per acre. Staff recommended awarding the bid to GL Homes of Florida II, Corp. for the bid of \$80,000 per unit.

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

After a brief recess, Mr. Alderman and Mr. Whitworth returned to the dais.

Mr. Perry requested that Mr. Larry Portnoy, representing GL Homes, update the Board on the sale of TDRs as it relates to the existing contracts between LWDD and GL Homes.

Mr. Portnoy reported that Palm Beach County staff's position that the intent of the Ag Reserve was not for LWDD to utilize its canal rights-of-way for TDRs. Mr. Portnoy indicated that due to the County's position on how they were interpreting the use of canal rights-of-way and also which canals qualify as being in or out of the Ag Reserve, each canal will need to go through a separate zoning process. A position paper is being drafted setting forth the District's legal position regarding its ownership of TDRs as it relates to the rights-of-way and requesting a formal opinion from the County Attorney.

Mr. Perry indicated that additional discussion will take place regarding the need for litigation once the opinion has been received from the County Attorney.

21. Approval to enter into a contract with Brown & Brown of Florida, Inc. for Health Insurance and Employee Benefits Brokerage Services – Reagan Walker, Director of Administrative Services

Ms. Walker stated at the December 2014 meeting, the Board approved ranking of qualified firms for Brokerage Services for Health Insurance and Employee Benefits and authorized staff to enter into contract negotiations with the top-ranked firm, Brown & Brown, Inc. Ms. Walker indicated that Brokerage services will include reviewing the District's health benefits (i.e. health, dental, vision, and wellness programs) and providing comprehensive recommendations for improvements in cost savings and services provided; soliciting and negotiating annual renewals for insurance coverages; ensuring the District is in compliance with health care reform and pertinent legislative requirements; providing informational materials to employees related to enrollment activities, explanation of benefits and wellness programs; and regular monthly communications with management for ongoing assessment of benefit programs. Ms. Walker stated the agreement provides for a two-year contract with an option to extend for three (3) one-year terms. Compensation will be provided directly by insurance provider based on industry standard of percentage paid on overall account value, with an option to evaluate compensation structure during annual insurance plan renewals. The parties may terminate with 60 days prior written notice. Brown & Brown's Service Team Member Julie Freidus, Sr. Vice President & Benefits Sales Leader introduced the rest of the team in the audience - Laurie Nelson, Service Manager; Stephanie Brown, Account Manager; Blair Hall, Account Executive; and Lauren Landau, Technical Assistant. Staff recommended approval to execute the contract with Brown & Brown, Inc. for Brokerage Services for Health Insurance and Employee Benefits.

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

STAFF REPORTS

27. Executive Director's Report

As a follow-up on the Landowners' meeting, Mr. Brown complimented staff on the District's 2014 accomplishments and indicated that he is looking forward to continued progress.

Director of Operations and Maintenance

Mr. Strowd provided an update on the SCADA progress. The contractor is finalizing the project definition report and site plans which will be presented to the Board when finalized. Of the 10 sites, there are probably six that will need new electrical buildings in order to comply with the current State and local electrical codes. The District is initiating geotechnical soil boring analysis to provide to the contractor in order to design foundations for the project components.

Mr. Strowd stated in regard to the Capital Improvement Program, the District is still waiting on the final subaqueous inspection reports on the water control structures. Preliminary results indicate there are a few areas that will require additional attention.

Director of Administrative Services

Ms. Walker stated she had nothing further to report.

Director of Engineering & Right-of-Way

Mr. Martin reviewed the parking lot bid schedule and stated that the project should be completed no later than May 29, 2015. He also reviewed the design of the project.

Vice President Whitworth and Supervisor Alderman indicated they want to see proposed costs before this project proceeds. Mr. Martin confirmed the Board will approve the bid and contract before any work is initiated.

Vice President Whitworth and Supervisor Alderman both inquired if the work can be completed in phases. Mr. Brown stated it is something that can be looked into.

Director of Finance

Ms. Hoyt stated they will be starting the FY 2016 budget process and will bring the proposed budget to the Board in June 2015.

Supervisor Phipps volunteered to participate in the budget process meetings.

District Counsel

Mr. Perry stated he had no further comments.

28. Board Comment

Supervisor Alderman nominated the employees involved in the production of the 100 Year Centennial Moment video for the Team of the Month Award.

Vice President Whitworth requested Mr. Martin to inform him when he knows the amount of the successful bid on the parking lot.

30. Adjourn

There being no further business, the meeting adjourned at 10:50 A.M.

President – Harry Raucher

Recording Secretary – Joann M. Aylor