



**MINUTES OF A REGULAR MEETING OF  
THE BOARD OF SUPERVISORS OF  
LAKE WORTH DRAINAGE DISTRICT  
HELD AT THE DELRAY BEACH OFFICE ON  
JUNE 23, 2016 AT 8:30 A.M.**

**Board Members Present:**

James M. Alderman  
John I. Whitworth, III

Harry Raucher  
Jeffrey P. Phipps, Sr.

Steve Bedner (via phone)

**1. Call to Order**

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

**2. Pledge of Allegiance**

Mr. Brown led the Pledge of Allegiance.

**3. Agenda Revisions - Robert M. Brown, Executive Director**

Mr. Brown stated one additional agenda item will be discussed at the end of the meeting requesting approval to purchase equipment.

**9. General Public Comment**

Mary Barrows, 21522 Cavandish Road, Boca Raton, in the Amberwoods Subdivision adjacent to the L-47 Canal (Project #16-3750P.02), commented that encroachments behind her home were being removed per the District's direction at the May 11, 2016 Board meeting. However, Ms. Barrows requested clarification regarding removal of the landscaping and requested that the hedge be allowed to remain as it would be in-line with neighboring Royal Palm trees. Ms. Barrows requested clarification regarding other encroachments that the District has authorized in past years, specifically along the L-46 Canal right-of-way in the Boca Grove Plantation development.

Mr. Strowd stated that staff will be evaluating all canal encroachments. President Alderman stated the Board already considered this matter. There was no motion from the Board to revisit the item. President Alderman suggested that Ms. Barrows and District Counsel, Mark Perry, discuss details related to encroachment agreements on the L-46 Canal.

**4. Approval of May Board minutes, check register and financial statement for the previous month**

*A motion was made by Senior Vice President Raucher to approve the May Board minutes, check register and financial statement for the previous month, seconded by Supervisor Whitworth and approved unanimously.*

**5. Approval of 2015 Audited Financial Statements - Karen Hoyt, Director of Finance**

Ms. Hoyt introduced Deborah Diaz and Dana McDonald from Morrison, Brown, Argiz & Farra, LLC, to present the District's audited financial statements for the Fiscal Year Ended September 30, 2015.

Ms. Diaz reviewed the reports her agency issued in connection with the District's financial statements.

- 1) Auditors Opinion Report - An unmodified opinion letter was issued indicating there were no misstatements on the District's financial statements.
- 2) Internal Control over Financial Reporting and Compliance – There were no material weaknesses or significant deficiencies identified in the District's internal control processes and compliance with rules and regulations.
- 3) Report on Compliance with Investment Policy – There were no instances of noncompliance or deficiencies.
- 4) Report on Prior Year Comments – There were no audit comments from the previous year.

Ms. Diaz explained the governance letter that was issued to the District and discussed the new accounting standards applicable to all local governments that participate in the Florida Retirement System. Ms. Diaz spoke about the District's balance sheet and indicated that the District's financial position remains strong.

*A motion was made by Supervisor Whitworth to accept the audited financial statements for the fiscal year ended September 30, 2015, seconded by Vice President Phipps and approved unanimously.*

President Alderman thanked Ms. Diaz, Ms. McDonald and Ms. Hoyt for their efforts.

**6. WORKSHOP: Proposed Fiscal Year 2016-17 Budget - Robert M. Brown, Executive Director and Karen Hoyt, Director of Finance**

Ms. Hoyt presented the District's proposed FY2017 operating budget including estimated revenues and proposed expenditures. She explained that a majority of the budget increase reflects the funds committed to construction of the SCADA project. Ms. Hoyt indicated the Preliminary Budget would be presented to the Board at the July 13, 2016 meeting and the Final Budget would be presented at the Board meeting and public hearing on August 17, 2016.

The Board and staff reviewed the detailed schedule of proposed capital expenditures. President Alderman specifically inquired about the proposed expenditures for the shop generator replacement and boom truck and requested that staff review the budget for opportunities to reduce costs. Mr. Brown indicated he would revisit the costs for the generator and explained the boom truck would be necessary to create an additional tree crew which would play a key role in accelerating future canal rehabilitation efforts.

Mr. Strowd presented an overview of the FY2017 priorities including continued work on capital improvements, technology efficiencies, right-of-way management and canal rehabilitation. He provided a progress update on capital improvement projects including the completion of Control Structure 4 electrical building, replacement of control structure actuators and hoist assemblies, control structure roofing repairs, design for electrical

engineering improvements, installation of 17 remote water level monitors, installation of Control Structure 12 gates and preliminary evaluation for relocation of Control Structure 9. He also indicated the project definition phase and detailed design phase have been completed for the SCADA project, and he estimated that the bid and award for construction would be completed in Fall 2016.

Mr. Strowd updated the Board on canal rehabilitation efforts stating that after a comprehensive analysis of canal rights-of-way, it was determined that approximately 150 miles of rights-of-way remain encumbered. He explained that the District has committed additional resources and developed a process to accelerate canal rehabilitation efforts. He further explained the District is would require additional funds for equipment and contract services to further accelerate efforts.

Mr. Brown explained that the District's proposed budget reflects the ongoing commitment to ensure effective operations and maintenance of the water control system. He shared that District operating costs have remained fairly consistent over the last 10 years. Mr. Brown also shared a five-year budget outlook for capital improvement projects and explained that anticipated annual revenues are not sufficient to complete all of the District's priority capital improvement projects. He also explained that the FY2017 proposed budget did not include funds which will be needed to further accelerate canal rehabilitation efforts such as funds for contract services, canal bank reconstruction, equipment purchases and maintenance, demolition, liability, survey work, and legal services.

Mr. Brown shared that both the proposed capital improvement projects and canal rehabilitation efforts are critical to the District's flood control mission and one should not be postponed at the expense of the other. He also strongly recommended that the District should not further reduce Extraordinary Income Funds for hazard mitigation. Recognizing the anticipated budget shortfalls to continue work on the District's priorities, Mr. Brown recommended and presented options for minimal, incremental increases over a five-year period.

President Alderman shared that he was not supportive of an assessment increase. Supervisor Bedner recommended that any increase be earmarked for priority capital improvement or canal rehabilitation projects.

President Alderman requested an additional workshop be scheduled prior to the July Board meeting to review the preliminary budget.

**ADDED ITEM:** In conjunction with the District's efforts to accelerate canal rehabilitation, Mr. Brown recommended approval to solicit bids for a FECON mulching attachment to install on the existing Volvo Excavator, and authorization to purchase the equipment from the low bidder at a cost not to exceed \$75,000.

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

## **7. Future Board Items**

There was no discussion of future board items due to time constraints.

**8. Board Comment**

There was no additional board comment.

**10. Adjourn**

There being no further business, the meeting adjourned at 11:15 A.M.

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President - James M. Alderman

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Recording Secretary - Joann M. Aylor