

**MINUTES
NORTH PALM BEACH HEIGHTS
WATER CONTROL DISTRICT**

June 30, 2009 at 7:00 p.m.

**Jupiter Library
Jupiter, FL 33458**

The Annual Budget meeting meeting of the North Palm Beach Heights Water Control District ("District"), having been duly advertised and posted, was held on June 30, 2009 at the Jupiter Library, 705 Military Trail, Jupiter, Florida. The meeting was called to order at 7:07 p.m. and after reciting the Pledge of Allegiance, the roll call was taken:

Present

Jeff Iravani
Wally Baldwin
Brett Carpenter
Lee Hintemeyer
Lynn McCullough

A motion was made to approve the March minutes as presented and the motion carries.

The primary purpose of tonight's meeting is to adopt the budget for the fiscal year starting October 1, 2009 through September 30, 2010.

The new rates for the fiscal budget year for 2009/2010 are as follows:

Lots north of Dimond Street are assessed at \$665.27 per lot: \$538.07 is to repay debt and \$127.20 is for canal maintenance. This is an increase of \$9.75 from the 2008/2009 assessment of \$655.52.

Lots south of Dimond Street are assessed at \$612.51 per lot: \$485.31 is to repay debt and \$127.20 is for canal maintenance. This is an increase of \$9.51 from the 2008/2009 assessment of \$603.00.

Budget Items as its being presented:

Revenues

Taxes	\$ 922,676.00
Interest	\$ 12,850.00
Miscellaneous Income	\$ 70,000.00
Proposed Anticipated Income:	\$1,005,526.00

Expenses

Maintenance

Maintenance for Interior	
Cleaning of Canals	\$ 65,000.00
Engineering & Supervision	\$ 10,000.00
	\$ 75,000.00

Administration

Office Rent & Expenses	\$ 20,000.00
Insurance	\$ 6,000.00
Telephone & Electric	\$ 3,200.00
Supervisor's Fees	\$ 10,275.00
Engineering	\$ 25,000.00
Secretary	\$ 3,300.00
Payroll Taxes	\$ 1,150.00
Attorney & Legal Advertising	\$ 25,000.00
Fiscal Audit	\$ 12,000.00
NPDES	\$ 2,000.00
	\$ 107,925.00

Tax Role Preparation

Collections Fees to the County	\$ 55,000.00
Contingency	\$ 0.00

Debt Service

Bond Principal	\$ 635,000.00
Bond Interest	\$ 132,601.00
	\$ 767,601.00

Total Operating Budget \$1,005,526.00

Miscellaneous Items by the Chairman:

In the letter that was mailed out to the landowners, Mr. McCullough put in the amount due for the bonds. In the letter, it stated that the debt is the majority of

the assessment charge, which would be paid off in October 12, 2012. This still stands. However, the letter stated that the approximate debt balance on the outstanding balance is \$3.7 million which was an error. The Bank of NY gave the incorrect amount. That in fact was the original amount of the bonds as they were issued. The correct balances as of the April payment of \$750,000 is:

	<u>Balance</u>
Series 1992A Bonds	\$ 145,000.00
Series 1992B Bonds	\$2,350,000.00
Series 1992C Bonds	\$ 150,000.00

These bonds will be paid off. There is more than enough money in the trust accounts that they have to cover the payoff in 2012 so the District will not have any shortages.

Mr. McCullough entertained a motion to accept the proposed operating budget of \$1,005,526.00 as read and the motion carried. The budget is adopted as presented.

The three supervisors had to sign the three originals of the budget.

District Attorney's Report

1. 401 Statement of Financial Interest Forms for all District Supervisors were provided by certified mail to the Palm Beach County Supervisor of Election as required under Florida law. He has received all return receipts confirming delivery. The deadline is July 1, 2009 so the District is in compliance with that requirement.
2. The Board had discussed the contract regarding the canal maintenance at the last meeting. Mr. Baldwin researched public bidding requirements and how the District should proceed. He also spoke with Terry Lewis with the Florida Association of Special Districts. After his research and discussion, Mr. Baldwin suggested to the Board that the District adopt some kind of guidelines as to how to put contracts out to bid, some kind of adopted structure on how to proceed (i.e., maybe a certain dollar amount goes out to publication in the newspaper). They need to make sure they have competing bids on each contracts. Mr. Lewis provided Mr. Baldwin with contact information for representatives from other water districts who had adopted some guidelines that are not too burdensome.

Mr. McCullough asked Mr. Baldwin to contact those representatives and Mr. Baldwin would like to consult with the Engineer on that.

District Engineer's Report

1. Mr. Iravani sent some bid documents out and received some bids and Aquagenics was the lowest bidder as discussed at the last Board meeting. At the Board's direction, Mr. Iravani drove around the canals with the low bidder and made sure that the full scope of work is covered by Aquagenics and at that time, the contract was signed and they started the work.
2. The June canal cleaning is underway. At the Chairman's direction, he will add an additional cutting in August and if the Board desires, the District can perform five cuttings a year: March, May, July, September and December, or something like that so in the wet season it can be cut more than every three months. During the dry season, the contractor can go back to every three months.
3. There was a good size washout at the Jupiter Village control structure as shown on page 28. The Town of Jupiter repaired that but they have to do further work in there. They are waiting for it to dry up a little bit, lower the canal and go back in there to put additional rocks around the structure and also check the pipes for holes.
4. The District received a bid for the restoration on NC-4 right before Leslie Street from Brooks Backhoe for \$7,500. They are waiting to get a bid from Aquagenics. The rest of the contractors who saw the washout decided not to bid on the project. The District will have two bids to choose from as that works needs to get done.
5. NC-3 was restored by the previous contractor but the sod that was put in was dead. Previously the District discussed taking out the sod and redoing it. The photo on page 18 is old as there is a lot more grass coming through it. Mr. Iravani will get a contractor to take out the dead sod and put in more seed and do some minor repair around Harriet Avenue where the fabric is exposed. The grass is coming from under the dead sod and perhaps with more seed, the sod can remain to save money.
6. Mr. Iravani met with the resident at 6395 Barbara Street, who had the boat that caused some damage to NC-2 after it was restored. The gentleman stated that he will be relocating his fence and move his boat out of the District's way. He is hoping to get that done in the next few weeks. Today, there was a trailer in there with some gravel so Mr. Iravani believes the work has been started.

7. The outfall canal north of Indian Creek was run over by a southbound vehicle from Indian Creek. They left tire marks and tore up the gate. The District filed a report with the Town of Jupiter Police and have asked Martin Fence to replace it with a new post and a new gate. They quoted \$600 for the gate but didn't have the price for the pole replacement.
8. The District is going to replace the "no dumping" sign in the NC-3 area where some trash was put in there. He asked the contractor to remove it, but they haven't done it yet. He believes because of their tight budget they are less flexible than the previous contractor. They are finished with NC-4 but they have NC-2 and NC-3 to finish. Mr. Iravani was told they were moving trash out this week (photo on page 24).
9. Per the Chairman's directions, Mr. Iravani took two water samples from the outfall canal, one was taken north of Leslie Street, and the other was taken south of Indiantown Road (shown on page 9). The phosphorus is okay. North of Leslie is high but it seems by the time it gets to Indiantown Road, it is at an acceptable level. Nitrogen is still high. It can be diluted a little bit but not enough. The level of nitrogen in there is about the maximum found in other canals. The EPA is coming up with some guidelines for nutrients in canals and rivers and are considering the canals as Class 3 water, which is unfortunate because the District is not Class 3 water. Mr. Iravani believes the nitrogen guideline will be 1+ and the phosphorus is going to be .056 so that is why the District's nitrogen is high. Mr. Iravani does not believe anything has to be done in the foreseeable future. If action needs to be taken, the District can reduce their spraying, educate the public to not use as much fertilizer, as well as other technology that will be available as the demand for it increases when requirements are set. Mr. Iravani will continue to monitor the nutrient levels but believes there is nothing to be concerned about at this time. There are other tests done on other canals and their levels are not as high. Mr. Iravani stated that even though the rainfall has some effect on it, it is probably from the groundwater.
10. The FDOT put the control structure at the Heights and will remove the spillway. They already have the 18-inch pipe that comes into the District's canal with end walls on it (page 38/39). Mr. Iravani told the foreman on the job that he needs to put some silt fence up and they complied. The control structure which is going to be on the other side of the sand barriers is only going to have a 3/4 inch holes and that is how the discharge is going to be controlled coming into the District's canals. There will still be a little discharge but there won't be any I-95 runoff spilling into the District's canals.
11. Mr. Iravani drove around the District on 6/6/09 when there was a heavy storm and found the canals to be in very good shape (page 26).

Board Member Items:

Mr. Carpenter asked the status of the lawsuit. Mr. Baldwin forwarded the Chasewood HOA's Engineer's report to Jonathan Bury, counsel for Regency Centers. Mr. Baldwin had previously circulated a proposed written agreement. One or two of the parties came back with some minor changes but he believes the substance of agreement is basically complete that hopefully will be signed. The other issue is the reallocation of the fees from the various parties. Mr. Baldwin expects to have that distributed within the next five working days. Once the reallocation issue is resolved, then the drainage agreement will be circulated to everyone for execution and recordation and then the suit can be dismissed

Miscellaneous Items by Chairman

1. Rich Entibie, 6334 Barber Street, (561-277-5066) called Mr. McCullough to advise that they have canal bank erosion behind their house. He said it is falling away pretty quick. Mr. McCullough asked Mr. Irvani to check it out.
2. Mr. McCullough attended the Florida Association Special District's Annual Conference in St. Augustine in the first week of June. There were a number of items and issues that came up. The biggest issue for water control districts was discussed earlier on in the meeting, the nutrient level quality. The EPA is trying to come up with a hard number for nitrates, phosphorus and chlorophyll for water quality. There is a range that is apparently acceptable now and they no longer want a range. There is a large number of people at the Conference that were upset about it and the potential ramifications. They are trying to make canals Level 3 Waters, which means that they have to be fishable, drinkable and swimmable. There is no way the District's canal system would fall into that. The concern is how would the District control the quality of water going into the canal when there is limited authority and also that they are not always able to pinpoint the source. This is why Mr. McCullough requested Mr. Irvani perform the water quality tests. Apparently, SFWMD has been maintaining these numbers so there is some sort of defense, but what concerned the special districts at the conference is that there is no money in the Florida Association of Special Districts to defend this in Court and was considering asking those districts to financially help pay for any legal expenses that might follow. In the past, the District was excused from the National Pollution Elimination System Act because the District was so small. Mr. McCullough's concern is that they stay in the loop in case they are involved in this again. The conference was excellent. There were a number of issues discussed from a legislative standpoint that could

affect special district's business which includes Community Rehabilitation District's and fire and water districts. Last year, Mr. Baldwin attended and Mr. McCullough suggested that Mr. Baldwin attend every other year for expense purposes.

3. Mr. McCullough inquired about Aquagenics, the new canal contractor, whether there was a two-man crew doing the entire project. Mr. Iravani advised that at times there are four men but most of the time there is a two-man crew. Mr. McCullough would like to monitor the timeframe it takes to get the job done, as that may be the reason why they were the lowest bid. Mr. McCullough asked Mr. Iravani to find out how much more it would be to get a four-man crew out there to get it done in a timely fashion.
4. Two people from the District Engineer's office started putting together the record archive management and filing system at the District Office, Derry Dinane and Angelina Masaneuve. Mr. McCullough would like to purchase a small microwave and a small office refrigerator to put in the District's office. There is nothing there as of now. The two women work four or five hours on the weekend days. It would also help the District if they had an emergency situation where they would need to work out of the office as well. Mr. McCullough stated that the office was remodeled in the summer of 2005. Mr. McCullough stated that they are getting file cabinets and metal shelving so the records storage boxes will be moved off the floor. Vincent Edwards from Tallahassee stated that the office was satisfactory for records storage because it is a controlled environment with air conditioning and humidity control.
5. The FASD was asking the districts to consider disaster recovery. The District really doesn't have a disaster recovery plan and the main thing FASD stressed was what documents do they really need to keep. Mr. McCullough is going to ask Dary and Angela to flag some documents to get them started, copies of budgets, copies of minutes, copies of the election results, annual audits, creation, the real key documents need to be addressed first. He is considering having a vendor come in and scan the documents so they would be more easily retrieved and also in case of an emergency, they would be accessible. Mr. McCullough had the goal of elevating the District to the level of other districts. He is trying to keep the District up with legal requirements and technology. Once all the documents are scanned, Mr. McCullough would like to get everyone jump drives to have that information at hand. Mr. Baldwin suggested an offsite server to store the documents as he is researching this for his own office and will provide detailed information on that at the next Board meeting.

6. Mr. McCullough suggested that the next meeting be in September since the June meeting really should have been in July but the District had to prepare for the budget. Now that the budget is approved, Mr. McCullough will submit the rates to Palm Beach County ISS who prepares the tax roles. They will put together the collection role for the District. They will printout the property list. That list will be reviewed to make sure the tax rates are correct for the north and south lots so the right amount of money will be collected. The annual landowner meeting will be in November, along with the election.

Items by the Public:

There were no members of the public in attendance.

A motion was made to adjourn the meeting at 7:49 p.m. and carried unanimously.

Approved:


Lynn J. McCullough, Chairman


Lee Hintemeyer, Supervisor


Brett Carpenter, Supervisor