

**MINUTES OF MEETING
NORTH SPRINGS IMPROVEMENT DISTRICT**

The regular meeting of the Board of Supervisors of the North Springs Improvement District was held Wednesday, August 1, 2012 at 5:02 p.m. in the district office, 9700 N.W. 52nd Street, Coral Springs, Florida.

Present and constituting a quorum were:

Vincent Morretti	Secretary
Vandin Calitu	Assistant Secretary

Also present were:

Doug Hyche	District Manager
Dennis Lyles	District Counsel
Rod Colon	Director of Operations
Jane Early	District Engineer
Brenda Schurz	District Clerk
Nick Schooley	Drainage Supervisor
Donna Holiday	GMS-South Florida, LLC
Maryam Omid	NSID

FIRST ORDER OF BUSINESS

Roll Call

Mr. Hyche called the meeting to order at 5:02 p.m.

SECOND ORDER OF BUSINESS

**Approval of the Minutes of the July 11,
2012 Meeting**

Mr. Hyche stated the next item is approval of the minutes of the July 11, 2012 meeting.

On MOTION by Mr. Morretti seconded by Mr. Calitu with all in favor the minutes of the July 11, 2012 meeting were approved as presented.

THIRD ORDER OF BUSINESS

Public Hearing to Consider the Adoption of the Proposed General Fund, Heron Bay Commons, Parkland Isles, Heron Bay Mitigation and Debt Service Budgets for Fiscal Year 2013, Resolution 2012-13 and Levy of Non Ad Valorem Assessments, Resolution 2012-14

Mr. Hyche opened the public hearing to consider the adoption of the proposed general fund, Heron Bay Commons, Parkland Isles, Heron Bay Mitigation and debt service budgets for fiscal year 2013 Resolution 2012-13 and levy of non-ad valorem assessments Resolution 2012-14.

There being no comments from the public the public hearing was closed.

On MOTION by Mr. Morretti seconded by Mr. Calitu with all in favor the general fund, Heron Bay Commons, Parkland isles, Heron Bay Mitigation and debt service budgets were approved.

On MOTION by Mr. Morretti seconded by Mr. Calitu with all in favor Resolution 2012-13 was approved.

On MOTION by Mr. Morretti seconded by Mr. Calitu with all in favor Resolution 2012-14 was approved.

FOURTH ORDER OF BUSINESS

Distribution of Proposed Water and Sewer Budget for Fiscal Year 2013 and Consideration of Resolution 2012-15 Approving the Proposed Budget and Setting the Public Hearing

Mr. Hyche stated the next item is distribution of the proposed water and sewer budget for fiscal year 2013 and consideration of Resolution 2012-15 approving the proposed budget and setting the public hearing.

On MOTION by Mr. Morretti seconded by Mr. Calitu with all in favor the proposed water and sewer budget for fiscal year 2013 was approved.

On MOTION by Mr. Morretti seconded by Mr. Calitu with all in favor Resolution 2012-15 was approved.

FIFTH ORDER OF BUSINESS

Staff Reports

A. Manager

I. Transition Plan Update

i. Ratification of Lease Agreement

Mr. Hyche stated the next item is a transition plan update.

Mr. Colon stated we sent the proposed lease for the Magnolia Shoppes to counsel. I know Dennis reviewed the lease and it is not the most favorable lease for us to enter into, however, we didn't feel there was much negotiation so we entered into a three year lease at the Magnolia Shoppes to secure the future utility billing and accounting building. We also hired Maryam Omid, she is a new district accountant and is going to be working closely with GMS and with Kay during the transition. That is it right now for the transition plan. As of August 10th we are getting our utility billing software and the accounting software will be delivered to the district.

Mr. Lyles stated we would like to have a motion ratifying the lease agreement between North Springs Improvement District and Magnolia Shoppes for a three year term subject to certain terms and conditions.

On MOTION by Mr. Morretti seconded by Mr. Calitu with all in favor the lease agreement was ratified subject to certain terms and conditions.

Mr. Colon stated as an update that transition plan we presented to the board last month had the prices and everything for the lease agreement. Everything was in the transition plan.

Resolution 2012-16

Mr. Hyche stated Resolution 2012-16 is a resolution designating signatories for plats, permits and contracts.

Mr. Lyles stated this is a resolution of the board of supervisors of the North Springs Improvement District authorizing the district manager and director of operations to execute permits, plats and contracts of the North Springs Improvement District. This way when a routine plat instrument or permit comes through and they need consent or acknowledgement by the district in order to process it at city hall or the county either the district manager or director of operations can sign for the district to process those routine sort of instruments.

On MOTION by Mr. Morretti seconded by Mr. Calitu with all in favor Resolution 2012-16 was approved.

II. Approval to Set Public Hearing to Amend Schedule Relating to Water and Sewer Rates and Charges

Mr. Hyche stated the next item is approval to set a public hearing to amend the schedule relating to water and sewer rates and charges.

Mr. Colon stated we received notification from Broward County that they were going to be raising the sewer rates for treatment and transmission and based on that we

have to reallocate those costs to our customers. The portion we want to increase is the sewer rates by adding a certain percentage to the base charge to cover the costs associated with the rate increase. The rate increase was effective last month and we received notice they were going to officially increase the sewer rates.

Mr. Hyche stated just for your information we have absorbed previous increases by the county we haven't passed them on to the customers.

On MOTION by Mr. Morretti seconded by Mr. Calitu with all in favor the public hearing to amend the schedule relating to water and sewer rates and charges was set for November 7, 2012 at 5:00 p.m. at the same location.

III. Approval to Set Public Hearing to Amend the Fee Schedule Relating to the Heron Bay Commons Amenity Facility

Mr. Hyche stated the next item is approval to set a public hearing to amend the fee schedule relating to the Heron Bay Commons amenity facility.

On MOTION by Mr. Calitu seconded by Mr. Morretti with all in favor the public hearing to amend the fee schedule relating to Heron Bay Commons amenity facility was set for November 7, 2012 at 5:00 p.m. in the same location.

IV. Ratification of Encroachment Agreement with Jason Rosenstein to Install a Fence at 12054 N. W. 79th Court, Parkland, Florida

Mr. Hyche stated the next item is ratification of encroachment agreement with Jason Rosenstein to install a fence at 12054 N. W. 79th Court, Parkland, Florida.

Mr. Morretti asked he had to apply for a permit?

Mr. Colon responded he applied for a permit from the City of Parkland and we have an easement and staff has looked at it and determined that his encroachment will not cause any detriment to the district. It will not inhibit our operations.

On MOTION by Mr. Morretti seconded by Mr. Calitu with all in favor the encroachment agreement with Jason Rosenstein for the installation of a fence at 12054 N. W. 79th Court, Parkland, Florida was ratified.

B. Attorney

Mr. Lyles stated I have an update on our discussions with the county regarding serving the Wedge area. There was what was supposed to be a final meeting today with the county administrator and the county attorney to discuss where we were on that and they said tentatively at least that they do not agree that the service area for the county is limited to the existing boundaries of the old NSID prior to the Wedge being annexed in and they are going to take the position that the county service area under the Large User Agreement in fact does include property that was annexed from Palm Beach County into this county several years ago. They had as you know previously taken a different position on this issue at the staff level so we have indicated to them that if we can't resolve this we are going to ask the board for authority to bring a lawsuit against the county.

There are certain technical steps that we will have to take one of which is to pass a resolution to authorize a pre-suit mediation, which is required by Florida Law when two government entities are in a dispute that may result in what could be expensive litigation for their respective taxpayers.

At this meeting today the county administrator indicated that she had not been made aware of the actual numbers involved that would be county expense to serve this area in the same way that NSID will be serving this area and the fact that the county would have to spend more money to install lines and service the area and put in the reuse facility than NSID will be able to do this for and therefore, resulting in higher charges to the consumers in that area that will be served, irrespective of who serves it.

She has asked for a breakdown of those numbers. This all happened this morning around 11:30 a.m. we are putting that together to put in front of her right away so the status on this is we are going to make a last ditch attempt to show why it makes much more sense for NSID to serve this area at a lower cost and equal or better service to the residents of NSID than the county. We will see what they say about this and we will hopefully report to you that we were successful and we have come to an agreement and if we can't report that to you at your next meeting we will be reporting that we would like authority to proceed with the litigation process and we will be suggesting retaining special counsel, which we have been discussing with the manager and staff and those things will all be brought before you at your next meeting.

Right now there is still the possibility that we are going to be able to resolve this and in the meantime we have a commitment from the county administrator that they are not going to do anything to hold up any of our plats, site plans or approvals of any nature they will go forward with those but they have not at this point agreed to let us serve the Wedge property. They take the position that no matter what happens the service area under the agreement that was signed many years ago automatically expands into any new territory that NSID brings in irrespective of cost. However, they are going to take one more look at it based upon the engineering studies that had previously been put together by CH2M Hill and with the assistance of the landowners in the Wedge who also are fully supportive of NSID's position and want to be served by NSID and do not want to be served by the county. We will see where that takes us in the coming week or two and at your next meeting you are either going to be told okay we are on our way or this is our recommendation for special counsel to bring appropriate lawsuit against the county and at that point a decision will have to be made as to whether we want to bring this suit just as to the Wedge area or as to the Large User Agreement in its entirety. If we are going to have to sue them anyhow we may

want to take a look at that and we will be ready with a recommendation from management and legal at that time as well.

C. Engineer

I. Consideration of Non-Exclusive Easement Agreement with Parkland Reserve Community Association, Inc.

Ms. Early stated the first item is consideration of a non-exclusive agreement with Parkland Reserve Community Association, Inc. This is an access easement over their roads so that NSID can maintain the water and sewer infrastructure.

On MOTION by Mr. Morretti seconded by Mr. Calitu with all in favor the non-exclusive easement agreement with Parkland Reserve Community Association, Inc. was approved.

II. Project Status Report

Ms. Early stated the project status report is in your agenda. We did get a building permit approval today for the R.O. plant so that construction can start getting underway. County Line Road striping and milling has commenced. Under the Heron Bay bond we have a sidewalk and that was one of the permits that has been held up on County Line Road but I did get an email today that they sent us some review comments that we should be able to get that going. The chemical building we are substantially complete we are working on the chemical feed system change. I did get approval from Broward County on the PGCC buffer water main and Heron Bay water main. We submitted the preliminary design report for the water reuse facility to the district and they have reviewed that. We are still in permit for the 20" water main on Nob Hill Road, which as Rod indicated was one of the permits being held up but my understanding is we are going to be able to pull that permit.

Change Order for County Line Road

Ms. Early stated we have had County Line Road barricaded for several years and now that we are doing the milling and striping we have gone through it again and there are some areas where we want to extend the milling because there is some damage from FP&L other construction trucks and traffic driving up and down. We have extended the milling and resurfacing and striping and Ruzzano Builders has a change order for \$7,000 for that and I think it is a fair price.

On MOTION by Mr. Morretti seconded by Mr. Calitu with all in favor the change order with Ruzzano Builders for milling and striping portions of County Line Road in the amount of \$7,000 was approved.

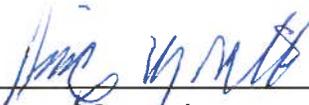
SIXTH ORDER OF BUSINESS

Approval of Financials and Check Registers

Mr. Hyche stated the next item is approval of financials and check registers.

On MOTION by Mr. Morretti seconded by Mr. Calitu with all in favor the financials and check registers were approved.

On MOTION by Mr. Morretti seconded by Mr. Calitu with all in favor the meeting adjourned at 5:20 p.m.



Vincent Morretti
Secretary



David Gray
President