

MINUTES OF MEETING
NORTH SPRINGS IMPROVEMENT DISTRICT

The regular meeting of the Board of Supervisors of the North Springs Improvement District was held Wednesday, June 5, 2013 at 5:03 p.m. in the district office, 9700 N.W. 52nd Street, Coral Springs, Florida.

Present and constituting a quorum were:

David Gray	President
Vincent Morretti	Secretary
Mark Capwell	Assistant Secretary

Also present were:

Doug Hyche	District Manager
Dennis Lyles	District Counsel
Rod Colon	Director of Operations
Brenda Richard	District Clerk
Donna Holiday	GMS-South Florida, LLC
Marc Grace	Keefe McCullough

FIRST ORDER OF BUSINESS

Roll Call

Mr. Hyche called the meeting to order at 5:03 p.m.

SECOND ORDER OF BUSINESS

Approval of the Minutes of the May 1, 2013 Meeting

Mr. Hyche stated the next item is approval of the minutes of the May 1, 2013 meeting.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor the minutes of the May 1, 2013 meeting were approved as presented.

THIRD ORDER OF BUSINESS

Presentation and Acceptance of the Financial Audit for Fiscal Year 2012

Mr. Hyche stated the next item is presentation and acceptance of the financial audit for fiscal year 2012.

Mr. Grace stated I am with Keefe McCullough & Co. I want to say thanks for letting us perform our independent audit of NSID. I want to thank Brenda and everybody. This year is a little bit different we went through a big transition with the county and we are still in the process of it. It went as smooth as smooth can go. We have done audits for other places that go through transitions and there are always bumps in the road that everyone has to go through to get through it.

Pages 1 and 2 of the audit states that we conducted our audit in accordance with government auditing standards and the financial statements are presented in accordance with GAAP, we have given a clean opinion. It is the highest level of assurance.

Pages 5 and 6 give an overall look at how the district is doing compared to last year. Basically it shows the governmental activities, governmental funds and business type, which would be the enterprise fund, the utility; overall it stayed about the same. Governmental decreased a little bit in fund balance over year-to-year the enterprise increased so it netted out.

We do a lot of audits for districts and one thing we notice is overall long term debt and a lot of districts currently are not meeting their debt service payments as they are coming due. We are pleased to report as of 9/30/12 NSID is current and up to date with all payments and interest and they are meeting their reserve requirements at the moment.

If there were any issues with the audit we would have to report it to the State Auditor General. On pages 44 and 45 is the standard report that goes with every financial statement and as you will see as you read through all the different paragraphs there was no need to require any communications with the state because everything went well.

Those are the highlights of the statement that are usually the most important. We really appreciate the opportunity to conduct the audit and I want to thank Brenda and everyone who helped us through it.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor the fiscal year 2012 audit was accepted and staff authorized to transmit it to the State of Florida.

FOURTH ORDER OF BUSINESS

Approval of Resolution 2013-12 Approving the Proposed General Fund and Debt Service Budgets for Fiscal Year 2014 and Setting a Public Hearing

Mr. Hyche stated the next item is approval of Resolution 2013-12 approving the proposed general fund and debt service budgets for fiscal year 2014 and setting a public hearing.

Mr. Gray asked do we have a date for the public hearing?

Ms. Richard responded we will advertise the public hearing for your August 7th meeting.

On MOTION by Mr. Gray seconded by Mr. Capwell with all in favor Resolution 2013-12 was approved.

FIFTH ORDER OF BUSINESS

Staff Reports

A. Manager

I. Approval to Notice Public Hearing for Consideration of Amendments to Permit Criteria Manual and Amend Certain Rates and Fees Related to Surface Water management, Stormwater and Right of Way Permits

Mr. Hyche stated the next item is approval to notice public hearing to consider amendments to our permit criteria manual and amend certain rates and fees related to surface water management, stormwater and right of way permits. This is proposed to take place August 7th.

On MOTION by Mr. Gray seconded by Mr. Capwell with all in favor the public hearing to consider amendments to the permit criteria manual and to amend certain rates and fees related to surface water management, stormwater and right of way permit was set for August 7, 2013.

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 public hearing to amend schedule relating to water and sewer rates and charges.

Mr. Colon stated this is basically for a connection fee for new development in the Wedge. Right now the district doesn't have a connection fee and we are proposing a connection fee of \$10,000 per unit to pay for development in the Wedge.

Mr. Lyles stated the landowners and their representatives in the Wedge are in agreement to proceed in this fashion with the caveat that all the other details kind of fit into place. Assuming we want to do this August 7th as well we will know that everything is in good shape and I don't expect to have any adverse comment from the current landowners in the Wedge,

however, if that is not working out we have a couple choices one of which is to cancel the public hearing and get a little more time. They are in a hurry they would like to do it yesterday if they could but leaving it for the 7th gives us time to do the notice the appropriate way and keeping the work going between now and then. There are a number of calls and meetings and Craig Unger, the engineer on behalf of the landowners is integral to all that process so they are in the loop on what is going on and with this as well. We will do the notice for August 7th and expect to get it done by then.

Mr. Gray asked when are they looking to do their first closings?

Mr. Lyles responded they were looking to do closings before August 7th but they are further along on the Lennar piece not the StanPac piece. They probably will have closings and as part of the closing process they will get consents and agreement to be bound by all of these things we are talking about regarding the Wedge property, the assessments, the reuse plant, the bonds to fund it. The last I heard they were looking to have closings in July.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor the public hearing to amend the schedule relating to water and sewer charges was set for August 7, 2013.

III. Consideration of Proposals to Furnish and Install Sabre or Monopine Tower

Mr. Hyche stated the next item is consideration of proposals to furnish and install Sabre or Monopine Tower here at the plant.

Mr. Colon stated currently we have a communications tower on top of the silos, which are set to come down in about a year and a half. The district is starting to move toward automatic meter reading by slowly replacing meters. The tower will allow us to do two things, to be able to read the meters without having to send out meter readers and also allow us to have communications on our two-way radio system that we have an FCC license for. We have been talking with the developers and most of them are in agreement to pay for the tower because they realize the tower will be used to read the Wedge meters when they eventually come in.

Mr. Hyche stated we recommend going with the lowest proposal.

Mr. Colon stated three quotes were obtained and the lowest was \$243,110 from Ruzzano Construction.

Mr. Gray stated I'm curious about the fact that they are so drastically different in the way they are proposing. Don't we normally get a price and they have a contract that we have given them that they are agreeing to?

Mr. Colon stated there are only four manufacturers in the United States, I think two of them come from China. The quote we got directly from the manufacturer didn't include any engineering or specs. We didn't do a work authorization for our engineers to do a spec sheet to put out to bid. Instead we basically told the contractors that they are going to have to do the engineering and wind calculations on their end and we basically were looking for a turnkey product. We felt that was the best avenue to go so we wouldn't have to pay twice, pay our engineers to design it and then have them come in and do so. We wanted to get an upfront cost for the total turnkey tower basically.

Mr. Lyles stated this is a proposal. This is not the contract. I think what we anticipated is if the board wants to go forward there would be a contract that would contain provisions relating to such important things as insurance to protect the district, indemnification. None of that is in here. This is just the financial terms and basic scope but there will be a contract.

Mr. Gray stated under exclusions on the Ruzzano proposal is electrical instrument, exclusions on the others all permits. The way Ruzzano has it phrased it doesn't say he is not including permits. Every one of them has a different exclusion statement.

Mr. Colon stated you are right, the district prepares the contract and Dennis' office will review it before it is executed. This is going before the City of Coral Springs on June 19th so we wouldn't be able to execute a contract until the city actually approves the tower because we are going for a variance because of where the tower has to be. Another thing is we are trying to get funding for the project from the developers so I don't think we would be a position to execute a contract until some variables are in place. I think what we are asking is if we are able to get those variables to go with the lowest quote from Ruzzano.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor the contract was awarded to Ruzzano Construction, Inc. in the amount of \$243,110.00 subject to preparation of a contract and funding from the developers.

B. Attorney

Mr. Lyles stated we have an encroachment agreement that staff had submitted to it from Mr. & Mrs. Bevilacqua at 7492 N. W. 110th Drive in Parkland. They have a stormwater easement in their side yard and they would like to put in some fencing. They have agreed at least in terms of talking to staff to be bound by the terms of our standard form of encroachment agreement, which includes a determination being made in the future by staff and by the district that we want the fence out of there they have to agree to have it removed at their expense. This will be set up for recording so it will be a restriction that will travel with the property. Everything is at their expense, installation and removal and it is at their peril. Engineering is not here today but I'm advised that they did review it and they do not see any reason for us to hold back on the approval today and let it go forward. It is just plain fencing the function of the stormwater easement will remain the same in their opinion. If the board is in agreement we can take a motion to approve the encroachment agreement with Jay and Shannon Bevilacqua subject to final legal review.

Mr. Capwell asked can we have them add a gate?

Mr. Hyche stated it is not an access it is a drainage easement. We don't need access to the area.

Mr. Lyles stated we don't have any pipes or installations in the ground that we need to get to, it is just surface water flow and the fence shouldn't affect that in the opinion of the engineer. If it ever did we could mandate a gate if we needed that or anything else. We retain complete authority and all at their cost.

On MOTION by Mr. Gray seconded by Mr. Capwell with all in favor an encroachment agreement requested by Jay and Shannon Bevilacqua at 7492 N. W. 110 Drive, Parkland, Florida was approved subject to final legal review.

Mr. Lyles stated there was a hearing at the end of last week in our litigation with the county. The bottom line is the county came in and asked for judgment to be entered in favor of the county and against us because we had not added all the parties to the Large User Agreement, which is about 12 cities within Broward County. The judge said he was going to treat that as a motion to add indispensable parties and not take under his jurisdiction that day a motion for summary judgment. In other words a motion for summary judgment was essentially denied. He

did enter an order, however, requiring NSID to amend its complaint to add the other 12 parties to the Large User Agreement. We have 20 days to do that and our amended complaint will name those parties, staff has set up individual meetings with the other cities to go over this to explain what this is about and what is going on and that it essentially relates to the Wedge. I think you have already taken care of that with Coral Springs and kind of gotten their sign off on that. We had an adverse ruling it means we have to amend our complaint, we are in the process of doing that and Rod and Doug are meeting with each and every one of the cities involved to explain what this is all about and hopefully to get their blessing and have their consent to go forward without them fighting us on it.

C. Engineer

I. Consideration of Change Order No. 3 for Project No. 414773, RO Plant Construction for Net Increase in the Amount of \$32,344

Mr. Hyche stated the next item is change order no. 3 for project no. 414773 the RO Plant construction for a net increase in the amount of \$32,344.

Mr. Colon stated this is the cost to do directional boring to run power into the new proposed facility. It is for 6" FP&L conduit so that FP&L can run their line. It wasn't in the original scope when the contract went out to bid. Our engineers feel this is a fair number to add into the scope. The directional boring would be from Westview Drive down our easement next to Target to get the conduit into our facility.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor change order no. 3 with Lanzo Construction for the R.O. Plant construction for a net increase of \$32,344 was approved.

II. Project Status Report

A copy of the project status report is attached.

SIXTH ORDER OF BUSINESS

Approval of Financials and Check Registers

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

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

On MOTION by Mr. Gray seconded by Mr. Capwell with all in favor the meeting adjourned at 5:22 p.m.



Vincent Morretti
Secretary



David Gray
President