

MINUTES OF MEETING
NORTH SPRINGS IMPROVEMENT DISTRICT

The regular meeting of the Board of Supervisors of the North Springs Improvement District was held Wednesday, February 5, 2014 at 5:00 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
Nick Schooley	Drainage Supervisor
Donna Holiday	GMS-South Florida, LLC
Rhonda Mossing	MBS Capital Markets, LLC
Kevin Mulshine	MBS Capital Markets, LLC
Denise Ganz	Greenspoon Marder
Dave Green	CH2M Hill

FIRST ORDER OF BUSINESS

Roll Call

Mr. Hyche called the meeting to order at 5:05 p.m.

SECOND ORDER OF BUSINESS

Approval of the Minutes of the January 8, 2014 Meeting

Mr. Hyche stated the next item is approval of the minutes of the January 8, 2014 meeting.

On MOTION by Mr. Gray seconded by Mr. Capwell with all in favor the minutes of the January 8, 2014 meeting were approved as presented.
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THIRD ORDER OF BUSINESS

Public Hearing Relating to the Use of the Uniform Method of Levying, Collecting and Enforcing Non-Ad Valorem Assessments

Mr. Hyche stated the next item is a public hearing relating to the district's proposed use of the uniform method of levying, collecting and enforcing non-ad valorem assessments as authorized and permitted by section 197.3632, Florida Statutes expressing the need for the levy of non-ad valorem assessments and setting forth the legal description of the real property within the district's jurisdictional boundaries that may or shall be subject to the levy of district non-ad valorem assessments.

On MOTION by Mr. Gray seconded by Mr. Capwell with all in favor the public hearing was opened.

Mr. Lyles stated this is a resolution if you favorably consider Resolution 2014-20 today that is kind of a housekeeping measure. We are ensuring that we have provided notice to all landowners in the district that we are currently and we continue to intend to have our assessments collected by what is called the uniform method. That essentially means the assessments that NSID approves at this level by the board will be collected on the property tax bill. In order to follow the statute that sets up our ability to do that we have to do an advertisement to the general public, have this public hearing today and this again, shows our intent to do this. Later we will enter into an agreement as we do with the property appraiser and tax collector's office so that they will list our assessments on the tax bill that every parcel of property in the district, residential, commercial, developed, undeveloped receives every fall and again as you know failure to pay that bill when due starts things like foreclosure if there is a default on the assessments that this district levies. Again it is a housekeeping measure picking up and re-advertising and re-noticing our intent to do that along with the properties in the Wedge. Unless there are questions regarding this resolution it is ready for you to adopt at this time.

On MOTION by Mr. Gray seconded by Mr. Capwell with all in favor Resolution 2014-20 was approved.

On MOTION by Mr. Gray seconded by Mr. Morretti with all in favor the public hearing was closed.

FOURTH ORDER OF BUSINESS

Consideration of Resolution 2014-21 Amending Resolution 2013-17 to Provide for Separate Accounting and Reporting of Connection Charges and Limiting Administrative Charges for Collection of Such Connection Charges to Actual Costs

Mr. Hyche stated item four is consideration of Resolution 2014-21 amending Resolution 2013-17 to provide for separate accounting and reporting of connection charges and limiting administrative charges for collection of such connection charges to actual costs.

Mr. Lyles stated this is also in the nature of housekeeping. We took up last fall Resolution 2013-16 and 17 they were approved by the board. It has to do with the imposition of connection charges for plant. There was a rate study performed, there was a report to this board, there was a public hearing held and new rates were adopted. We were contacted by attorneys for Toll Brothers and they were objecting to part of the process as it affected them. Everything is fine in the Wedge. Toll Brothers, which is not in the Wedge had some objections they claimed that these new connection charges were actually impact fees under certain Florida Statutes or could be construed as impact fees and as impact fees they needed among other things a longer notice period and if you will recall we had a resolution that amended the notice period to increase it from 14 days to 90 days just to avoid any question in that regard.

Two other quick things that the same argument brings into play that is, are they impact fees or are they something else, are they connection fees? We checked around and we can't find any municipality or utility provider that is treating these as impact fees but again in an attempt to be absolutely certain that we eliminate objections or complaints about how we went about it these two elements that are in this resolution today we are asking that you add as well. The two elements in subsections b and c are essentially that there be an annual accounting of how the impact fees are going, the collection the expenditures during the preceding fiscal year and I would argue that your annual audit and the way your accounts are monitored picks that up anyhow but we are going to pass this resolution so we have evidence and a paper trail saying that we actually do audit and report on the impact fee transactions in and out and secondly that the district's cost to collect the impact fees be limited to its actual cost of administration, bookkeeping, auditing, all the costs that go into collecting and auditing the impact fees that is

what we will charge on top of the impact fee itself, which is the impact on our plant. In other words we can't charge a \$100,000 premium because we are just collecting impact fees and we want to bump it up. Those two things we think are arguably called for under Florida Law so we are adding them to the mix and we are making them a matter of record before the board and the board is authorizing staff to collect and administer the impact fees or connection fees depending on who is right if this goes to court in accordance with this resolution. We have already as a matter of fact reached and surpassed the 90 day notice period that you approved that expired on December 4th. Unless there are any further questions as I said it is kind of a housekeeping measure that makes a matter of record at the board's level.

Mr. Capwell stated the second whereas clause references 2006 and not 2013.

Mr. Lyles stated that is a typo and should be 2013.

Mr. Gray stated in reference to the way you just phrased it, we were talking about the connection charges and they are not current impact fees. You used the word impact fees a lot of times.

Mr. Lyles responded I did because the impetus for us to go ahead and do this in case they are impact fees we have the situation handled. We have not agreed that they are impact fees and this resolution doesn't mean that we agree. It does mean that we are agreeing to apply these measures to our collection and administration and accounting of connection charges. It is preventive but I recommend that we do go ahead and put this in place.

Mr. Gray moved to approve Resolution 2014-21 and Mr. Capwell seconded the motion.

Mr. Lyles stated Mr. Capwell pointed out that there was a typographical error in the second whereas clause that should be from September 12, 2013 to December 4, 2013 so with that amendment to the whereas clause the motion to approve the resolution has been made and seconded so we are ready for a vote.

On voice vote with all in favor the motion passed on the amended resolution.

FIFTH ORDER OF BUSINESS

Water and Wastewater/Reuse Connection Charges and Service Agreement with Lennar Homes and Standard Pacific

Mr. Hyche stated item five is informational only it is the water and wastewater/reuse connection charges and service agreement with Lennar Homes and Standard Pacific.

SIXTH ORDER OF BUSINESS

Consideration of Final Supplemental Engineer's Reports

A. Public Assessable Infrastructure in Wedge Assessment Area B

B. Water Management Improvements in Wedge Water Management Unit Area B

Mr. Hyche stated the next item is consideration of final supplemental engineer's reports.

Ms. Ganz stated I will make an introduction to this to put it in context. We have been working toward the two bond issues one for Area B, which is the Watercress project and one for Area A, which is the MiraLago at Parkland project. At this point the underwriter has gone ahead and priced the Area B Bonds and the bond purchase contract between the district and the underwriter to provide for the sale of those bonds has been executed and the details of the bonds, their maturities, interest rates and so on are within the parameters that were approved by the board a couple of weeks ago when we did the delegation resolutions to be able to go forward with the bond issues. The first one that is priced is for Area B and we really don't have to come back to you for any specific approvals but we wanted to come back to give you a sense of how that pricing went and to have you approve the final supplemental engineer's reports because in those engineer's reports they include the tables that show the actual amounts now tied to the final details of the bonds that have to be assessed on the properties in Area B in order to pay back the bonds. Kevin or Rhonda may want to say a few things about the pricing and then Dave can describe the report and a few other changes he made.

Mr. Mulshine stated Rhonda is handing out the summary of what the terms of the bond issue turned out being after negotiation with potential investors, taking orders and signing a bond purchase agreement that was executed by the president. It is anticipated that we would close this transaction on February 20th and we are going to ask if there is any chance to meet sometime around the 18th of the month just to make sure if there are any final issues that need to be addressed by the board can then be addressed by the board.

Ms. Mossing stated we priced the special assessment bonds and the water management bonds. The special assessment bonds were two term bonds maturing in 2027 and 2034, the

yields are 6 1/8% and 6 3/8%, the water management bonds are priced at 6 5/8% so the average interest rate on the three together is 6.53% over the life of the bonds. The special assessment bonds remember are 20 year bonds and the water management bonds are 30 year bonds so your average life over the term is 20.25 and the total interest cost is 6.7% when you take into consideration all of your expenses. The goal was to have an annual assessment of around \$1,400 per unit and that is what we did when we layered in the two bond issues and the maturities that we were working with and that is what we were able to accomplish. That is what the summary page reflects and the actual numbers are behind the summary page.

Mr. Mulshine stated when we say in the engineer's report supplemental we are really not changing any of the engineering information we are putting into concrete the maximum assessment that will be levied on 589 units that will be your future neighbors in Watercress. It is basically taking Rhonda's numbers and putting them into the assessment roll is what the supplemental is doing.

Ms. Ganz stated we had a few other cleanup items that Dave can describe. The idea would be now to basically move forward to close the bond issue and all we have to do is meet and have you sign the documents. We would like to meet on the 18th because that way we sign the documents on the 18th and it gives me a day to make sure that any loose ends get cleared up and then we can fund the bond issue on the 20th.

Mr. Green stated in terms of the supplemental engineer's report for the public assessable infrastructure the changes that we made besides the tables that came from the final bond documents was that currently the developers are currently estimating about 60% of the planned improvements have been completed at this point for the public infrastructure improvements. The appraisers have completed their evaluation of the property in the Wedge that is going to be purchased by or donated to the district and that includes for the public infrastructure bonds the buffers around the outside of the Area B and previously that was estimated at about 16,250 linear feet that has gone down to 15,955 linear feet so that the area that is being acquired by the district is going to be 12.36 acres instead of 13.5 acres that we previously had in the report. The other changes were all related to the final bond issue amounts.

For the water management improvements it was similar kinds of changes in terms of the lake easements and the lake maintenance easements. Previously, we had approximately 60 acres being proposed for flowage, treatment and storage and that is now estimated at 154.87 acres and

that has gone up a lot and the reason for that is that is the total area of the lake and the previous lake was 60 acres based upon approximately 18% of the total area of the development being required to be lakes or other stormwater storage for the development. That has now changed with the 154.87 acres we are really going to be purchasing about 61.07 acres, which is the minimum requirement, which is the amount you will actually be purchasing. The residual of the 154.87 acres will now be donated by the developer to the district and that is for the lake flowage easement. In addition we have the lake maintenance easement, which is the area around the edge of the lake and that previously was estimated at 11.54 acres and has now been adjusted to 11.65 acres. 70% of the improvements for the water management improvements have been completed at this point in time. Those are the changes other than the changes in the bond issue sizing that have already been discussed.

Mr. Hyche stated we need a motion to accept the final supplemental engineer's report for Area B.

Mr. Lyles stated that would be one report for infrastructure and one report for water management.

On MOTION by Mr. Gray seconded by Mr. Capwell with all in favor the final supplemental engineer's report for public assessable infrastructure in Wedge Assessment Area B and the final supplemental engineer's report for water management improvements in Wedge Water Management Unit Area B was approved.

SEVENTH ORDER OF BUSINESS

Staff Reports

A. Manager

I. Consideration of Proposals for Landscape Maintenance of Heron Bay Commons

Mr. Hyche stated the next item is consideration of proposals for landscape maintenance of Heron Bay Commons.

Mr. Colon stated every two years we like to get proposals to make sure we are paying a competitive price. The person who is currently doing the landscape maintenance at Heron Bay Commons came in at \$102,000 and the lowest quote came in at \$50,000 from RMVD, which is \$10,000 less than what we are currently paying. Staff is recommending the low quote of \$50,000.

Mr. Gray asked have we worked with RMVD in the past?

Mr. Colon responded they have never done any work for us.

On MOTION by Mr. Gray seconded by Mr. Capwell with all in favor the contract for landscape maintenance at Heron Bay Commons was awarded to RMVD Landscaping, Inc. in the amount of their low bid of \$50,000.

II. Consideration of Quotes for Booster Pump Station Fence

Mr. Hyche stated the next item is consideration of quotes for booster pump station fence.

Mr. Colon stated basically this is for work that WCI is doing now, they are moving the berm at our booster pump station project. The work did not include moving the fence line. The fact that we have gained property and we had to move that berm out is going to require additional fencing to secure the property. We obtained a few quotes and Jeff the Fence Guy had the lowest price.

On MOTION by Mr. Gray seconded by Mr. Capwell with all in favor the contract was awarded to Jeff the Fence Guy, Inc. in the amount of their low bid of \$52,625.

III. Purchase of Two (2) Ford F250 Trucks

Mr. Hyche stated the next item is consideration of the purchase of two Ford F250 trucks. The quotes are in your package.

Mr. Colon stated we have two vehicles that currently have over 100,000 miles and we are looking to replace these assets with two new vehicles for operations. In addition to that we are also looking for permission to sell the two old assets.

Mr. Lyles stated if there is not a trade-in and you do a direct sale then we need to declare them surplus. Do you have sufficient information regarding the two old trucks to describe them for the board so that they would be comfortable taking up a motion declaring them surplus today rather than wait?

Mr. Hyche stated these are two Ford F250's with over 100,000 miles that have been used in the field for pipe maintenance and have become unfixable and cost too much for repairs.

Mr. Gray asked how many years have we had these trucks?

Mr. Colon responded I believe these vehicles are nine years old.

On MOTION by Mr. Gray seconded by Mr. Capwell with all in favor the contract for purchase of two Ford F250 trucks was awarded to Plantation Ford in the amount of their low bid of \$27,882.80 each.

On MOTION by Mr. Gray seconded by Mr. Capwell with all in favor the two nine year old Ford F250 trucks were declared surplus and staff authorized to notice the sale of the surplus trucks through a competitive process.

B. Attorney

Mr. Lyles stated the matter of our litigation with the county was in the Fourth District Court of Appeal for several months with us seeking review of the issue of whether or not NSID would have to serve the other 10 members of the service area who are also parties to the Large User Agreement that we are a party to and make them parties as the county contended or as we contended that was not necessary, the county being the real party in interest. After sitting on this for several months the Fourth District Court of Appeal decided not to make a ruling, which means that the lower court ruling that we do have to add them as parties stands. We have now through our special counsel amended the complaint and served each of those cities with a summons and complaint making them a party to this action. As of today we received a report that the first three or four cities to respond have all said we do not believe we are proper parties to this case and we want to be let out. They are at least being given the opportunity since according to the county they will be significantly affected by the outcome of this litigation. They evidently don't see it that way they see it the way that you did. Right now they are all lining up saying not us, we don't care, let it go. When we have all of those responses in place then we will be ready to start setting hearings again.

C. Engineer

I. Amendment No. 4 to Work Authorization 200 Heron Bay Bond Completion Work for a Net Increase in the Amount of \$20,000

On MOTION by Mr. Gray seconded by Mr. Capwell with all in favor amendment no. 4 to W.A. 200 Heron Bay bond completion work for a net increase of \$20,000 was approved.

II. Amendment No. 1 to Work Authorization 197 Parkland Golf and Country Club Buffer and Bond Completion Work for a Net Increase in the Amount of \$150,000

Mr. Colon stated CH2M Hill has to conduct additional inspection work and review plans for the completion of some additional buffers that the county is requiring at Parkland Golf and Country Club.

On MOTION by Mr. Gray seconded by Mr. Capwell with all in favor amendment no. 1 to work authorization 197 Parkland Golf and Country Club buffer and bond completion work for a net increase of \$150,000 was approved.

III. Work Authorization 223 NSID Administrative Building Interior Renovation Design in the Amount of \$23,500

Mr. Colon stated our meeting room is a garage and we would like permanently transform this into an actual meeting room.

On MOTION by Mr. Gray seconded by Mr. Capwell with all in favor work authorization 223 for the NSID administrative building interior renovation design in the amount of \$23,500 was approved.

IV Project Status Report

A copy of the project status report is included in the agenda package.

EIGHTH ORDER OF BUSINESS

Approval of Financials and Check Registers

On MOTION by Mr. Gray seconded by Mr. Morretti 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 5:35 p.m.

February 5, 2014

North Springs Improvement District



Vincent Morretti
Secretary



David Gray
President