

**SOUTH BROWARD DRAINAGE DISTRICT
GOVERNING BOARD MEETING MINUTES**

DECEMBER 15, 2016

Present:

Scott Hodges, Chairperson
James Ryan, Vice Chairperson
Vicki Minnaugh, Treasurer
Robert E. Goggin, IV, Secretary
Alanna Mersinger, Commissioner
Thomas Good, Commissioner
Mercedes Santana-Woodall, Commissioner

Douglas R. Bell, Legal Counsel
Kevin M. Hart, District Director
Reina Muniz, Recording Secretary
General Public: See Attached List

Absent:

01. CALL TO ORDER/ROLL CALL/PLEDGE OF ALLEGIANCE

Chair Hodges called the SBDD Board Meeting to order at 8:06 a.m.; with Vice Chair Ryan, Commissioner Minnaugh, Commissioner Mersinger, Commissioner Good, Commissioner Goggin, and Commissioner Santana-Woodall present; followed by the Pledge of Allegiance.

02. PUBLIC COMMENT

None.

03. APPROVAL OF MINUTES

Commissioner Minnaugh moved for approval of the minutes of the November 17, 2016, South Broward Drainage District Board meeting. Motion was seconded by Commissioner Santana-Woodall and it was carried unanimously.

04. DIRECTOR'S REPORT

A. REQUEST TO PURCHASE NEW SBDD VEHICLE

District Director Hart stated that SBDD staff researched pricing for the purchase of a new vehicle to replace one of the District's existing vehicles; and he requested approval to purchase a new 2017 Ford Escape. The lowest price available for the purchase of a new 2017 Ford Escape is through the Florida Sheriff's Association Contract in the amount of \$18,060.00. The Florida Sheriff's Association Contract was awarded through a publically advertised, competitive bid process and therefore, the purchase of a vehicle through this contract does not require SBDD to publically advertise for bids.

SBDD has researched other pricing options for a comparable 2017 Ford Escape, and determined that the pricing through the Florida Sheriff's Association Contract is the most

economical option. Informal pricing obtained from other local car/truck dealers exceeded \$24,500 in price.

District Director Hart requested approval for the District to purchase a 2017 Ford Escape from Hub City Ford, Inc. under the Florida Sheriff's Association Contract in the amount of \$18,060.00. The purchase of the new vehicle will be funded through the General Operating Account as part of the District's 2016-2017 budget.

Commissioner Minnaugh moved for approval of the purchase of a new SBDD vehicle for the total amount of \$18,060.00. Motion was seconded by Commissioner Santana-Woodall.

Commissioner Good asked District Director Hart how the District will deal with the disposition of the existing vehicle. District Director Hart explained that the old vehicle will be placed out for public auction along with the District's other surplus equipment.

The question was called and it was carried unanimously.

B. REQUEST TO PURCHASE TRACTOR WITH ROTARY MOWER (6-FOOT WIDE)

District Director Hart stated that over the past several years, SBDD staff has been discussing the possibility of purchasing some additional equipment; and one piece of equipment that was discussed was a multi-use piece of field equipment.

He said that SBDD staff has researched pricing for the purchase of a 4-Wheel Drive Tractor with attachments for bush hogging/grass cutting (rotary mower) and a front-end bucket for loading of materials. In addition, the tractor will allow for the attachment of a small back hoe in the future.

The main purpose of this piece of equipment is to provide SBDD the ability to maintain its right-of-way and easement areas, with in-house staff and equipment. Previously, SBDD has contracted out this type of work. He said that the District is having difficulty in getting landscape companies to give the District pricing to cut the right-of-way areas, because of the low frequency in which this work is done. He indicated that it would be more economical and beneficial for the District to have the ability to do this work in-house; and this tractor will give the District that ability.

In addition, this equipment will allow SBDD to perform small, miscellaneous grading and excavation work through a simple switching out of attachments on the tractor. SBDD staff believes that this equipment will be ideal for maintaining the District's field area, easement areas, and right-of-way areas, and in performing small, miscellaneous drainage improvement projects.

District Director Hart requested approval to purchase the following equipment:

- 2017 Massey Ferguson 1742 Tractor
- Land Pride RCF2760 60" rotary cutter with front & rear chain guards
- Massey Ferguson DL125 Loader package with 66" bucket

The lowest price available for the purchase of this equipment is through the Florida Sheriff's Association Contract in the amount of \$33,589.00. The Florida Sheriff's Association (FSA) Contract was awarded through a publically advertised, competitive bid process and therefore,

the purchase of a tractor through this contract does not require SBDD to publically advertise for bids.

District Director Hart requested approval for the District to purchase a 2017 Massey Ferguson 1742 Tractor, Land Pride RCF2760 60” rotary cutter with front & rear chain guards, and a Massey Ferguson DL125 Loader package with 66” bucket from Kelley Tractor Company in the total amount of \$33,589.00. The purchase of the new equipment will be funded through the General Operating Account as part of the District’s 2016-2017 budget. Funding will be split between line items 1785 - Equipment (\$30,506) and 1685 – Landscaping/Mowing/Clearing (\$3,083).

Commissioner Goggin moved for approval of the purchase of a new SBDD Tractor with Rotary Mower, and a Massey Ferguson DL125 Loader package for the total amount of \$33,589.00. Motion was seconded by Commissioner Minnaugh.

Commissioner Santana-Woodall asked how much the District is saving by purchasing this equipment. District Director Hart replied approximately \$6,000 per year. Chair Hodges asked if the District has staff that qualify to operate this equipment. District Director Hart replied yes. Commissioner Goggin commented that this piece of equipment will last for a very long time.

District Director Hart commented that since 2013 the District has contracted out \$17,100 to Southern Bush Hog to do the right-of-way mowing; but they are no longer willing to perform that work for SBDD.

Commissioner Minnaugh stated that the total cost to purchase the tractor and options is approximately \$38,000, and the District is spending almost \$34,000 for the initial purchase; she asked if there were funds available to purchase all of the attachments now, rather than wait until next year when the cost is higher. District Director Hart replied that his preference would be to wait until we are further into the fiscal year. He said that when the budget is reviewed in August, he can see where the District is financially, and if there are additional funds, he will come forward with the request for that additional attachment; but at this point, looking at the two line items just discussed, he does not see how the District has the ability, at least under the two items. He said that he does feel that SBDD may have some additional funds from other line items later in the year.

District Director Hart informed the Board that staff is also looking at a third piece of equipment for this year, and that he believes it can be funded from the aquatic maintenance line item. He said it is really a piece of equipment for aquatic maintenance that works like a bulldozer in water; where you can take vegetation, pick it up and move it.

The question was called and it was carried unanimously.

C. AGREEMENT WITH DOUGLAS R. BELL TO PROVIDE LEGAL SERVICES

District Director Hart presented for the Board’s review and approval a formal Agreement with Attorney Douglas R. Bell to provide legal services to SBDD.

District Director Hart stated that Attorney Douglas R. Bell has been providing legal services to SBDD since August of 1984; however, the District does not have a formal Agreement with Attorney Bell for providing these services. The proposed Agreement provides the terms and

conditions for Attorney Bell to provide legal services to SBDD. The hourly rates are consistent with the hourly rates approved by the Board at the October Board meeting.

Funding for SBDD legal services will be through the General Operating Account as part of the District's 2016-2017 budget. District Director Hart requested approval of the Agreement with Douglas R. Bell to provide legal services to South Broward Drainage District in accordance with the terms and conditions stipulated in the Agreement.

Commissioner Goggin made a motion for the approval of the Agreement with Douglas R. Bell to provide legal services to SBDD. Motion was seconded by Commissioner Mersinger.

Vice Chair Ryan suggested that the termination clause be increased to 90 days instead of 30 days written notice as stated in the Agreement. He also commented that he is not in agreement that a simple majority vote by the Board could terminate the Agreement, and asked for consideration to change that to a super majority vote.

District Director Hart stated that it would be up to the Board on the question of a simple majority vote vs. a super majority vote; and that on the termination, it is a 90-day termination. He said that it is a 30-day written notice; but the Attorney needs to stay on board for 90 days, to allow the District time to bring on a new attorney. The Board can terminate at any time. Vice Chair Ryan reiterated that he does not agree with the clause that allows a simple majority vote rather than a super majority vote to terminate the Agreement.

Commissioner Goggin stated that he had no problem with going to a super majority vote, if the other Board members felt the same.

Commissioner Good stated that he was not in favor of the super majority vote, based on the Agreement as written. For a simple majority, this Agreement is fine, because it is a basic Agreement, but for a super majority vote, there should be other items included in the Agreement.

Commissioner Mersinger noted that currently, the only action by the District that requires a super majority vote is the use of the SBDD Emergency Funds.

Commissioner Good had questions on some of the language in the Agreement. He first asked who negotiated the Agreement; and District Hart replied that Chair Hodges and he had negotiated the Agreement.

Commissioner Good noted that on Page 3 in the section on "Conflict of Interest" it states: "The District Attorney shall have the right to resolve such conflict as he deems fit . . .". There will be occasions where there will be a conflict of interest, and Commissioner Good believes that whenever there is a conflict of interest it should be disclosed; and the District Attorney should be given written consent by the District in order to continue to represent the District.

Commissioner Mersinger opined that it should say, that in the event of a conflict . . . "The District Attorney shall have the right to resolve such conflict as he and the Board sees fit".

Vice Chair Ryan stated that he believes attorneys have an ethical obligation to disclose any kind of conflict; and that it seems to him that it would be a Florida law to do so; and if there was a conflict, the onus would be on this Board to get another attorney to represent the District.

District Director Hart said that the language was based on the requirement for Attorney Bell to adhere to the ethical standards within his practice of law; but that if the Board was more comfortable, the second sentence could be struck out, because attorney Bell has to follow the rules of “Professional Conduct”, regardless; and it doesn’t necessarily need to be written in the Agreement. He said that under item B, in the second sentence, they can add language to say, if appropriate, “the Board shall approve a consent agreement related to said conflict of interest”. He said he does not believe that every conflict would rise to the level of needing an agreement; it may just be a question of Attorney Bell informing and the Board and saying that it doesn’t rise to that level, but it can be written in the Agreement that it would be brought to the Board’s attention, and they would make the decision as to whether or not it would require a consent agreement or withdraw by Attorney Bell. He thinks that the second sentence could be struck, because that to him, is a requirement for Attorney Bell under his license to practice law; and additional language can be added to item B, that would make it crystal clear, that if Attorney Bell makes the Director aware of a conflict, it is coming forward to the Board for their information, and for appropriate review and action.

Commissioner Good noted that Director Hart was making reference to a consent “agreement”, and he did not feel that was necessary. He was looking for “permission to proceed” in regard to any conflict of interest; and it didn’t need to be by the Board, if the Board wished to delegate that to the District Director. He felt that this was a very important issue for the District. In summary, he indicated that he is looking for a disclosure of any conflict of interest and permission to represent in regard to the conflict; and he did not feel that the Board should be out of the loop on this at all.

District Director Hart added that in that scenario, the District Director would have the responsibility to determine whether it needs to be brought before the Board. If the language was written, “the District shall provide written consent”, as opposed to the Board, the Director would still have the ability to bring it forward to the Board, as with any item.

Chair Hodges commented that he does not feel the Board is out of the loop because the attorney has to bring it to the Board’s attention and the Board has to take action; and he quoted the sentence that states . . . “in the event that a potential conflict of interest arises . . . , the attorney shall inform the District in writing . . .”. Commissioner Mersinger suggested that the word “shall” be replaced with “must”. Commissioner Good said that you would have to look at the totality of the article. He said that the totality of the article states that “if he deems there is a conflict” then he will tell the Board. Chair Hodges asked if the language can be removed and replaced with whatever administrative code applies. Commissioner Good said that he is not trying to change the spirit of the clause; he is just saying that once the Board knows that there is a conflict and permission is needed, the Board will determine whether the attorney can proceed or not.

Commissioner Goggin indicated that he was in favor of the language that Commissioner Good suggested and also that the District Director would decide if it needed to come before the Board.

District Director Hart suggested that they would strike out the second sentence of item A and item B would be rewritten to read, “the District Attorney must inform the District in writing of any potential conflict of interest as soon as possible and shall coordinate with the District to ensure that the interests of the District are not compromised in any way as a result of said conflict of interest”. In addition, “the District shall provide written consent for the attorney to continue to represent the District in regards to said conflict of interest”.

There were still certain words that Commissioner Good felt needed to be re-worked.

Attorney Bell said that regardless, he would still have to go by the Professional Rules of Conduct, with or without a contract; and if there is a conflict he has to disclose it; and he has to inform both clients, and consider the ramifications of what needs to be done.

Commissioner Good had a question on the term of the Agreement in relation to the compensation. He understands that this is a 5-year agreement, but under the section on "Term", it says nothing about compensation. He said that typically when you agree on the term there is language in regard to compensation and whether it is adjustable or not. He wanted to know if there will be an adjustment during the term of the contract. District Director Hart said that there is no automatic adjustment; and that on the Rate Schedule it states: "the rate schedule shall take effect upon approval of the Agreement by the Board, and shall remain in effect unless otherwise modified by the Board"; so the Rate Schedule is fixed unless the Board approves a change to the rates.

District Director Hart said that historically the District's attorney rates have remained in effect for 6 plus years, and it is not uncommon for these rates to stay in effect for 5 years. He said that Attorney Bell has the ability to request a rate increase, but nothing is automatic, and it has to be approved by the Board.

Commissioner Good then suggested that language be included that there will be no rate adjustment during the term of the agreement.

Attorney Bell commented that he would rather leave it as is, so that he can have the option to come back, because who knows what can happen in the next 5 years. He said that historically, many years have passed between rate increases.

Commissioner Good said that he is just going by what he understands is standard contract language on the term and compensation. He said that he is making a suggestion that the Agreement state that there is no increase in the compensation until you have a renewal, because there is nothing in the agreement that says that. He said that as an alternative, he would like for consideration, if there is a change in the fee, there would be an opening to modify the entire agreement. Attorney Bell clarified that the wording would say something like . . . "if there is a request for an increase in compensation, then the entire agreement would be subject for review by the Board".

Commissioner Good also commented on the last statement on Section F, "The District Attorney shall be exempt from providing any document that falls under the category of "Attorney/Client Privilege, Work Product Privilege and other exempt categories that may be applicable as determined by the District Attorney". He asked for clarification on what is considered "exempt categories".

District Director Hart explained that this clause was protection for the District against a public records request for documents that would fall under the category of work product. He said that, as everyone is aware, especially in a litigation procedure, there is certain work product that is not public record. He said that they could add another sentence that states that in all cases, any documents in the possession of the District Attorney are the District's records. Commissioner Good was okay with the clause as written.

Commissioner Good requested consideration that language be added that no political campaign contributions be given by the Attorney to the Board during elections.

Attorney Bell asked if it would also include anyone running for a vacant seat. Commissioner Good replied he does not think that the attorney should be giving money to anyone, whether they are an incumbent or whether they are running.

District Director Hart summarized the list of changes suggested by the Board for the final agreement:

1. Conflict of Interest - Remove the second sentence in item A and add language to modify paragraph B to include language that the District Attorney is required to inform the District of any potential conflicts in writing, and the District shall provide written consent for the attorney to continue, or to withdraw in respect to said conflict of interest. As a separate clause, he will add that in all cases, the attorney shall follow all Rules of Professional Conduct under the professional board of regulations. This will be standard.
2. Compensation – The rates under this Agreement shall remain in effect for the term of the Agreement, or that the attorney will have the ability to request a rate increase; however, any request by the District Attorney for any change in compensation will allow the Board to renegotiate any other term and condition of the Agreement.
3. Contributions to Political Campaigns - Add a clause that the District Attorney shall not contribute to the campaign of any person running for office of SBDD.

Commissioner Good made a motion to table the approval of the Agreement to the next Board Meeting; once the items before-mentioned are inserted into the Agreement. Motion was seconded by Commissioner Minnaugh and it was carried unanimously.

D. RE-INVESTMENT OF DISTRICT FUNDS

District Director Hart stated that the following investment funds are scheduled to mature in the next three months:

- | | |
|-------------------------------------|---------------------------|
| 1. Regent Bank CD - \$244,976 | Maturity Date – 1/11/2017 |
| 2. FL Community Bank CD - \$247,500 | Maturity Date – 2/25/2017 |

On December 6, 2016, the Finance and Investment Committee met to discuss the District’s options for re-investing the cash-on-hand that will be available upon the maturity of these investment funds. The recommendation from the Finance and Investment Committee is to re-invest these funds in a new 12-month CD.

A 12 month cash flow analysis by SBDD staff indicates that the District will have adequate cash-on-hand over the next 8 months, and if necessary, future maturing CDs can be transferred to cash.

District Director Hart requested approval to re-invest the monies that will become available from two maturing SBDD investments by purchasing a new 12-month CDs in the same amounts as the original CDs.

Commissioner Goggin moved for approval to re-invest the monies that will become available from a maturing CD investment next month by purchasing a new 12-month CD as requested. Motion was seconded by Vice Chair Ryan and it was carried unanimously.

E. OTHER

- **Update on Garage Building Expansion** – District Director Hart said that the Architect is on board; and they had a design and coordination meeting with the design team. Drawings will be complete by February, and they hope to have it out to bid by that time. Everything is looking good. He said he will continue to give the Board updates.
- **Miscellaneous** - District Director Hart thanked Commissioner Goggin for participating in a demonstration of a new piece of equipment the District is considering. Commissioner Goggin was very impressed, as well as the SBDD staff.

05. Attorney Report:

None.

06. APPROVAL OF LEGAL FEES

Commissioner Minnaugh moved for approval of the legal bills. Motion was seconded by Commissioner Goggin and it was carried unanimously.

07. BOARD MEMBER'S QUESTIONS/COMMENTS

08. MEETING DATE(S)

A. **Regular Board Meeting** will be held on **Thursday, January 26th at 8:00 a.m.**

Adjournment at 9:22 A.M.

Respectfully submitted,

Robert E. Goggin IV, Secretary
South Broward Drainage District

/rim

****MEMORANDUM****

DATE: January 19, 2017
TO: South Broward Drainage District Commissioners
FROM: Kevin M. Hart, P.E.
District Director
Subject: SBDD Annual Financial Statements – Draft Copy

Comments:

A draft report of the SBDD Financial Statement for the Fiscal Year Ending September 30, 2016 has been prepared by the District's accounting firm, Margolies, Fink and Wichrowski, Certified Public Accounts (MFW). Barry Fink, CPA, a partner with MFW will be in attendance at the January Board meeting to present an overview of the draft report and to answer any questions.

A copy of the draft report is attached.

KH
Attachment

SOUTH BROWARD DRAINAGE DISTRICT

ANNUAL FINANCIAL STATEMENTS

September 30, 2016

D R A F T

1/18/17

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INTRODUCTORY SECTION

SOUTH BROWARD DRAINAGE DISTRICT

Board of Commissioners

September 30, 2016

Scott Hodges	Chairperson
James Ryan	Vice Chairperson
Robert E. Goggin, IV	Secretary
Vicki Minnaugh	Treasurer
Tom Good	Commissioner
Mercedes B. Santana-Woodall	Commissioner
Alanna Mersinger	Commissioner

Counsel to the District

Douglas R. Bell
Bell & Bell
Ft. Lauderdale, Florida

District Director

Kevin M. Hart, P.E.

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Honorable Board of Commissioners,
South Broward Drainage District:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of South Broward Drainage District ("the District"), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of

significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the South Broward Drainage District, as of September 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5–9 and 31–33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the South Broward Drainage District's basic financial statements. The introductory section and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 9, 2017, on our consideration of the South Broward Drainage District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and

grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering South Broward Drainage District's internal control over financial reporting and compliance.

January 9, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

The management of South Broward Drainage District ("District") would like to provide readers of the District's financial statements this narrative overview and analysis of the financial activities for the year ended September 30, 2016. Readers are encouraged to consider the information presented in this discussion and analysis in conjunction with the District's basic financial statements, which are contained herein and commence on page 10.

The South Broward Drainage District exists pursuant to the provisions of Ch. 12049, a special act of the Florida legislature. The District was originally created in 1927; and today, the single purpose District manages approximately 46,400 acres (72.5 square miles) in southwest Broward County, Florida and serves a population of approximately 255,000 residents. The District, a special taxing district, has powers primarily in the areas of stormwater management and flood control. Their powers include rights to borrow money and issue bonds or other evidences of indebtedness, assess and impose upon all the lands in the District annual drainage, administrative, operation and maintenance taxes, and the District has the ability to install and foreclose special assessment liens.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the end of the fiscal year by \$21,404,566. Pursuant to the GASB Statement No. 54 presentation requirements, \$1,105,590 of this amount may be used to meet the District's ongoing operations and \$5,147,682 has been committed for specific purposes.
- The District's total net position increased by \$54,480, or .26% in 2016.
- The total assets of the District amounted to \$22,200,214 as of September 30, 2016. Of this amount, \$15,151,294 represented the net investment in capital assets. The total liabilities amounted to \$795,648.
- The District's total general revenues (on an accrual basis) were \$3,305,605 for the year ended September 30, 2016.
- The total expenses for all of the District's activities were \$3,251,125 for the year ended September 30, 2016.
- As of September 30, 2016, the District has a total of \$6,253,272 of unrestricted net position, of which \$5,147,682 has been committed for specific purposes; \$188,561 has been appropriated during the preparation of the fiscal year 2017 budget, leaving a remaining balance of \$917,029 as unassigned funds.

DISTRICT HIGHLIGHTS

- Completed the following improvements under the District's 5-Year Capital Improvements Plan (CIP) during the 2015/2016 fiscal year:
 - Upgraded the control panels for the S-4 and S-5 pump stations.
 - Converted one drainage pump from oil cooled to water cooled pump at the S-4/S-5 pump station. This was the last pump to be converted from oil cooled to water cooled.
 - Rebuilt one gear drive at the S-2 pump station.
 - Rebuilt two Caterpillar motors; one at the S-1 pump station and the second at the S-7 pump station.
 - Installed a new metal roof at SBDD headquarters.

- Continued with the planning efforts for the expansion of the garage area in the SBDD maintenance yard.

Completed the following improvements as part of the District's annual maintenance, repairs, replacement and upgrades work during the 2015/2016 fiscal year:

- Re-graded and stabilized the canal slopes adjacent to the S-2 pump station.
- Re-graded and stabilized the canal slopes adjacent to the S-7 pump station.
- Re-graded and stabilized the canal slopes adjacent to the S-3 pump station.
- Installed guardrail along the existing canal on the downstream side of the S-3 pump station.
- Oversaw the completion of the SW 205th Avenue rear yard drainage project.
- Installed five (5) storage bins at SBDD headquarters (back field).
- Performed an assessment and preliminary design for the rehabilitation of the B-1 pump station.
- Participated in a joint project with the Town of SW Ranches on the SW 55th Street drainage improvements – SBDD prepared the design plans and obtained permits.
- Installed GPS on all SBDD vehicles and boats for improved safety & supervision of staff.
- Replaced and upgraded the exhaust system at the S-8 pump station.
- Installed new LED lighting at the S-7 pump station.
- Installed new battery chargers at the S-1 pump station.
- Installed a new trash rack at the S-3 pump station.
- Installed additional outdoor cameras at the S-1 and S-3 pump stations.
- Installed new cameras (indoor and outdoor) at the S-4/S-5 pump station.
- Purchased a new field truck.
- Purchased a new towable spray rig.
- Completed lateral canal excavations in Basin 8 (Rolling Oaks).
- Modified the Riverdale outfall connection (new baffle).
- Purchased carbon fiber drive shafts for the S-1 pump station.
- Purchased three (3) new clutches for the S-1 pump station and one (1) spare clutch for the S-2 pump station.
- Purchased spare sensors and gauges for all pump stations.
- Installed tow bars on all boat motors (safety).
- Purchased a new bumper winch for SBDD Truck #33.
- Purchased new transfer pumps for the maintenance of SBDD pump stations.
- Repaired fencing in the SBDD field area.
- Installed culvert slip liners at two locations in Rolling Oaks (Basin 8).
- Upgraded the Data Flow antenna at SBDD headquarters.
- Purchased a new computer tablet for SBDD's mechanic.
- Completed boat ramp improvements at miscellaneous locations throughout the District.
- Performed miscellaneous tree removal and trimming.
- Performed miscellaneous culvert inspections, culvert cleaning, and swale improvements.

Participated in miscellaneous outreach efforts.

USING THE ANNUAL REPORT

This discussion and analysis are intended to serve as an introduction to South Broward Drainage District's basic financial statements. The District's annual report consists of four sections: 1) Introductory Section, 2) Financial Section, 3) Other Reports Section, and 4) Management Letter Section. The basic financial statements themselves consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements

The government-wide statements report information as a whole using accounting methods similar to those used by private sector business. One very important question asked about the District's finances is "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question.

The statement of net position presents information on all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the four reported as net position. Over time, an increase or decrease in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. However, other factors should be considered, such as the physical condition of the District's capital assets (buildings, stormwater pump stations, canals, etc.) to assess the overall well-being of the District.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in this statement for particular items that will only result in cash flows in future fiscal periods. The government-wide financial statements can be found on pages 10 and 11.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate legal compliance with finance-related legal requirements. Presently the District has only one governmental fund.

The District's basic services are reported in a governmental fund, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. The fund is reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a short-term view of the District's operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

The District outlines the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and the basic governmental fund statements in a reconciliation schedule supporting the Fund Financial Statements.

During the fiscal year ending September 30, 2016, the District maintained one individual governmental fund, the General Fund. The District may establish other funds to help it control and manage money for particular purposes or to show that it is meeting its legal and fiduciary responsibilities.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found beginning on page 16 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The District also references the employment contract with the District Director who serves at the pleasure of the Board of Commissioners.

THE DISTRICT AS A WHOLE

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of South Broward Drainage District, assets exceeded liabilities by \$21,404,566 at the close of the most recent year. The largest portion of the District's net position (71%) reflects its net investment in capital assets (land, buildings, canals, machinery and equipment). The District uses capital assets to provide services to citizens; accordingly, these assets are not available for future spending.

An additional portion of the District's net position (24%) represents resources that have been committed as to how they may be used. These resources can be used only for their intended designation. The remaining unrestricted net position (\$1,105,590) may be used to meet ongoing operations.

The District adopted the fiscal year 2015-2016 Budget on September 14, 2015. On August 25, 2016 the Board approved certain line item reclassifications to the original budget. Total general fund expenditures budgeted for the year ended September 30, 2016 were \$3,345,099. Total actual general fund expenditures were \$2,933,560, and the District achieved a favorable budget variance for the year ended September 30, 2016 of \$525,929, as reflected on page 33 of the financial statements.

Contacting the District's financial management

This financial report is designed to provide a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the District Director, Kevin Hart, at 6591 Southwest 160 Avenue, Southwest Ranches, Florida 33331.

COMPARATIVE FINANCIAL INFORMATION

District's Net Position As of September 30,

	<u>2016</u>	<u>2015</u>
Current and other assets	\$ 7,048,920	\$ 7,028,469
Capital assets	<u>15,151,294</u>	<u>15,079,298</u>
Total assets	<u>\$ 22,200,214</u>	<u>\$ 22,107,767</u>
Current and other liabilities	<u>\$ 795,648</u>	<u>\$ 757,681</u>
Total liabilities	<u>\$ 795,648</u>	<u>\$ 757,681</u>
Net Position:		
Net investment in capital assets	\$ 15,151,294	\$ 15,079,298
Restricted	-	-
Unrestricted	<u>6,253,272</u>	<u>6,270,788</u>
Total net position	<u>\$ 21,404,566</u>	<u>\$ 21,350,086</u>

District's Changes in Net Position Years Ended September 30,

	<u>2016</u>	<u>2015</u>
General revenues:		
Maintenance taxes	\$ 3,093,391	\$ 3,089,420
Permits and other income	202,109	201,171
Investment earnings	<u>10,105</u>	<u>20,309</u>
Total revenues	<u>3,305,605</u>	<u>3,310,900</u>
Expenses:		
Operation and maintenance	2,866,907	2,926,589
Depreciation	<u>384,218</u>	<u>388,897</u>
Total expenses	<u>3,251,125</u>	<u>3,315,486</u>
Increase (decrease) in net position	54,480	(4,586)
Net position – beginning	<u>21,350,086</u>	<u>21,354,672</u>
Net position – ending	<u>\$ 21,404,566</u>	<u>\$ 21,350,086</u>

**BASIC FINANCIAL STATEMENTS –
GOVERNMENT-WIDE**

SOUTH BROWARD DRAINAGE DISTRICT
Statement of Net Position
September 30, 2016

ASSETS

Cash and investments – unrestricted	\$ 900,895
Cash and investments – temporarily restricted	5,975,937
Receivables, including interest	5,050
Inventory	113,313
Other assets	53,725
Capital assets:	
Land	349,616
Other capital assets, net of depreciation	<u>14,801,678</u>
Total capital assets	<u>15,151,294</u>
Total assets	<u>22,200,214</u>

LIABILITIES

Accounts payable and accrued expenses	155,035
Compensated absences payable	123,739
Refundable deposits	<u>516,874</u>
Total liabilities	<u>795,648</u>

NET POSITION

Net investment in capital assets	15,151,294
Unrestricted	<u>6,253,272</u>
Total net position	<u>\$ 21,404,566</u>

See accompanying notes to the financial statements.

SOUTH BROWARD DRAINAGE DISTRICT
Statement of Activities
For the year ended September 30, 2016

Expenses:	
Personnel services	\$ 1,249,961
Materials and services	1,506,686
Depreciation expense	384,218
Collection discounts	<u>110,260</u>
Total expenses	<u>3,251,125</u>
General revenues:	
Maintenance taxes	3,093,391
Permits and other income	202,109
Investment earnings	<u>10,105</u>
Total general revenues	<u>3,305,605</u>
Changes in net position	54,480
Net position, beginning of year	<u>21,350,086</u>
Net position, end of year	<u>\$ 21,404,566</u>

See accompanying notes to the financial statements.

**BASIC FINANCIAL STATEMENTS –
FUND**

SOUTH BROWARD DRAINAGE DISTRICT
Balance Sheet – Governmental Fund
September 30, 2016

ASSETS	<u>General Fund</u>
Cash	\$ 5,146,855
Investments	1,729,977
Receivables:	
Delinquent taxes and assessments, including interest	1,955
Other	3,095
Inventory	113,313
Other assets	<u>53,725</u>
Total assets	<u>\$ 7,048,920</u>
LIABILITIES AND FUND EQUITY	
Liabilities:	
Accounts payable and accrued expenses	\$ 155,035
Compensated absences payable	123,739
Refundable deposits and deferred income	<u>516,874</u>
Total liabilities	<u>795,648</u>
Fund balances:	
Committed	5,147,682
Assigned	188,561
Unassigned	<u>917,029</u>
Total fund equity	<u>6,253,272</u>
Total liabilities and fund equity	<u>\$ 7,048,920</u>

See accompanying notes to the financial statements.

SOUTH BROWARD DRAINAGE DISTRICT
Reconciliation of Balance Sheet - Governmental Fund
to the Statement of Net Position
September 30, 2016

Total governmental fund balances \$ 6,253,272

Amounts reported in the statement of net position are different because:

Capital assets used in governmental activities are not
financial resources, and therefore are not reported in funds:

Capital assets	\$ 23,248,210	
Less accumulated depreciation	<u>(8,096,916)</u>	<u>15,151,294</u>

Total net position \$ 21,404,566

See accompanying notes to the financial statements.

SOUTH BROWARD DRAINAGE DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Fund
For the year ended September 30, 2016

	<u>General Fund</u>
Revenues:	
Maintenance taxes	\$ 3,093,391
Permits and other income	202,109
Interest	<u>10,105</u>
Total revenues	<u>3,305,605</u>
Expenditures:	
Capital outlay	456,214
Operating	2,530,644
Administrative	226,003
Discounts	<u>110,260</u>
Total expenditures	<u>3,323,121</u>
Excess (deficiency) of revenues over expenditures	(17,516)
Fund balance at beginning of year	<u>6,270,788</u>
Fund balance at end of year	<u>\$ 6,253,272</u>

See accompanying notes to the financial statements.

SOUTH BROWARD DRAINAGE DISTRICT
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance -
Governmental Fund to the Statement of Activities
For the year ended September 30, 2016

Net change in fund balances – total governmental fund \$ (17,516)

Amounts reported in the statement of activities are different because:

Governmental funds report capital outlays as expenditures.
 However, in the statement of activities, the cost of capital assets
 is allocated over their estimated useful lives and reported as
 depreciation expense:

Expenditures for capital assets	\$ 456,214	
Less current year depreciation	<u>(384,218)</u>	<u>71,996</u>
Changes in net position		<u>\$ 54,480</u>

See accompanying notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS

SOUTH BROWARD DRAINAGE DISTRICT

Notes to Financial Statements

(1) DESCRIPTION OF THE SOUTH BROWARD DRAINAGE DISTRICT

The South Broward Drainage District ("District") exists pursuant to the provisions of Chapter 12049, a Special Act of the Florida Legislature. The District was originally formed in 1927 and includes approximately 46,400 acres in southwest Broward County, Florida. The governing body of the District is the Board of Commissioners ("Board"), comprised of seven elected members.

The District is a special taxing district with powers primarily in the areas of stormwater management and flood control. Such powers include rights to borrow money and issue bonds or other evidences of indebtedness, assess and impose upon all the lands in the District annual drainage, administrative, operation and maintenance taxes, and impose and foreclose special assessment liens.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with generally accepted accounting principles ("GAAP") as applied to government units. The Government Accounting Standards Board ("GASB") is the standard-setting body for establishing government accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

(a) Reporting Entity

The District follows the standards promulgated by GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, to define the reporting entity. The District's financial statements include operations for which the District exercises oversight responsibility. Oversight responsibility is demonstrated by financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The District has not identified any component units and is not a participant in any joint venture; accordingly, operations of no other entities have been included in the financial statements.

The District implemented the requirements of GASB 54 *Fund Balance Reporting and Governmental Fund Type Definitions* during the year ending September 30, 2011.

The District implemented the requirements of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*, during the year ended September 30, 2013. This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources.

(Continued)

SOUTH BROWARD DRAINAGE DISTRICT

Notes to Financial Statements (Continued)

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. The District did not have any deferred outflows or deferred inflows of resources as of September 30, 2016 that were required to be disclosed in the Statement of Net Position.

(b) Government-wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements. The government-wide statements focus on the District as a whole, while the fund financial statements focus on major individual funds.

The government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements report information on all activities of the District. Interfund activity has been eliminated from these statements. The Statement of Activities demonstrates the extent to which the expenses of the District are offset by the revenues collected by the District. Revenues collected include the investment income earned during the year. The District's policy is to apply restricted resources before unrestricted resources when an expense is incurred for the purposes for which both restricted and unrestricted assets are available.

Separate financial statements are provided by governmental funds. Major governmental funds are reported as separate columns in the fund financial statements. The governmental funds' statements reflect amounts due from/to other funds. These amounts represent transfers that were made during the year between funds that will be repaid in the future period.

(c) Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned; and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Maintenance taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

(Continued)

SOUTH BROWARD DRAINAGE DISTRICT

Notes to Financial Statements (Continued)

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Governmental fund financial statements are reported using the current financial resources measurement and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers maintenance taxes to be available if they are collected within sixty days of the end of the current fiscal period. A one-year availability period is used for all other revenues.

Revenues susceptible to accrual are maintenance taxes and interest on investments. Maintenance taxes are recorded as revenues in the fiscal year they are levied, provided they are collected in the current period or within sixty days thereafter. Interest on invested funds is recognized when earned.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences, claims and judgments are recorded only when payment is earned.

(d) Major Funds

Governmental Fund Types

Government funds are used to account for the District's expendable financial resources and related liabilities. The District currently has the following governmental fund type:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

(e) Budgetary Procedures and Accounting

An annual budget is adopted for the General Fund on a basis consistent with GAAP, except the budgets include encumbrances as the equivalent of expenditures, and do not include revenues and expenditures related to certain special projects. As of September 30, 2016, there were \$21,339 of outstanding encumbrances; accordingly, for the year ended September 30, 2016, the "actual budgetary basis" is presented on a basis which is not consistent with GAAP.

(Continued)

SOUTH BROWARD DRAINAGE DISTRICT

Notes to Financial Statements (Continued)

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Prior to the end of the fiscal year, the District Director is required to submit to the Board of Commissioners the proposed budget for the fiscal year commencing October 1. The District holds public hearings, as required, on the proposed budget. Prior to the end of each fiscal year, the budget is formally adopted for the ensuing year.

The legal level of control, the level at which expenditures may not exceed the budget, is at the total expenditure level. Appropriations lapse at year end. Should additional expenditures be necessary during the year, the District has the authority to modify the budget by a vote of its Board.

In connection with the forthcoming fiscal year 2017 budget, the District appropriated a portion of the unassigned fund balance in the amount of \$188,561 for General Fund operations.

(f) Encumbrances

For governments that use encumbrance accounting, significant encumbrances should be disclosed in the notes to the financial statements by major funds and nonmajor funds in the aggregate in conjunction with required disclosures about other significant commitments. Encumbered amounts for specific purposes for which resources already have been restricted, committed or assigned should not result in separate display of the encumbered amounts within those classifications. Encumbered amounts for specific purposes for which amounts have not been previously restricted, committed or assigned should not be classified as unassigned but, rather, should be included within committed or assigned fund balance. The District includes encumbrances in the committed fund balance.

(g) Inventory

Inventory consists of chemicals and fuel and is valued at cost (first-in, first-out). The cost of inventory is accounted for under the consumption method. Under the consumption method of inventory accounting, inventories are recorded as expenditures when used and; therefore, reported inventories are not equally offset by a non-spendable fund balance account.

(Continued)

SOUTH BROWARD DRAINAGE DISTRICT

Notes to Financial Statements (Continued)

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Compensated Absences

The full-time employees of the District can carryover to the following fiscal year up to one year of their sick leave and vacation benefits. Vacation time is earned based upon length of service, up to a maximum amount of four weeks per year, once the employee has been with the District for fourteen years, with the exception of employees that are covered by employment agreements. At September 30, 2016, the liability for accrued compensated absences, to be paid within one year, was \$123,739, an increase of \$1,997.

(i) Cash and investments

Cash includes cash-on-hand and demand deposits. Interest earned from investments is recorded in each of the respective funds based on the actual amount earned.

In accordance with provisions of GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, the District reports investments at their fair market value, with unrealized gains and losses credited to or charged against investment income.

Non-participating investments, such as non-negotiable Certificates of Deposit with redemption values that do not consider market rates, are reported as amortized costs. The District had investments in the Local Government Surplus Funds Trust Fund, which under the guidelines of GASB Statement No. 31, Pool A is a "2a-7 like" pool. Accordingly, investments in Pool A are reported at amortized cost. During the 2015 fiscal year these investments were discontinued.

During the year, the District did not directly invest any resources in derivatives. Investments made through state-administered trust funds may include derivatives. These investments are made on a pooled basis and the individual risk to the District is unknown.

(j) Capital Assets and Depreciation

Capital assets, which include land, buildings, equipment, vehicles and infrastructure assets (water control structures, canals and lakes), are reported in the government-wide financial statements. Capital assets are recorded at historical cost or estimated historical cost. Contributed assets are recorded at fair market value as of the date received.

(Continued)

SOUTH BROWARD DRAINAGE DISTRICT

Notes to Financial Statements (Continued)

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Maintenance, repairs and minor renovations are not capitalized. Expenditures that materially increase values or extend useful lives are capitalized. There are no idle or impaired capital assets as of September 30, 2016.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Buildings	40
Equipment	5
Vehicles	5
Water Control Structures (including stormwater pump stations)	15-50

Canals and lakes are considered to be land improvements, therefore, are not depreciated. Depreciation expense is reflected in the financial statements in accordance with GASB Statement No. 34 requirements for capital assets greater than \$5,000. Per Florida State Statute as well as internal control purposes, assets with a historical cost greater than \$750 are tagged and recorded in the fixed asset system.

(k) Fund Balance

The Governmental Accounting Standards Board (GASB) released GASB Statement No. 54 - "Fund Balance Reporting and Governmental Fund Type Definitions" ("GASB 54") on March 11, 2009, which is effective for fiscal years beginning after June 15, 2010. This Statement is intended to improve the usefulness of the amount reported in fund balance by providing more structured classification. This Statement applies to fund balance reported in the General Fund, Special Revenue Fund, Debt Service Fund, Capital Projects Fund and Permanent Fund. This Statement does not apply to Enterprise Funds, Internal Service Funds and extremely restricted reserves.

Previously, fund balance was classified as "reserved" or "unreserved." Unreserved fund balance was further allocated into designated and undesignated. GASB 54 now changes how fund balance will be reported. The hierarchy of the GASB 54 classifications is as follows:

- **Non-spendable Fund balance** includes amounts not in spendable form, such as inventory, or amounts required to be maintained intact legally or contractually. The District uses the consumption method of reporting inventory; therefore, it is not reported as a non-spendable fund balance.

(Continued)

SOUTH BROWARD DRAINAGE DISTRICT

Notes to Financial Statements (Continued)

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- **Restricted Fund Balance** includes amounts constrained for a specific purpose by external parties. The District's Capital Project fund for the S-9/10 basin improvements qualified as a restricted fund and was closed during the 2015 fiscal year.
- **Committed Fund Balance** includes amounts constrained for a specific purpose by a government using its highest level of decision making authority. The District's Capital Improvements, Emergency, and Separation funds, along with the outstanding encumbrances, are included in the committed fund balance (\$5,147,682). The Emergency Fund was established to provide for those situations when the District might have unbudgeted expenditures as a result of a severe emergency, such as a major hurricane.
- **Assigned Fund Balance** includes general fund amounts constrained for a specific purpose by the District's board (\$188,561). This amount represents the appropriation of fund balance in the 2016-2017 fiscal year budget.
- **Unassigned Fund Balance** is the residual classification for the general fund.

The District's Board approves all transactions that occur with respect to the restricted and committed fund balances. These were formally adopted by the Board on May 26, 2011, when the Board formally adopted the reporting requirements outlined by GASB 54.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

There was no restatement required to the opening fund balances as a result of the GASB 54 implementation. The recently approved *Financial Policies and Guidelines* of the District establishes minimum amounts for certain fund balances.

(1) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

(Continued)

SOUTH BROWARD DRAINAGE DISTRICT

Notes to Financial Statements (Continued)

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Impact of Recently Issued Accounting Pronouncements

Recently Issued Accounting Pronouncements,

In June 2012, GASB issued Statement No. 68 *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. The scope of this Statement addresses accounting and financial reporting for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts that meet certain characteristics. This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expenses/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. The provisions of this Statement are effective for financial statement periods beginning after June 15, 2014. The District implemented this statement in its fiscal year beginning October 1, 2014, and there are no effects on the financial statements.

In January 2013, GASB issued Statement No. 69 *Government Combinations and Disposals of Government Operations*. This Statement requires disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions. The provisions of this Statement are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013, and should be applied on a prospective basis. The District implemented this statement in its fiscal year beginning October 1, 2014, and there are no effects on the financial statements.

In April 2013, GASB issued Statement No. 70 *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. The provisions of this Statement are effective for reporting periods beginning after June 15, 2013. Earlier application is encouraged. Except for disclosures related to cumulative amounts paid or received in relation to a nonexchange financial guarantee, the provisions of this Statement are required to be applied retroactively.

(Continued)

SOUTH BROWARD DRAINAGE DISTRICT

Notes to Financial Statements (Continued)

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Disclosures related to cumulative amounts paid or received in relation to a nonexchange financial guarantee may be applied prospectively. The District does not have any transactions that are required to be reported under this GASB.

In November 2013, GASB issued Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date, an Amendment of GASB Statement No. 68*. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

Statement 68 requires a state or total government employer (or nonemployer contributing entity in a special funding situation) to recognize a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government's reporting period. Statement 68 requires that the government recognize its contribution as a deferred outflow of resources. In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition to Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported.

Consequently, if it is not practical to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, contributions made after the measurement date of the beginning net pension liability could not have been reported as deferred outflows of resources at transition. This could have resulted in a significant understatement of an employer or nonemployer contributing entity's beginning net position and expense in the initial period of implementation. This statement does not have any effect on the District's financial statements.

(Continued)

SOUTH BROWARD DRAINAGE DISTRICT

Notes to Financial Statements (Continued)

(3) CASH AND INVESTMENTS

Statement of Policy

The purpose of the District's investment policy is to set forth the investment objectives and parameters for the management of public funds of the District. The policy is designed to ensure the prudent management of public funds, the availability of operating and capital funds when needed, and an investment return competitive with comparable funds and financial market indices.

The District's policy is written in accordance with Section 218.415, Florida Statutes, which applies to funds under the control of local governments and special districts. The policy and any subsequent revisions are adopted by the District's Governing Board and apply to funds in excess of those required to meet current expenditures. The most recent revisions to the investment policy were approved by the Board of Commissioners in March 2009.

The District's investment policy authorizes investments in the following:

1. The Florida Local Government Surplus Funds Trust Fund.
2. United States government securities unconditionally guaranteed by the full faith and credit of the United States government.
3. United States government agencies backed by the full faith and credit of the United States government.
4. United States government sponsored agencies.
5. Interest bearing time deposit or savings accounts of Florida Banks and Savings and Loan Associations approved under Chapter 280, Florida Statutes as qualified public depositories.
6. Commercial paper rated "Prime 1" by Moody's, "A1" by Standard and Poor's or "F-1" by Fitch.
7. Corporate notes rated at a minimum "Aa" by Moody's, "AA" by Standard and Poor's or "AA" by Fitch.
8. Repurchase agreements that are fully collateralized are permissible investments provided that the following conditions are met:
 - a. The District has executed a Master Repurchase Agreement similar to the PSA's "Master Repurchase Agreement" with either a primary dealer as defined by the Federal Reserve or a bank or savings and loan domiciled in this State and certified as a qualified depository as defined in Florida Statutes Section 280.02.
 - b. The agreement has a defined termination date and is secured by obligations described in this investment policy.
 - c. Requires that the securities being purchased by the District to be pledged to the District, held in the District's name and deposited at the time the investment is made with the District or with a third party selected and approved by the District.
9. Other security or other interests in any open-end or closed-end management-type investment company or investment trust registered under the Investment Company Act of 1940 provided the portfolio meets the District's policy.

(Continued)

SOUTH BROWARD DRAINAGE DISTRICT

Notes to Financial Statements (Continued)

(3) CASH AND INVESTMENTS (Continued)

As of September 30, 2016, the District had placed approximately 25.16% in Certificate of Deposits and 74.84% in interest bearing Money Market Accounts.

Interest Rate and Credit Risk

The District's investment portfolio shall be actively managed in an effort to attain the highest available market rate of return while still operating within this Investment Policy. Securities may be traded for other similar securities to improve interest income, maturity or credit risk. A loss may be incurred for accounting purposes provided any of the following occurs with respect to the replacement security: (1) The interest income has been increased; (2) The time to maturity has been reduced; or (3) The credit quality has been improved.

Permitted investments of bond proceeds are usually set forth in the bond documents. Investment strategies or vehicles commonly utilized for the investment of bond proceeds may differ from those of other District funds.

All of the District's investments in agency securities for fiscal year 2016 were rated at least AA+ by Standard and Poor's and Fitch ratings, and at least A1 by Moody's Investor Services.

Custodial Credit Risk - Deposits

All of the District's cash deposits are held in accounts at depository institutions which are recognized as State of Florida Qualified Public Depositories in accordance with state statutes and the District's investment policy.

The most significant cash deposit of the District at September 30, 2016 is the balance of approximately \$3,246,700 in the general fund emergency account.

Custodial Credit Risk - Investments

The District's investment policy requires that all securities be held with a third-party custodian in a separate account which is designated as an asset of the District. The custodian acts as the safekeeper of the District's investment securities. No withdrawal of securities, in whole or in part, is made from safekeeping without written authorization of designated District staff.

Concentration of Credit Risk

The District's policy authorizes investment allocation limits on security types, issuers, and maturity limitations. However, the District Director has the option to modify investment percentages from time-to-time based on market conditions, risk and diversification investment strategies after review and discussion with the District Treasurer and members of the investment committee.

(Continued)

SOUTH BROWARD DRAINAGE DISTRICT

Notes to Financial Statements (Continued)

(3) CASH AND INVESTMENTS (Continued)

Percentage Allocation by Issuer as of September 30, 2016

<u>Issuer</u>	<u>Percentage of Total</u>
SunTrust Bank	74.84%
Regent Bank CD	3.56%
Bank United CD	3.60%
TD Bank CD	3.60%
Stonegate Bank CD	3.60%
Centennial Bank CD	3.60%
Florida Community Bank CD	3.60%
Landmark Bank CD	3.60%

Cash and investments as of September 30, 2016 are comprised of the following:

Cash deposits:	
Money market accounts	\$ 4,245,960
Demand deposits	900,095
Petty cash	<u>800</u>
Total cash deposits	<u>\$ 5,146,855</u>
Investments:	
Certificates of deposit	<u>1,729,977</u>
Total investments	<u>\$ 1,729,977</u>
Total cash and investments	<u>\$ 6,876,832</u>

(4) MAINTENANCE TAXES AND SPECIAL ASSESSMENTS

Maintenance taxes and special assessments attach as an enforceable lien on the owners' properties as of January 1. The taxes are levied on November 1 and are payable, without penalty, from November 1 to the following March 31. Broward County bills and collects these taxes and assessments and remits these proceeds to the District.

(Continued)

SOUTH BROWARD DRAINAGE DISTRICT

Notes to Financial Statements (Continued)

(5) OTHER ASSETS

Other assets as of September 30, 2016 consisted of the following:

Prepaid insurance	\$ <u>53,725</u>
	\$ <u>53,725</u>

(6) CAPITAL ASSETS

The following summarizes changes in the capital assets:

	<u>Balance</u> <u>9/30/15</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/16</u>
Capital Assets Not Being Depreciated:				
Land	\$ 349,616	\$ -	\$ -	\$ 349,616
Canal Improvements and Lakes	<u>10,056,835</u>	<u>32,211</u>	<u>-</u>	<u>10,089,046</u>
Total Capital Assets Not Being Depreciated	<u>10,406,451</u>	<u>32,211</u>	<u>-</u>	<u>10,438,662</u>
Capital Assets Being Depreciated:				
Water Control Structures/Culverts	10,480,947	287,373	-	10,768,320
Buildings - District Headquarters	802,551	65,095	-	867,646
Vehicles	694,997	57,284	34,680	717,601
Equipment	<u>441,730</u>	<u>14,251</u>	<u>-</u>	<u>455,981</u>
Total Capital Assets Being Depreciated	<u>12,420,225</u>	<u>424,003</u>	<u>34,680</u>	<u>12,809,548</u>
Less Accumulated Depreciation				
Water Control Structures	6,126,184	297,499	-	6,423,683
Buildings	523,745	20,877	-	544,622
Vehicles	693,678	58,583	34,680	717,581
Equipment	<u>403,771</u>	<u>7,259</u>	<u>-</u>	<u>411,030</u>
Total Accumulated Depreciation	<u>7,747,378</u>	<u>384,218</u>	<u>34,680</u>	<u>8,096,916</u>
Capital Assets, Net	<u>\$ 15,079,298</u>	<u>\$ 71,996</u>	<u>\$ -</u>	<u>\$ 15,151,294</u>

(7) RETIREMENT PLAN

Plan Description

The District participates in the Florida Retirement System ("FRS"), a cost-sharing multiple-employer Public Employee Retirement System (PERS), which covers all District employees. The FRS offers a defined benefit plan and an investment plan, and each employee has an option to elect the plan in which they wish to participate. The FRS is totally administered by the State of Florida, Department

(Continued)

SOUTH BROWARD DRAINAGE DISTRICT

Notes to Financial Statements (Continued)

(7) RETIREMENT PLAN (Continued)

of Management Services - Division of Retirement and they provide an annual report which is available to the public every year. Each year FRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Division of Retirement, PO Box 9000, Tallahassee, Florida 32315-9000.

Funding Policy

Effective July 1, 2011, both employer and employees are required to make contributions towards the FRS. The District's current actuarially determined required contribution rate, as established by State statute, is 7.52% for covered regular payroll, and 21.77% for senior management payroll (District Director). All employees of the District contribute 3% of their salary to the program. The combined pension contributions approximated \$135,743 (\$102,929 from the District and \$32,814 from employees) for the year ended September 30, 2016, which amounts to 12.1% of current-year covered payrolls. The District's total and current-year covered payroll was approximately \$1,126,530.

(8) PERMITS AND OTHER INCOME

Other income for the year ended September 30, 2016 consisted of the following:

Miscellaneous	\$ 46,371
Annual telecommunication fees	3,500
Permit fees	94,387
Recertification program	<u>57,851</u>
	<u>\$ 202,109</u>

(9) COMMITMENTS

The District entered into a contract with the new District Director effective May 17, 2010. The Board shall employ the director as the Chief Administrator/Director of the District for a term of four (4) years commencing June 1, 2010 and terminating on May 31, 2014. The Contract automatically renewed for a term of four (4) years in accordance with the provisions contained therein. The contract provides for an annual base salary with annual increases linked to the cost of living index, however not less than 3%. The contract also provides for benefits, including but not limited to life insurance, vacation time and sick leave.

(Continued)

SOUTH BROWARD DRAINAGE DISTRICT

Notes to Financial Statements (Continued)

(9) COMMITMENT (Continued)

The District also entered into contracts with the Assistant District Director and the Project Manager effective April 22, 2010. These contracts are for a term of four years commencing on the effective date of April 22, 2010 and terminating on September 30, 2014. These contracts automatically renewed for a term of four (4) years in accordance with the provisions contained therein. The contracts provide for an annual base salary with annual increases linked to the cost of living index, however not less than 3%. The contracts also provides for benefits, including but not limited to life insurance, vacation time and sick leave.

(10) RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the District carries commercial insurance. Settlements have not exceeded insurance coverage for any of the past three fiscal years.

(11) SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 9, 2017, which is the date the financial statements were available to be issued to the District.

**REQUIRED SUPPLEMENTARY
INFORMATION OTHER THAN MD & A
(unaudited)**

SOUTH BROWARD DRAINAGE DISTRICT
Statement of Revenues, Expenditures and Changes
in Fund Balance – Budget and Actual – General Fund
(Budgetary Basis)
For the year ended September 30, 2016

	<u>Final Budget**</u>	<u>Actual - Budgetary Basis</u>	<u>Variance – Favorable (Unfavorable)</u>
Revenues:			
Maintenance taxes	\$ 3,093,365	\$ 3,093,391	\$ 26
Permit fees and other income	85,850	202,109	116,259
Interest	<u>12,000</u>	<u>10,105</u>	<u>(1,895)</u>
	<u>3,191,215</u>	<u>3,305,605</u>	<u>114,390</u>
Expenditures:			
Administrative salaries	334,502	336,056	(1,554)
Board of Commissioners' salaries	37,800	37,800	-
Field operations' salaries	501,105	503,474	(2,369)
Inspectors' salaries	247,990	238,904	9,086
Payroll taxes	90,833	85,631	5,202
Pension costs	105,891	102,929	2,962
Other salaries and costs	65,000	48,096	16,904
Accounting fees	25,000	24,750	250
Engineering/consulting/special projects	59,700	10,815	48,885
Legal fees	60,000	54,621	5,379
Legal fees – special projects	25,000	-	25,000
Other professional fees	1,000	-	1,000
Commercial property package	36,000	32,888	3,112
General liability	38,000	36,515	1,485
Group health and life insurance	395,000	359,794	35,206
Workers compensation	22,000	21,614	386
Advertising	6,500	4,436	2,064
Computer supplies and upgrades	10,000	7,928	2,072
Dues and subscriptions	5,600	5,346	254
Electric costs	13,000	11,910	1,090
Gas (LP) auxiliary power	5,000	188	4,812
Janitorial services	2,000	1,721	279
Licenses and fees	900	1,024	(124)

(Continued)

See accompanying notes to the financial statements.

SOUTH BROWARD DRAINAGE DISTRICT
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund
(Budgetary Basis) - Continued
For the year ended September 30, 2016

	<u>Final Budget**</u>	<u>Actual - Budgetary Basis</u>	<u>Variance - Favorable (Unfavorable)</u>
Maintenance contracts	\$ 9,000	\$ 6,549	\$ 2,451
Miscellaneous/uniforms	4,200	3,162	1,038
Office supplies and postage	4,500	3,284	1,216
Payroll service	3,600	3,462	138
Printing and stationary	1,800	1,461	339
Public records, storage and filing	40,000	23,558	16,442
Telephone and miscellaneous communications	15,000	13,657	1,343
Water and sewer costs	2,100	1,808	292
Buildings and grounds maintenance	35,000	33,655	1,345
Equipment rental	5,000	689	4,311
Equipment and vehicles maintenance	30,000	26,926	3,074
Fuel, oil and lubricants -			
Pump stations	60,000	47,472	12,528
Vehicles and equipment	40,000	36,032	3,968
Hazardous materials	5,000	945	4,055
Janitorial supplies	1,000	267	733
Hurricane preparedness supplies	1,500	619	881
Landscaping and mowing	32,500	32,002	498
Photography and VCR equipment	250	-	250
Pump station and flood gates maintenance	70,000	46,613	23,387
Safety and SCUBA equipment	2,500	2,525	(25)
Sanitation and exterminating services	10,200	8,805	1,395
Small tools and shop supplies	9,000	9,315	(315)
Water recorder/elevation gauge/telemetry	8,400	9,978	(1,578)
Canal and swale renovations	30,000	21,092	8,908
Culvert cleaning	50,000	38,621	11,379
Culvert and flapper gate repairs	40,000	39,608	392
Endwall repairs and replacements	5,000	311	4,689
Erosion control	45,000	31,935	13,065
Gates, fences and ramp upgrades	5,000	3,574	1,426
Outfall structures	2,000	-	2,000
Trash rack, piling and tank upgrades	10,000	8,659	1,341
Tree removal	30,000	25,100	4,900

(Continued)

See accompanying notes to the financial statements.

SOUTH BROWARD DRAINAGE DISTRICT
Statement of Revenues, Expenditures and Changes
In Fund Balance - Budget and Actual - General Fund
(Budgetary Basis) - Continued
For the year ended September 30, 2016

	<u>Final Budget**</u>	<u>Actual - Budgetary Basis</u>	<u>Variance - Favorable (Unfavorable)</u>
Herbicides	\$ 370,000	\$ 273,064	\$ 96,936
Tripliod carp	30,000	23,600	6,400
Water testing	8,000	5,410	2,590
Seminars, meetings and conferences	8,500	6,652	1,848
Bank charges	-	291	(291)
Equipment and vehicles purchases	50,000	46,674	3,326
Contingency	10,000	-	10,000
Billing and collection costs	61,867	59,485	2,382
Discounts and commissions	<u>111,361</u>	<u>110,260</u>	<u>1,101</u>
 Total expenditures	 <u>3,345,099</u>	 <u>2,933,560</u>	 <u>411,539</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (153,884)*</u>	<u>372,045</u>	<u>\$ 525,929</u>
 Fund balance at beginning of year		 6,270,788	
Adjustment ***		<u>(389,561)</u>	
 Fund balance at end of year		 <u>\$ 6,253,272</u>	

* Appropriation of Fund Balance

** The District amended certain line items of the original budget on August 25, 2016. The changes were immaterial and only the final amended budget has been presented for purposes of this statement.

*** In order to reconcile the excess of revenues over expenditures for budgetary purposes to GAAP, the adjusted difference between the 2016 and 2015 reserve for encumbrances and reserve fund adjustments, which amount to a total of (\$389,561), would be included as the reconciling item. (See Note 2)

See accompanying notes to the financial statements.

OTHER REPORTS SECTION

SOUTH BROWARD DRAINAGE DISTRICT

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS
For the year ended September 30, 2016**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Honorable Board of Commissioners,
South Broward Drainage District:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of South Broward Drainage District ("the District"), as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 9, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

To the Honorable Board of Commissioners,
South Broward Drainage District
Page two

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

January 9, 2017

SOUTH BROWARD DRAINAGE DISTRICT

**INDEPENDENT AUDITOR'S MANAGEMENT LETTER REQUIRED BY
CHAPTER 10.550, RULES OF THE STATE OF FLORIDA OFFICE
OF THE AUDITOR GENERAL
For the year ended September 30, 2016**

**INDEPENDENT AUDITOR'S MANAGEMENT LETTER REQUIRED BY
CHAPTER 10.550, RULES OF THE STATE OF FLORIDA OFFICE
OF THE AUDITOR GENERAL**

January 9, 2017

To the Honorable Board of Commissioners,
South Broward Drainage District:

We have audited the financial statements of the South Broward Drainage District, located in Southwest Ranches, Florida, as of and for the year ended September 30, 2016, and have issued our report thereon dated January 9, 2017.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Florida Auditor General. We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, and Chapter 10.550, Rules of the Florida Auditor General. Disclosures in those reports, if any, which are dated January 9, 2017, should be considered in conjunction with this management letter.

Additionally, our audit was conducted in accordance with Chapter 10.550, Rules of the Auditor General, which governs the conduct of local governmental entity audits performed in the State of Florida. This letter includes the following information, which is not included in the aforementioned auditor's reports or schedule:

- Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no corrective actions, or recommendations made in the preceding annual financial report that need to be discussed in the current management letter.
- Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.
- Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. The South Broward Drainage District was originally established pursuant to the provisions of Chapter 12049, a Special Act of the Florida Legislature in 1927. Since the initial charter was created several revisions have been made by the Florida Legislature, the latest having been completed in 2013. There are no component units of the South Broward Drainage District to be disclosed as required by accounting principles generally accepted in the United States of America.
- Section 10.554(1)(i)5.a., Rules of the Auditor General, requires a statement be included as to whether or not the local governmental entity has met one or more of the conditions described in Section 218.503(1), Florida Statutes, and identification of the specific condition(s) met. In connection with our audit, we determined that the South Broward Drainage District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.
- Section 10.554(1)(i)5.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the South Broward Drainage District for the year ended September 30, 2015, filed with the Florida Department of Financial Services pursuant to Section 218.32(1)(a), Florida Statutes, is in agreement with the annual financial audit report for the year ended September 30, 2015. In connection with our audit, we determined that these two reports were in agreement.

- Pursuant to Sections 10.554(1)(i)5.c, and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor the South Broward Drainage District's financial condition, and our financial condition assessment was based in part on representations made by management and the review of financial information provided by same as of September 30, 2016, and through the date of our audit report, January 9, 2017.
- Pursuant to Section 215.985(11), Florida Statutes and Section 10.554(1)(i)6.a, the District provided monthly financial statements to its governing board and has made such financial statements available for public access on the District's website.
- Pursuant to Section 218.32(1)g Florida Statutes and Section 10.554(1)(i)6.b, the District has provided a link on their website directly to allow the viewing of the District's annual financial report.
- Pursuant to Section 373.536(5)(d) and (6)(d) Florida Statutes and Section 10.554(1)(i)6.c, the District has provided a link on their website directly to allow the viewing of the District's tentative and final adopted budget for the current fiscal year.

Pursuant to Chapter 119, Florida Statutes, this management letter is a public record and its distribution is not limited. Auditing standards generally accepted in the United States of America require us to indicate that this letter is intended solely for the information and use of the Board of Commissioners of South Broward Drainage District, management, and the Florida Auditor General, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

PART I - CURRENT YEAR COMMENTS AND RECOMMENDATIONS

No comments were noted for the year ended September 30, 2016.

PART II - STATUS OF PRIOR YEAR COMMENTS AND RECOMMENDATIONS

Not applicable as there were no comments or recommendations in the prior year.

SOUTH BROWARD DRAINAGE DISTRICT

**STATEMENT OF EXPLANATION OR REBUTTAL TO
MANAGEMENT LETTER COMMENTS AND RECOMMENDATIONS
For the year ended September 30, 2016**

There is no response required for the current year.

SOUTH BROWARD DRAINAGE DISTRICT

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH LOCAL
GOVERNMENT INVESTMENT POLICIES PURSUANT TO CHAPTER 10.556(10),
RULES OF THE STATE OF FLORIDA OFFICE OF THE AUDITOR GENERAL
For the year ended September 30, 2016**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH LOCAL
GOVERNMENT INVESTMENT POLICIES PURSUANT TO CHAPTER 10.556(10),
RULES OF THE STATE OF FLORIDA OFFICE OF THE AUDITOR GENERAL**

To the Honorable Board of Commissioners,
South Broward Drainage District:

We have examined South Broward Drainage District's compliance with the requirements referenced in Section 218.415, Florida Statutes and Chapter 10.556(10), *Rules of the State of Florida Office of the Auditor General* during the year ended September 30, 2016. Management is responsible for South Broward Drainage District's compliance with those requirements. Our responsibility is to express an opinion on South Broward Drainage District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about South Broward Drainage District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on South Broward Drainage District's compliance with specified requirements.

In our opinion, South Broward Drainage District's complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2016.

January 9, 2017

MEMORANDUM

DATE: January 19, 2017

TO: South Broward Drainage District Commissioners

FROM: Kevin M. Hart, P.E.
District Director

Subject: Request to Vacate the Surface Water Management Area Previously Designated on the Property Owned by Mercedes Calveiro, Revocable Trust

Comments:

The owner of the property located at 6590 SW 185th Way, Southwest Ranches, FL 33332 is requesting that SBDD vacate the Surface Water Management Area (SWMA) that was previously designated and recorded under OR Book 30326, Pages 1162, Broward County Records. All properties in the SW Ranches are required to set aside 20% of their property at elevation 5.0' (or an equivalent storage area) as a SWMA.

The property owner, Mercedes Calveiro, Revocable Trust, will dedicate a new SWMA over the property to comply with the 20% SWMA requirement (see attached sketch).

SBDD staff has reviewed the request and has no objections.

Financial impacts to this Agenda Item: none, other than SBDD administrative costs; all other costs will be incurred by the property owner.

The request is for SBDD to vacate and release its interest in the Surface Water Management Area on the property located at 6590 SW 185th Way, Southwest Ranches, FL 33332, as described in the attached "Release and Vacation of Surface Water Management Area Designation" and recorded under OR Book 30326, Page 1162, B.C.R. This request is subject to the dedication of a new Surface Water Management Area in accordance with SBDD Criteria.

KH
Attachments



LOCATION MAP

N.T.S



Prepared by: South Broward Drainage District
6591 S. W. 160 Avenue
Southwest Ranches, Florida 33331

Return to: South Broward Drainage District
6591 S. W. 160 Avenue
Southwest Ranches, Florida 33331
(954) 680-3337

Folio No.: 513901010323

**RELEASE AND VACATION OF
SURFACE-WATER MANAGEMENT AREA DESIGNATION**

THIS RELEASE AND VACATION OF SURFACE-WATER MANAGEMENT AREA DESIGNATION executed this ____ day of _____, 20 __, by SOUTH BROWARD DRAINAGE DISTRICT, a political subdivision of the State of Florida, having its principal place of business at 6591 Southwest 160 Avenue, Southwest Ranches, Florida, 33331, first party, to **MERCEDES CALVEIRO, REVOCABLE LIVING TRUST**, whose post office address is 6590 S.W. 185th Way, Southwest Ranches, Florida 33332, their successors and assigns as their interest may appear of record, second party:

(Wherever used herein, the term "first party" shall include singular and plural, heirs, legal representatives, assigns of individuals, the successors and assigns of corporations, wherever the context so admits or requires.)

WHEREAS, the Property Owners are the fee title owners of certain lands lying and being in Broward County, Florida, as described in Exhibit "A", attached hereto and made a part hereof, hereinafter referred to as the "Property", and which is also known by Broward County Property Appraiser's Folio No. 513901010323; and

WITNESSETH, that said first party, for and in consideration of the sum of \$10.00, in hand paid by the said second party, the receipt whereof is hereby acknowledged, does hereby remise, release and quit-claim unto the said second party forever, all the right, title, interest, claim and demand which the said first party has in and to the SURFACE-WATER MANAGEMENT AREA DESIGNATION located on the following described piece or parcel of land:

(SEE EXHIBITS "B" AND "C" ATTACHED HERETO)

(This is intended to vacate the surface-water management area dedication recorded on March 10, 2000, in the Broward County Public Records OR Book 30326, Page 1162.)

The purpose of this Release and Vacation of SURFACE-WATER MANAGEMENT DESIGNATED AREA is to release and vacate the first party's interest in and to the SURFACE-WATER MANAGEMENT DESIGNATED AREA as described on Exhibit "B": No other interest of the first party is being released or vacated by this document.

TO HAVE AND TO HOLD, the same together with all singular the appurtenances thereunto belonging or in anywise appertaining, and all the estate, right, title, interest lien, equity and claim whatsoever of the said first party, either in law or equity, to the only proper use, benefit and behoof of the said second party forever.

IN WITNESS WHEREOF, the said first party has caused these presents to be executed in its name, and its seal to be hereunto affixed, by its proper officers thereunto duly authorized the day and year first above written.

Prepared by: South Broward Drainage District
6591 S. W. 160 Avenue
Southwest Ranches, Florida 33331

Return to: South Broward Drainage District
6591 S. W. 160 Avenue
Southwest Ranches, Florida 33331
(954) 680-3337

Folio No.: 513901010323

Signed, sealed and delivered
in the presence of:

SOUTH BROWARD DRAINAGE DISTRICT

Witness Signature

SCOTT HODGES, Chairperson

Witness Printed Name †

Witness Signature

ROBERT E. GOGGIN, IV, Secretary

Witness Printed Name †

District Seal:

STATE OF FLORIDA)
)§
COUNTY OF BROWARD)

The foregoing instrument was executed before me this ___ of _____, 20__ Scott Hodges and Robert E. Goggin, IV, as Chairperson and Secretary, respectively of the SOUTH BROWARD DRAINAGE DISTRICT, first party. They are personally known to me.

WITNESS my hand and official seal in the County and State lat aforesaid this ___ day of _____, 20__.

(NOTARY SEAL & STAMP)

NOTARY PUBLIC: STATE OF FLORIDA AT LARGE

SOUTH BROWARD DRAINAGE DISTRICT

Prepared by: South Broward Drainage District
6591 S. W. 160 Avenue
Southwest Ranches, Florida 33331

Return to: South Broward Drainage District
6591 S. W. 160 Avenue
Southwest Ranches, Florida 33331
(954) 680-3337

Folio No.: 513901010323

EXHIBIT "A"

[LEGAL DESCRIPTION OF OVERALL PROPERTY]

THE SOUTH ONE-HALF (½) OF THE SOUTH ONE-HALF (½), OF TRACT 32 OF THE EVERGLADES LAND COMPANY SUBDIVISION, OF SECTION 1, TOWNSHIP 51 SOUTH, RANGE 39 EAST, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 2, AT PAGE 1, OF THE PUBLIC RECORDS OF DADE (NOW BROWARD) COUNTY, FLORIDA, LESS THOSE PORTIONS FOR RIGHT-OF-WAY DEDICATION THEREOF, SAID LANDS LYING, SITUATE AND BEING IN BROWARD COUNTY, FLORIDA.

EXHIBIT "B"

[LEGAL DESCRIPTION OF SURFACE WATER MANAGEMENT AREA]

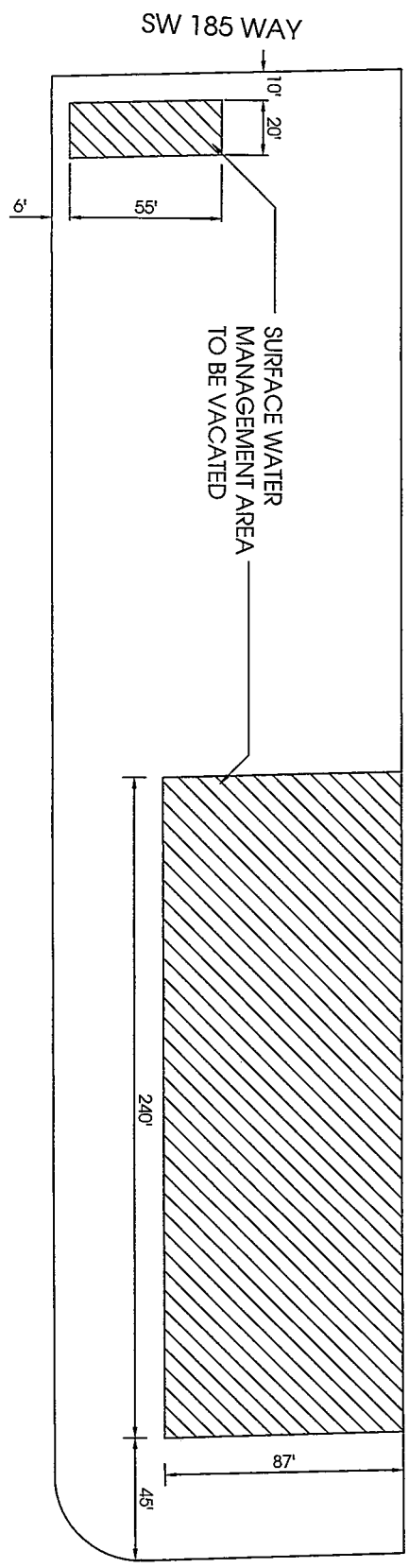
COMMENCING AT THE SOUTHWEST CORNER OF THE ABOVE DESCRIBED EXHIBIT "A" PROPERTY; THENCE N 89° 53' 38" E ALONG THE SOUTH PROPERTY LINE A DISTANCE OF 255.12 FEET; THENCE N 01° 46' 36" W A DISTANCE OF 20.00 FEET TO THE POINT OF BEGINNING; THENCE N 01° 46' 36" W A DISTANCE OF 86.53 FEET; THENCE N 89° 53' 38" E A DISTANCE OF 240.00 FEET; THENCE S 01° 46' 36" E A DISTANCE OF 86.53 FEET; THENCE S 89° 53' 38" W A DISTANCE OF 240.00 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH:

COMMENCING AT THE SOUTHWEST CORNER OF THE ABOVE DESCRIBED EXHIBIT "A" PROPERTY; THENCE N 01° 46' 36" W ALONG THE WEST PROPERTY LINE A DISTANCE OF 61.53 FEET; THENCE N 89° 53' 38" E A DISTANCE OF 10.00 FEET TO THE POINT OF BEGINNING; THENCE N 89° 53' 38" E A DISTANCE OF 20.00 FEET; THENCE N 01° 46' 36" W A DISTANCE OF 55.00 FEET; THENCE S 89° 53' 38" W A DISTANCE OF 20.00 FEET; THENCE S 01° 46' 36" E A DISTANCE OF 55.00 FEET TO THE POINT OF BEGINNING.

SAID LANDS LYING, BEING AND SITUATE IN BROWARD COUNTY, FLORIDA.

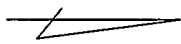
TO BE VACATED



▨ SURFACE-WATER MANAGEMENT AREA TO BE VACATED

THIS DRAWING IS FOR INFORMATIONAL PURPOSES ONLY. THIS IS NEITHER A SURVEY NOR AN ENGINEERING PLAN.

SCALE = N.T.S.
MERCEDDES CALVEIRO
6590 SW 185TH WAY
PROP. ID # 5139 0101 0323



(S'WMA TO BE DEDICATED)

Prepared by: South Broward Drainage District
6591 S. W. 160 Avenue
Southwest Ranches, Florida 33331

Return to: South Broward Drainage District
6591 S. W. 160 Avenue
Southwest Ranches, Florida 33331
(954) 680-3337

Folio No.: 513901010323

SURFACE-WATER MANAGEMENT AREA DESIGNATION

THIS SURFACE-WATER MANAGEMENT AREA DESIGNATION is granted this ___ day of _____, 20___, by **MERCEDES CALVEIRO, REVOCABLE LIVING TRUST**, whose address is 6590 S.W. 185TH Way, Southwest Ranches, Florida 33332, hereinafter referred to as "Grantors", to SOUTH BROWARD DRAINAGE DISTRICT, a political subdivision of the State of Florida, located at 6591 Southwest 160 Avenue, Southwest Ranches, Florida 33331, hereinafter referred to as "District".

WITNESSETH

That the Grantors, for and in consideration of the sum of ten dollars (\$10.00) and other goods and valuable consideration in hand paid by District, the receipt whereof is hereby acknowledged, do hereby grant and convey to District, its successors and assigns, a perpetual and exclusive SURFACE-WATER MANAGEMENT AREA for the storage and flowage of surface water together with any necessary appurtenances incidental and necessary thereto, over, across and through the following described property of Grantors:

SEE EXHIBITS "A" AND "B" ATTACHED HERETO

of such character and sufficient size as to make a proper and adequate drainage system that District, its successors and assigns may establish.

Together with free ingress, egress and regress across said lands for the purpose of maintaining and repairing the drainage system and appurtenances therein.

The Grantors further acknowledge that the SURFACE-WATER MANAGEMENT AREA shall be used for storage and flowage of storm water, shall not be filled in and shall not be raised to an elevation above normal ground elevation and shall be maintained by the Grantors.

IN WITNESS WHEREOF, we have hereunto set our hands and seals the day and year first above written.

Signed, sealed and delivered
in the presence of:

"GRANTORS"

Witness Signature

Grantor Signature

Witness Printed Name |

MERCEDES CALVEIRO, REVOCABLE LIVING TRUST
Grantor Printed Name |

Witness Signature

Witness Printed Name |

STATE OF FLORIDA)
)§
COUNTY OF BROWARD)

THE FOREGOING SURFACE-WATER MANAGEMENT AREA DESIGNATION WAS ACKNOWLEDGED
BEFORE ME THIS _____ DAY OF _____, 20____, BY MERCEDES CALVEIRO, REVOCABLE
LIVING TRUST GRANTOR WHO IS PERSONALLY KNOWN TO ME (OR) HAS PRODUCED _____
_____ (TYPE OF IDENTIFICATION).

WITNESS MY HAND AND OFFICIAL SEAL IN THE COUNTY AND STATE LAST AFORESAID THIS
_____ DAY OF _____, 20____.

NOTARY SEAL AND STAMP
↓

NOTARY PUBLIC

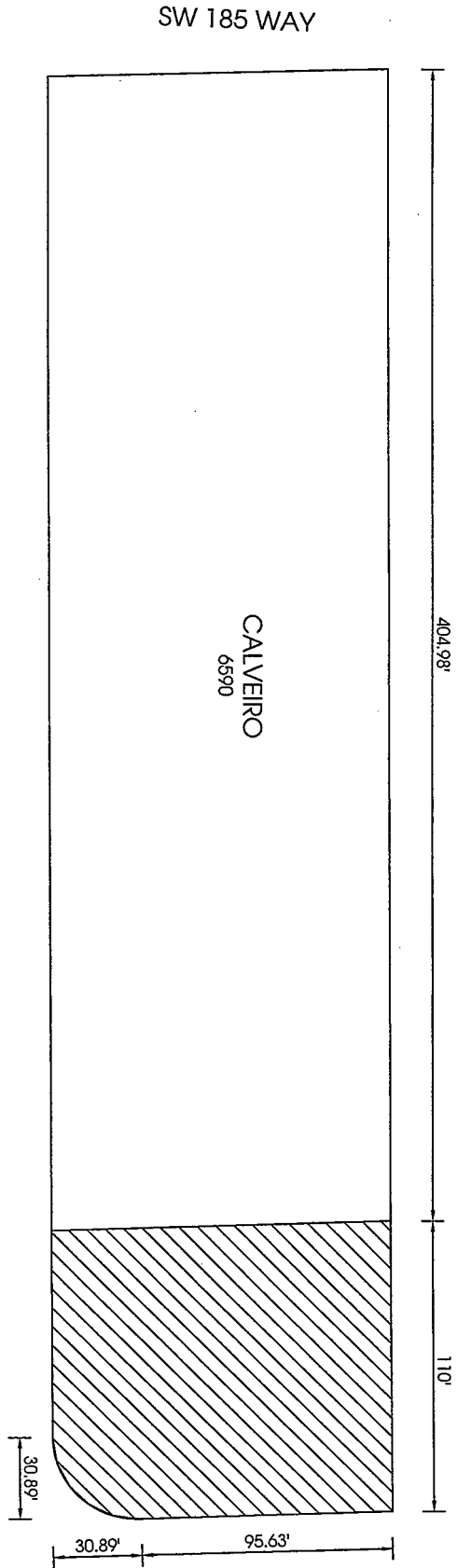
PRINTED OR STAMPED NAME OF NOTARY PUBLIC

EXHIBIT "A" TO
SURFACE-WATER MANAGEMENT AREA DESIGNATION

THE EAST 110 FEET OF THE FOLLOWING DESCRIBED PROPERTY:

THE SOUTH ONE-HALF (1/2) OF THE SOUTH ONE-HALF (1/2), OF TRACT 32 OF THE EVERGLADES LAND COMPANY SUBDIVISION, OF SECTION 1, TOWNSHIP 51 SOUTH, RANGE 39 EAST, ACCORDING TO THE PLAT THEREOF, AS RECORDED IN PLAT BOOK 2, AT PAGE 1, OF THE PUBLIC RECORDS OF DADE (NOW BROWARD) COUNTY, FLORIDA, LESS THOSE PORTIONS FOR RIGHT-OF-WAY DEDICATION THEREOF, SAID LANDS LYING, SITUATE AND BEING IN BROWARD COUNTY, FLORIDA.

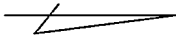
TO BE DEDICATED



☒ SURFACE-WATER MANAGEMENT AREA TO BE MAINTAINED AT ELEVATION 5.00' N.G. V.D. OR LOWER (13,689 S.F. PROVIDED)

THIS DRAWING IS FOR INFORMATIONAL PURPOSES ONLY. THIS IS NEITHER A SURVEY NOR AN ENGINEERING PLAN.

SCALE = N.T.S.
MERCEDES CALVEIRO
6590 SW 185TH WAY
PROP. ID # 5139 0101 0323



January 6, 2000
SBDD N° 797

Prepared by: DOUGLAS R. BELL, ESQUIRE
RETURN TO: CUMBERLAND BUILDING, SUITE 601
800 EAST BROWARD BOULEVARD
FORT LAUDERDALE, FLORIDA 33301



INSTR # 100139715
OR BK 30326 PG 1162
RECORDED 03/10/2000 02:54 PM
COMMISSION
BROWARD COUNTY
DEPUTY CLERK 1033

(ORIGINAL, RECORDED SWMA -
TO BE VACATED)

L1901-12

**SURFACE WATER MANAGEMENT DESIGNATION
AND
DECLARATION OF RESTRICTIVE COVENANTS**

THIS Surface Water Management Designation and Declaration of Restrictive Covenants made this 26th day of January, 2000 by STEVEN M. FABY and HOLLY L. FABY, as Trustees, whose address is 6590 Southwest 185th Way, Fort Lauderdale, Florida 33332-1431, hereinafter referred to as "Property Owners" and SOUTH BROWARD DRAINAGE DISTRICT, a political subdivision of the State of Florida, whose address is 6591 Southwest 160th Avenue, Davie, Florida 33331, hereinafter referred to as "District".

WITNESSETH:

WHEREAS, the Property Owners are the fee title owners of certain lands lying and being in Broward County, Florida, as described in Exhibit "A", attached hereto and made a part hereof, hereinafter referred to as the "Property" and which is also known by Broward County Property Appraiser's Folio N° 1901 01 0323; and

WHEREAS, the Property Owners seek to place certain restrictions on the proposed development which will conform to the level of service for drainage as required by the Broward County Land Development Code, Chapter 5, Article IX, Broward County Code of Ordinances; and

WHEREAS, Broward County is relying upon this designation and covenant in issuing a development order for the property and the South Broward Drainage District ("District") is relying upon this designation and covenant in representing to Broward County that the proposed development meets Broward County's level of service for drainage; NOW, THEREFORE,

The Property Owners hereby declare that the Property shall hereafter be held, maintained, transferred, sold, conveyed, and owned subject to the following designation and restrictive covenants:

1. RESTRICTIONS.

A. A surface water management area for the storage and flowage of surface water to meet Broward County's level of service standards is hereby established, over, across, and through the portion of the Property described in Exhibit "B" ("Water Management Area").

B. Property Owners acknowledge that the Property Owners are responsible for maintenance of the entire surface water management area designated by this document and that this area shall be designed, developed, and maintained in accordance with the requirements of the District to ensure that the water management area provides for the retention of surface water to meet the applicable level of service standards.

2. **COVENANT RUNNING WITH THE LAND.** This Restriction and Declaration shall run with the land described in Exhibits "A" and "B" and shall be binding on all parties and all persons acquiring title to the Property.

3. **ENFORCEMENT.** Broward County, through its Board of County Commissioners, its successors and assigns, and the South Broward Drainage District are the beneficiaries of this Declaration and Restriction, and as such, either the District or the County, or both, may enforce the terms of this Declaration by an action at law or in equity against any person or persons, entity or entities, violating or attempting to violate said terms. Furthermore, violations of this Designation and Restriction shall be contrary to the development permit issued for the development of the Property, and as such, shall constitute a violation of Chapter 5, Article IX, the Broward County Land Development Code, Broward County Code of Ordinances, and may be enforced in any manner that a violation of a county ordinance may be enforced.

4. **AMENDMENT.** This Designation and Restriction shall be released in part or in whole by the Board of County Commissioners and the District upon a determination that the applicable level of service has been reduced or that the construction of additional drainage facilities reduces the need for on-site surface water management areas.

IN WITNESS WHEREOF, we have hereunto set our hands and seals the day and year first above written.

Signed, sealed and delivered in the presence of:

"PROPERTY OWNERS"

[Signature]
Witness Signature 1

[Signature]
STEVEN M. FABY, TRUSTEE

Luis Garcia
Witness Printed Name 1

[Signature]
Witness Signature 1

Josann Long
Witness Printed Name 1

6

[Signature]
 Witness Signature 1
WIS OUSA
 Witness Printed Name 1
[Signature]
 Witness Signature 2
TERRY LONG
 Witness Printed Name 2

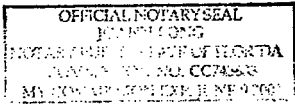
[Signature]
 HOLLY L. FABY, TRUSTEE

STATE OF Florida
 COUNTY OF Brevard

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the state and county last aforesaid to administer oaths and take acknowledgments, personally appeared STEVEN M. FABY, TRUSTEE, to me known to be the person described herein and who executed the foregoing instrument as Property Owner and swore to and before me that the facts alleged in the above instrument are true.

WITNESS my hand and official seal in the county and state last aforesaid this 26 day of June, 2002.

[NOTARY SEAL OR STAMP AFFIXED HERE]



[Signature]
 Notary Public:
Joann Long
 Typed, printed or stamped name of Notary Public

STEVEN M. FABY

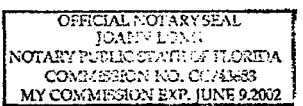
(is personally known to me)
 (has produced F.L. Dennis as identification).
[Signature]

STATE OF Florida
 COUNTY OF Brevard

I HEREBY CERTIFY that on this day, before me, an officer duly authorized in the state and county last aforesaid to administer oaths and take acknowledgments, personally appeared HOLLY L. FABY, TRUSTEE, to me known to be the person described herein and who executed the foregoing instrument as Property Owner and swore to and before me that the facts alleged in the above instrument are true.

WITNESS my hand and official seal in the county and state last aforesaid this 26 day of June, 2002.

[NOTARY SEAL OR STAMP AFFIXED HERE]



[Signature]
 Notary Public:
Joann Long
 Typed, printed or stamped name of Notary Public

HOLLY L. FABY

(is personally known to me)
 (has produced F.L. Dennis as identification).

EXHIBIT "A"

[LEGAL DESCRIPTION OF PROPERTY BEING DEVELOPED]

THE SOUTH ONE-HALF (1/2) OF THE SOUTH ONE-HALF (1/2) OF TRACT 32, "EVERGLADES SUGAR AND LAND COMPANY SUBDIVISION OF SECTION 1, TOWNSHIP 51 SOUTH, RANGE 39 EAST", ACCORDING TO THE PLAT THEREOF AS RECORDED IN PLAT BOOK 2, PAGE 1 OF THE PUBLIC RECORDS OF DADE COUNTY, FLORIDA, LESS THAT PART LYING WITHIN 120 FEET OF THE EAST LINE OF SAID SECTION 1 AND ALSO LESS THAT PART LYING WITHIN 40 FEET OF THE SOUTH LINE OF THE NORTHEAST 1/4 OF SAID SECTION 1.

SAID LANDS LYING, BEING AND SITUATE IN BROWARD COUNTY, FLORIDA.

(SURVEY OF EXHIBIT "A" PROPERTY IS ATTACHED HERETO AS EXHIBIT "C").

EXHIBIT "B"

[LEGAL DESCRIPTION OF SURFACE WATER MANAGEMENT AREA]

COMMENCING AT THE SOUTHWEST CORNER OF THE ABOVE DESCRIBED EXHIBIT "A" PROPERTY; THENCE N 89°53'38" E ALONG THE SOUTH PROPERTY LINE A DISTANCE OF 255.12 FEET; THENCE N 01°46'36" W A DISTANCE OF 20.00 FEET TO THE POINT OF BEGINNING; THENCE N 01°46'36" W A DISTANCE OF 86.53 FEET; THENCE N 89°53'38" E A DISTANCE OF 240.00 FEET; THENCE S 01°46'36" E A DISTANCE OF 86.53 FEET; THENCE S 89°53'38" W A DISTANCE OF 240.00 FEET TO THE POINT OF BEGINNING.

TOGETHER WITH;

COMMENCING AT THE SOUTHWEST CORNER OF THE ABOVE DESCRIBED PROPERTY; THENCE N 01°46'36" W ALONG THE WEST PROPERTY LINE A DISTANCE OF 61.53 FEET; THENCE N 89°53'38" E A DISTANCE OF 10.00 FEET TO THE POINT OF BEGINNING; THENCE N 89°53'38" E A DISTANCE OF 20.00 FEET; THENCE N 01°46'36" W A DISTANCE OF 55.00 FEET; THENCE S 89°53'38" W A DISTANCE OF 20.00 FEET; THENCE S 01°46'36" E A DISTANCE OF 55.00 FEET TO THE POINT OF BEGINNING.

SAID LANDS LYING, BEING AND SITUATE IN BROWARD COUNTY, FLORIDA.

(SKETCH DEPICTING LOCATION OF SURFACE WATER MANAGEMENT AREAS IS ATTACHED HERETO AS EXHIBIT "D")

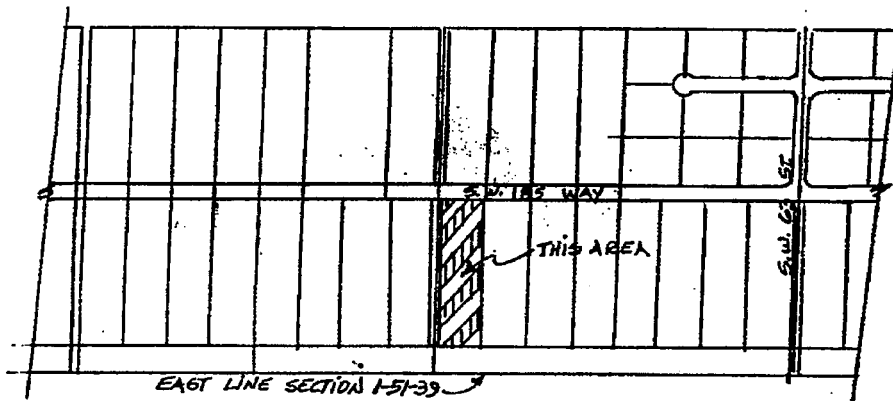
1931 N.E. 43rd Court
(305) 771-0428

BOUNDARY LAND SURVEYORS, INC.

Oakland Park, FL
33308

SHEET 1 OF 2

BOUNDARY SURVEY OF:
THE SOUTH ONE HALF($\frac{1}{2}$) OF THE SOUTH ONE HALF($\frac{1}{2}$) OF TRACT 32, "EVERGLADES SUGAR LAND COMPANY, SUBDIVISION OF SECTION 1, TOWNSHIP 51 SOUTH, RANGE 39 EAST", according to the plat thereof as RECORDED IN PLAT BOOK 2, PAGE 1 OF THE PUBLIC RECORDS OF DADE COUNTY, FLORIDA. LESS THOSE PORTION FOR RIGHT OF WAY DEDICATION HEREOF. SAID LANDS CONTAINING GROSS AREA OF 2.52 ACRES AND A NET AREA OF 1.5 ACRES MORE OR LESS.



LOCATION SKETCH
FORT LAUDERDALE, FL.

SEAL

NOT VALID UNLESS
SEALED HERE WITH
AN EMBOSSED LAND
SURVEYOR'S SEAL.

NOTE: THE LANDS SHOWN HEREON WERE NOT ABSTRACTED FOR OWNERSHIP, RIGHTS-OF-WAY, OR EASEMENTS.

CERTIFICATE

THIS IS TO CERTIFY THAT I HAVE RECENTLY SURVEYED THE PROPERTY DESCRIBED IN THE FOREGOING TITLE CAPTION AND HAVE SET OR FOUND MONUMENTS AS INDICATED ON THIS SKETCH AND THAT SAID ABOVE GROUND SURVEY AND SKETCH ARE ACCURATE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. I FURTHER CERTIFY THAT THIS SURVEY MEETS THE MINIMUM TECHNICAL STANDARDS FOR LAND SURVEYING UNDER RULE 31M-6, F.A.C. ADOPTED BY THE FLORIDA BOARD OF LAND SURVEYORS, SEPT. 1, 1981.

REVISIONS	DATE	BY	EMILIO V. LILUPRO - N.L.S. 84428		STATE OF FLORIDA
UPDATED	12-29-91	E.L.L.	<i>Emilio V. Lilupro</i>		
EXHIBIT "C"		DATE OF SURVEY	DRAWN	CHECKED	FIELD BOOK
SHEET 1 OF 2		8-25-89	E.L.L.	E.L.L.	89-3/48

NO. 07602

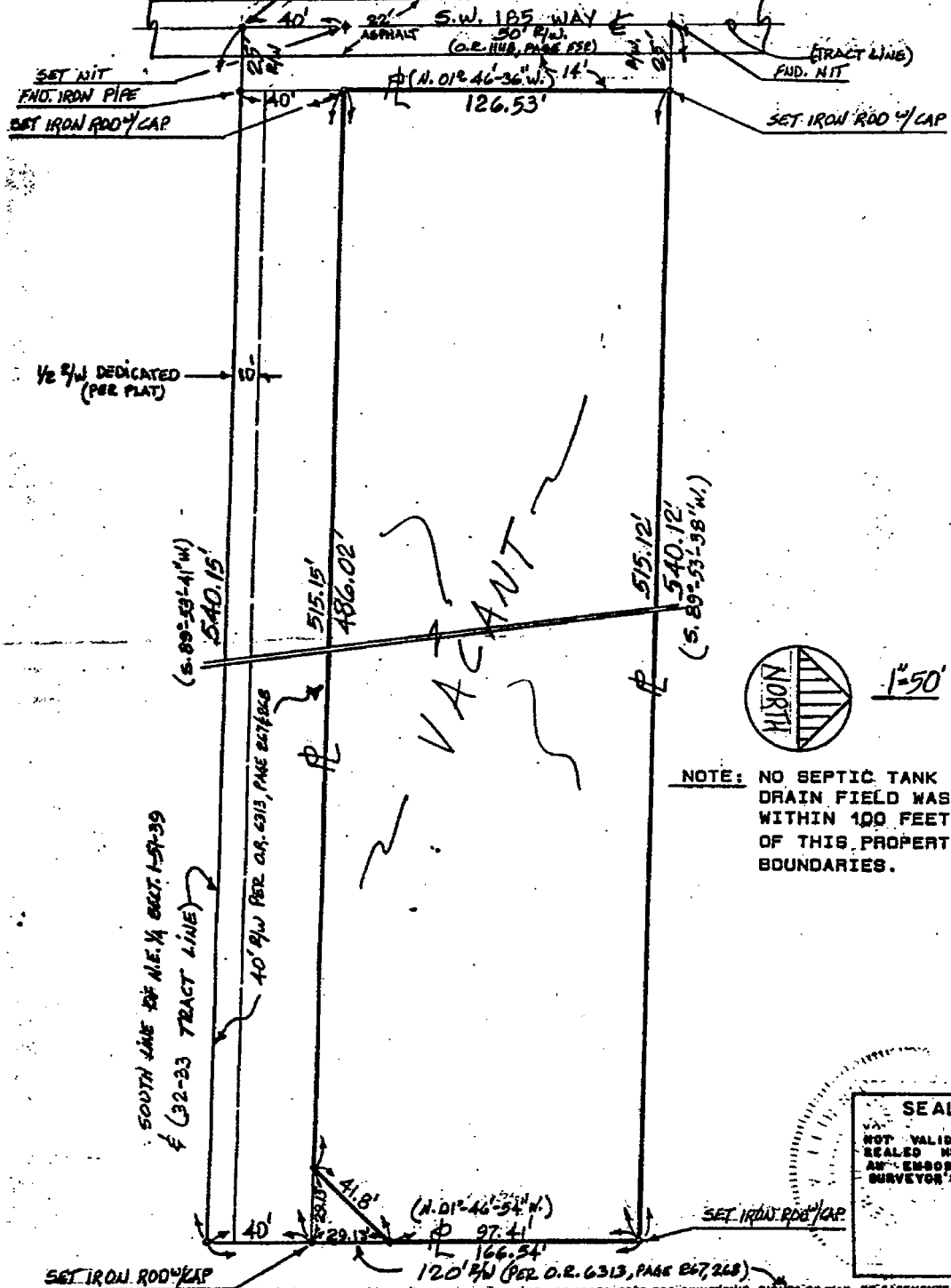
1931 N.E. 43rd Court
(306) 771-0428

BOUNDARY LAND SURVEYORS, INC.

Oakland Park, FL
33308

FND. NIT (32-33 TRACT CORNER)

SHEET 2 OF 2



1"=50'

NOTE: NO SEPTIC TANK OR DRAIN FIELD WAS FOUND WITHIN 100 FEET OUT OF THIS PROPERTY BOUNDARIES.

SEAL
NOT VALID UNLESS SEALED HERE WITH AN EMBOSSED LAND SURVEYOR'S SEAL.

NOTE: THE LANDS SHOWN HEREIN WERE NOT ABSTRACTED FOR OWNERSHIP, RIGHTS-OF-WAY, OR EASEMENTS.

CERTIFICATE
THIS IS TO CERTIFY THAT I HAVE RECENTLY SURVEYED THE PROPERTY DESCRIBED IN THE FOREGOING TITLE CAPTION AND HAVE SET OR FOUND MONUMENTS AS INDICATED ON THIS SKETCH AND THAT SAID ABOVE GROUND SURVEY AND SKETCH ARE ACCURATE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF. I FURTHER CERTIFY THAT THIS SURVEY MEETS THE MINIMUM TECHNICAL STANDARDS FOR LAND SURVEYING UNDER RULE 21HH-8, F.A.C. ADOPTED BY THE FLORIDA BOARD OF LAND SURVEYORS, SEPT. 1, 1981.

REVISIONS	DATE	BY	Emilio V. Duran EMILIO V. DURAN - R.L.S. #4429	STATE OF FLORIDA
UPDATED	10-12-9	E. R.		
	DATE OF SURVEY	DRAWN BY	CHECKED BY	FIELD BOOK
	8-25-89	ELL	ELL	89-3/48

EXHIBIT "C"
SHEET 2 OF 2

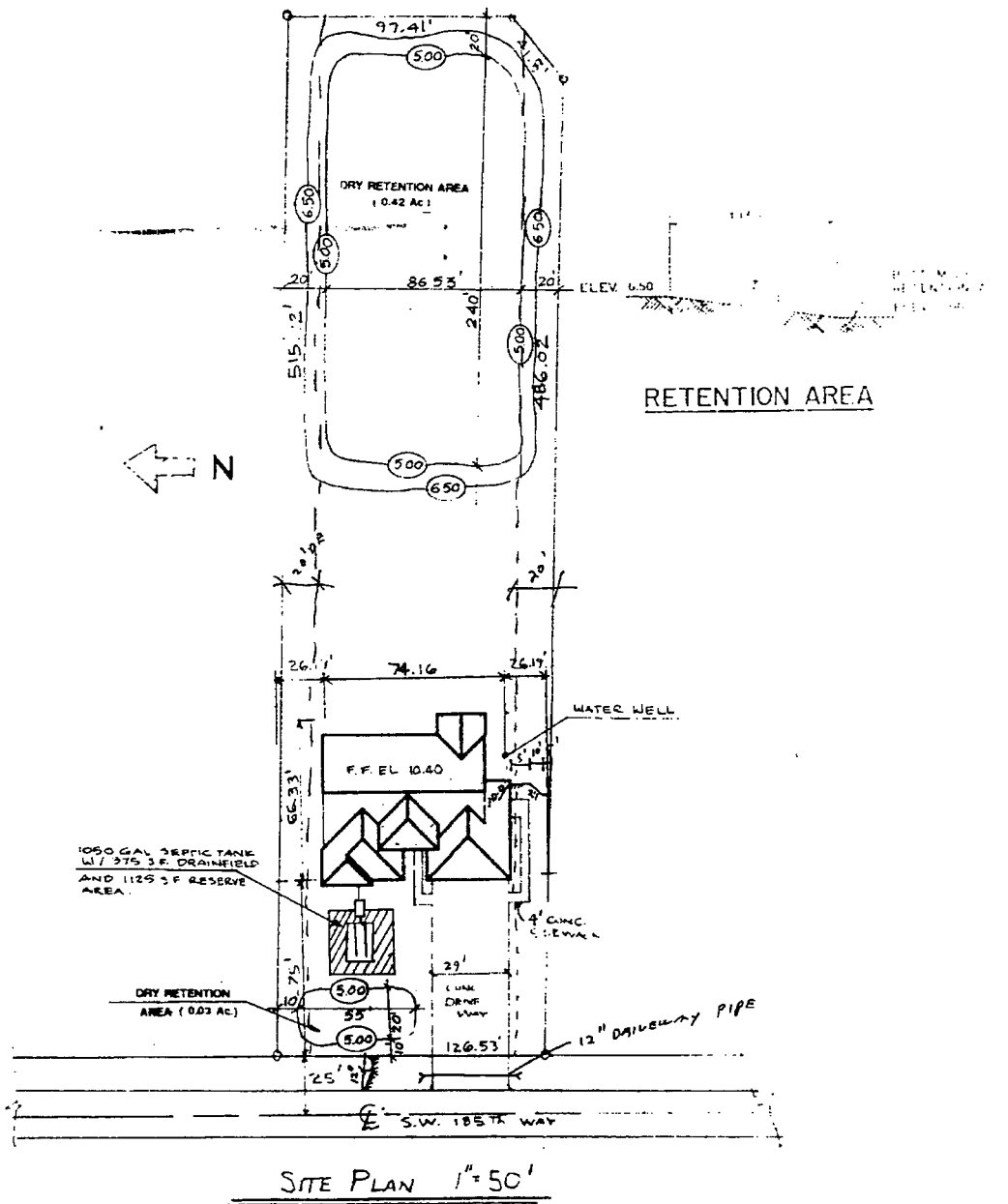
SOLARIS® GLASS BLOCKS

Preparation: Verify items to be built-in, pocket recesses, or chases to receive

lens, and minimum 2% to maximum 3% lime volume of cement. Non-Fire Rated Panels: 3 parts ordinary cement, 4 parts portland cement, 1 part lime, sand min. 2% to max. 3 times volume of cement and lime.

Ask for detailed Design Guidelines, Suggested Specifications and Installation Outline.

GLASS BLOCK (VERIFY SPECS w/ GLASS BLOCK MANUF.)



DESCRIPTION

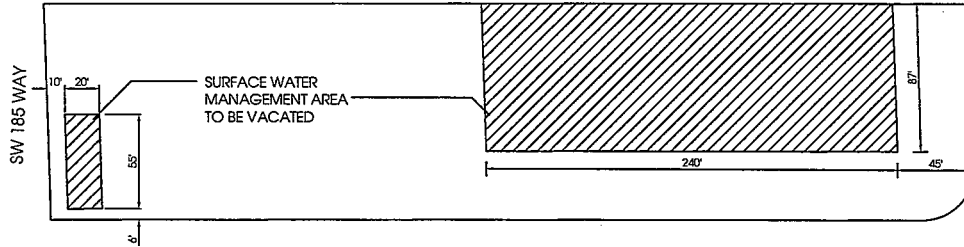
The half (1/2) of the south one half (1/2) of "Everglades Sugar Land Company, Subdivision of Township 51 South, Range 39 East", according thereto as recorded in the Plat Book 2, Page 111; Records of Dade County, Florida. Less those rights or way of records. Said lands situate, being in Broward County, Florida and containing more or less.

Written dimensions on plans shall have precedence over scale dimensions. Contractor to verify dimensions and conditions at job site before construction begins. If any discrepancies are found, contractor should notify the engineer in writing before proceeding with any work.

Contractor should coordinate all trades work and evaluate conditions prior to commencing work to avoid conflicts that affect work progress or quality.

NOTE: Either part or all of this document submitted for recording is not clear and/or legible at time of recording for imaging purposes

TO BE VACATED



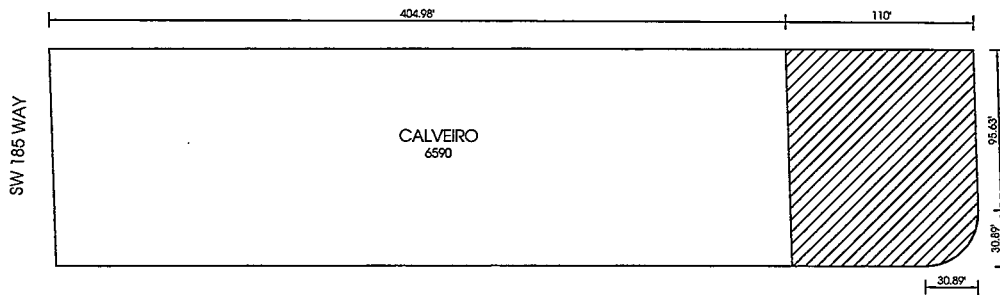
▨ SURFACE-WATER MANAGEMENT AREA TO BE VACATED

THIS DRAWING IS FOR INFORMATIONAL PURPOSES ONLY. THIS ENGINEER HAS CONDUCTED A SURVEY FOR AN ENGINEERING PLAN.

SCALE = N.T.S.
 MERCEDES CALVEIRO
 6590 SW 185TH WAY
 PROP. ID # 5139 0101 0323



TO BE DEDICATED



▨ SURFACE-WATER MANAGEMENT AREA TO BE MAINTAINED AT ELEVATION 5.00' N.G.V.D. OR LOWER (13,689 S.F. PROVIDED)

THIS DRAWING IS FOR INFORMATIONAL PURPOSES ONLY. THIS ENGINEER HAS CONDUCTED A SURVEY FOR AN ENGINEERING PLAN.

SCALE = N.T.S.
 MERCEDES CALVEIRO
 6590 SW 185TH WAY
 PROP. ID # 5139 0101 0323



(INFORMATIONAL EXHIBIT ONLY)

MEMORANDUM

DATE: January 19, 2017

TO: South Broward Drainage District Commissioners

FROM: Kevin M. Hart, P.E.
District Director

Subject: Contract Award for Tree Removal & Trimming at Various Locations in Miramar, Pembroke Pines, Hollywood, and Southwest Ranches

Comments:

SBDD advertised for bids for Tree Removal & Trimming at fifteen (15) locations in Miramar, Pembroke Pines, Hollywood, and Southwest Ranches. We received a total of five (5) bids. The bid amounts ranged in price from \$33,428.00 to \$68,500.00 for all 15 locations. A copy of the Bid Summary is attached.

The bid documents allow the District the option of awarding the contract on a split basis.

The lowest bid for each of the 15 sites varies among the bids. SBDD has consulted with each bidder to determine their interest and agreement to contract for the work on a split basis. Due to the reduced scope of the work, neither Milborne LLC nor DBI Services are agreeable to contracting with SBDD on a split basis. Therefore, it is recommended that the bid be awarded to EDJ Service, Inc. (EDJ) for all 15 locations in the amount of \$33,428.00 as the lowest responsive, responsible bidder.

SBDD has reviewed the bid submitted by EDJ and has determined that the Contractor is qualified to perform the work and the bid meets all requirements. SBDD is familiar with EDJ has been satisfied with their past work on similar type projects.

Financial impacts to this Agenda Item: The work covered under this project is included as part of the District's 2016-2017 budget; and funding for the project will come from the SBDD General Operating account.

This is to request approval to award the contract for Tree Removal & Trimming in Miramar, Pembroke Pines, Hollywood, and Southwest Ranches to EDJ Service, Inc. in the amount of \$33,428.00 as the lowest responsive, responsible bidder. The funding for this project will come from the SBDD General Operating Account as part of the 2016-2017 Budget.

KH
Attachment

BID TABULATION

SOUTH BROWARD DRAINAGE DISTRICT

TREE REMOVAL & TRIMMING AT VARIOUS LOCATIONS IN MIRAMAR, PEMBROKE PINES, HOLLYWOOD & SWR

(BID RESULTS HAVE NOT BEEN FULLY EVALUATED)

Thursday, January 12, 2017

	Milborne LLC	DBI Services	Knight Property Mgmt. Svc., Inc.	EDJ Tree Svc, LLC	ATL Diversified, Inc.
SITE #1	\$1,305.64	\$3,486.00	\$1,700.00	\$1,096.00	\$2,800.00
SITE #2	\$2,002.93	\$3,489.00	\$2,300.00	\$1,452.00	\$1,800.00
SITE #3	\$2,002.93	\$4,564.00	\$1,800.00	\$1,743.00	\$3,000.00
SITE #4	\$3,058.37	\$2,750.00	\$4,500.00	\$3,500.00	\$4,800.00
SITE #5	\$2,609.92	\$3,131.00	\$2,800.00	\$1,491.00	\$4,800.00
SITE #6	\$32,328.82	\$3,486.00	\$25,000.00	\$12,012.00	\$23,000.00
SITE #7	\$3,051.01	\$3,436.00	\$5,000.00	\$5,021.00	\$6,800.00
SITE #8	\$1,001.46	\$3,422.00	\$1,100.00	\$1,093.00	\$1,500.00
SITE #9	\$1,001.46	\$3,480.00	\$800.00	\$325.00	\$1,500.00
SITE #10	\$1,001.46	\$4,100.00	\$850.00	\$350.00	\$1,200.00
SITE #11	\$1,698.75	\$6,758.00	\$1,700.00	\$1,000.00	\$5,000.00
SITE #12	\$2,253.00	\$6,723.00	\$1,700.00	\$1,196.00	\$2,500.00
SITE #13	\$3,397.50	\$6,763.00	\$1,900.00	\$1,649.00	\$4,000.00
SITE #14	\$2,253.00	\$3,186.00	\$1,100.00	\$950.00	\$4,000.00
SITE #15	\$1,001.46	\$1,736.00	\$850.00	\$550.00	\$1,800.00
LUMP SUM FOR SITES #1-15:	\$59,967.71	\$60,510.00	\$53,100.00	\$33,428.00	\$68,500.00
Contract Awarded to:	This bid was awarded on a split basis as follows:				
	1				
	2				
Total for all sites listed:	\$				

SBDD Tree Removal & Trimming Project

LOCATIONS/DESCRIPTION:

- | | |
|--|---|
| 1. 4811 S.W. 199 th Ave., SWR | Remove all trees on the north side of property from water's edge 15' upland. |
| 2. 18901 S.W. 53 rd St., SWR | Remove all Brazilian and Poinciana trees; and trim all branches over water. |
| 3. 5491 S.W. 188 th Ave., SWR | Remove all trees from fence to water on south side; and trim all branches over water on south and east sides. |
| 4. 4830 S.W. 188 th Ave., SWR | Remove all Bischofia trees from water's edge 15' upland. |
| 5. 18000 S.W. 57 TH St., SWR | Remove all Brazilian Pepper trees and trim all branches over water on the north & east sides of canal. |
| 6. 6521 S.W. 183 rd Way, SWR | Remove all trees from water's edge 15' upland on the south side of property. |
| 7. 6230 S.W. 178 th Ave., SWR | Remove all Brazilian Pepper and Bischofia trees; and trim all branches over water. |
| 8. 3701 S.W. 137 th Ave., Miramar | Remove all trees from water's edge 10' upland. |
| 9. 2800 Canal Rd., Miramar | Remove all trees from fence to water. |
| 10. 931 S.W. 100 th Terr., Pembroke Pines | Remove all trees from fence to water. |
| 11. 800 N.W. 92 nd Ave., Pembroke Pines | Remove all trees from fence to water. |
| 12. 8830 N.W. 3 rd St., Pembroke Pines | Remove one (1) Bischofia tree. |
| 13. 8690 N.W. 17 th Ct., Pembroke Pines | Remove one (1) down tree and trim all branches over water. |
| 14. 7451 Arthur St., Hollywood | Remove all Brazilian Pepper trees and Sea Grape and trim all branches over water. |
| 15. 7430 McKinley St., Hollywood | Remove one (1) Coconut tree. |



Location #1: 4811 S.W. 199th Ave., SWR



Location #2: 18901 S.W. 53rd St., SWR



Location #3: 5491 S.W. 188TH Ave., SWR



Location #4: 4830 S.W. 188th Ave., SWR



Location #5: 18000 S.W. 57th St., SWR



Location #6: 6521 S.W. 183rd Way, SWR



Location #7: 6230 S.W. 178th Ave., SWR



Location #8: 3701 S.W. 137th Ave., Miramar



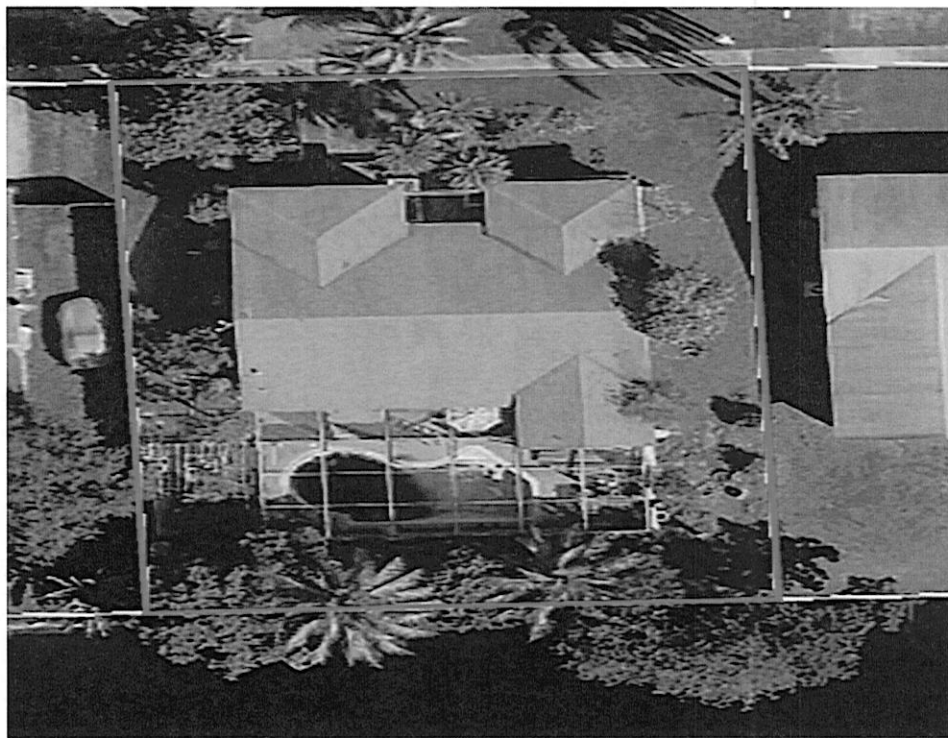
Location #9: 2800 Canal Road, Miramar



Location #10: 931 S.W. 100th Terr, Pembroke Pines



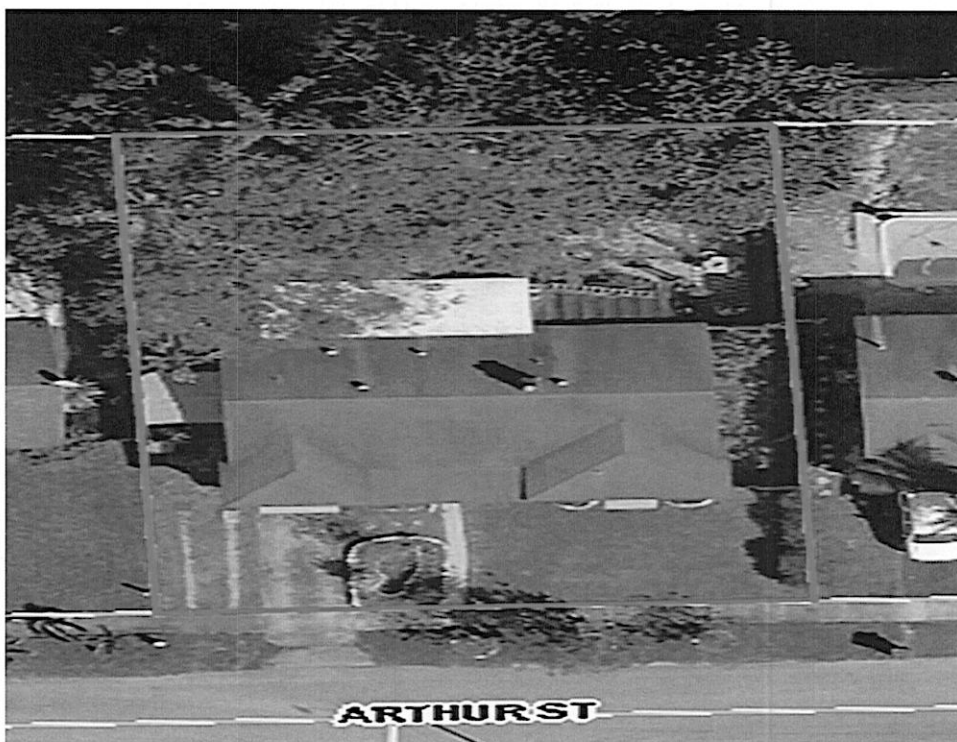
Location #11: 800 N.W. 92nd Ave., Pembroke Pines



Location #12: 8830 N.W. 3rd St., Pembroke Pines



Location #13: 8690 N.W. 17th Ct., Pembroke Pines



Location #14: 7451 Arthur St., Hollywood



Location #15: 7430 McKinley St., Hollywood

*****MEMORANDUM*****

DATE: January 12, 2017
TO: South Broward Drainage District Commissioners
FROM: Kevin M. Hart, P.E.
District Director
Subject: Approval of Agreement with Attorney Douglas R. Bell for Legal Services

Comments:

Attached for the Board's review and approval is the updated Agreement with Attorney Douglas R. Bell to provide legal services to SBDD. The Agreement has been revised to incorporate the changes requested by the Board at the December Board meeting.

Financial Impacts to this Agenda item: Funding for SBDD legal services will be through the General Operating Account as part of the District's 2016-2017 budget.

This is to request approval of the Agreement with Douglas R. Bell to provide legal services to South Broward Drainage District in accordance with the terms and conditions stipulated in the Agreement.

KH
Attachments

AGREEMENT

This "Agreement" made and entered into this ____ day of _____, 2016 by and between the SOUTH BROWARD DRAINAGE DISTRICT, a political subdivision of the State of Florida, hereinafter called the "District", and DOUGLAS R. BELL, a licensed attorney eligible to Practice Law in Florida, hereinafter called "District Attorney".

WITNESSETH:

For and in consideration of the mutual promises herein set forth and for other good and valuable consideration, receipt of which is hereby acknowledged, the District and District Attorney do mutually agree to the following terms and conditions of this Agreement:

1. DISTRICT BOARD OF COMMISSIONERS:

- a. The District's Board of Commissioners, hereinafter called "Board" shall hire the District Attorney to provide legal services to the District in accordance with the terms and conditions set forth in this Agreement.
- b. The Board shall be the sole body with the authority to hire and terminate the District Attorney.
- c. The Board shall approve the monthly invoices of the District Attorney, prior to payment.
- d. The Board shall approve any rate increases or other modifications to this Agreement.
- e. All Board approvals and action related to this Agreement shall be through a simple majority vote.

2. DISTRICT DIRECTOR:

- a. The District Director shall coordinate with the District Attorney on all legal matters pertaining to the District.
- b. The District Director may direct the District Attorney, on behalf of the Board, to perform certain tasks, reviews, research, investigations, or other duties as deemed necessary and appropriate for the District. The duties of the District Attorney are further defined in the Scope of Services below.
- c. The District Director shall review the monthly invoices from the District Attorney and shall submit said invoices to the Board for review and approval.
- d. The District Director shall serve as a liaison between the Board and the District Attorney as required.

3. SCOPE OF SERVICES

- a. The District Attorney shall be available to perform the following duties as directed by the Board or the District Director: coordinate with the Board and the District Director on legal matters pertaining to the District; attend the District's monthly Board meetings; review the agenda for the monthly Board meetings; provide a monthly report to the Board at the District Board meeting, as applicable; perform research, reviews, investigations, and other tasks; prepare/review contracts; prepare/review legal documents; prepare/review

District Resolutions; provide legal opinions or interpretations; provide recommendations; provide representation in litigation matters related to the District, its Board members or employees; request Attorney General Opinions on matters pertinent and relevant to the District; attend meetings on behalf of the District; review, track and report on legislative issues that may have an impact on the District or its residents; review and update the annual assessment roll of the District; provide assistance in the preparation and approval of special assessments; assist in any updates to the District Charter, Facilities Report, Water Control Plan or Criteria Manual; represent the District on administrative proceedings before governmental or administrative bodies; assist the District on real estate transactions; coordinate and provide assistance on labor or personnel matters; perform co-council activities with insurance counsel assigned by the District's insurance carrier; maintain monthly time logs for all services provided to the District; and any other task or duty as requested by the Board or District Director.

- b. The District Attorney shall not perform any tasks or duties without the prior knowledge of the Board or District Director, or unless requested by the Board or District Director to perform said tasks or duties.
- c. At the discretion of the Board, not-to-exceed amounts may be established prior to the District Attorney performing specific tasks.
- d. Prior to performing any cost-recoverable legal services on behalf of the District, the District Attorney shall refer the party who is responsible for reimbursement of said legal costs to the District Director so that the District may obtain a deposit in advance of incurring any recoverable legal costs. The District shall not be obligated to pay for recoverable attorney costs where the District Attorney has failed to coordinate properly with the District Director, and the District has not been reimbursed for said attorney costs.
- e. The District Attorney shall at all times follow the Rules Regulating the Florida Bar as established by the Supreme Court of Florida for attorneys practicing law in the State of Florida.
- f. The District Attorney shall not contribute in any form or fashion to the political campaign of any candidate running for a seat on the Board.

4. COMPENSATION AND HOURLY RATES

- a. District understands and agrees that charges for professional legal services rendered will be by the hour (or portion thereof) at the prevailing rates for time spent on the District's behalf by the District Attorney and his staff. The current hourly rates for legal personnel (and other billing rates) are set forth on the attached Rate Schedule.
- b. The District Attorney shall be paid a flat rate of \$1,000.00 to attend the District's monthly Board meetings. The flat rate shall include the following: coordinate with the District Director on the Board agenda; review the Board agenda and back-up documentation prior to the Board meeting; travel time to and from the Board meeting; and meeting with the District Director after the Board meeting to discuss and coordinate on applicable District business (said meeting to last up to two hours).
- c. The Rate Schedule shall take effect upon approval of this Agreement by the Board, and shall remain in effect unless otherwise modified by the Board.
- d. Board shall have the right to renegotiate any of the other terms and conditions contained within this Agreement in conjunction with any proposed modification to the Rate Schedule.

5. OUTSIDE SERVICES:

- a. From time to time, the District Attorney may incur costs for services furnished by an outside source, and such costs shall be reimbursed to the District Attorney with no mark-up. Any outside services shall be pre-approved by the District.

6. CONFLICT OF INTEREST:

- a. District acknowledges that District Attorney also works for another independent special district and is a Commissioner of the Central Broward Water Control District, an independent special district.
- b. The District Attorney must inform the District in writing of any potential conflict of interest as soon as possible.
- c. In order for the District Attorney to continue to represent the District in regards to any conflict of interest, the District shall provide informed consent, confirmed in writing or clearly stated on the record at a Board meeting. Otherwise, the District Attorney shall withdraw from representing the District in regards to any conflict of interest.
- d. The District Attorney shall follow Rule 4-1.7 of the Florida Bar's Rules of Professional Conduct as it pertains to any conflict of interest.

7. TERMINATION

- a. The Board may terminate this Agreement at any time through a simple majority vote of the Board.
- b. The District Attorney may terminate this Agreement by giving 30 days written notice to the Board and District Director and informing the Board of his intent to terminate at a District Board meeting. The effective date of the District Attorney's termination shall be 90 days after the date of the Board meeting, unless otherwise approved by the Board.
- c. The District Attorney may terminate this Agreement for good cause with written notice to the Board and District Director. Good cause shall include a breach of this Agreement, the District's refusal to cooperate with the District Attorney, or the District's refusal to follow advice or a material matter or any fact or circumstance that would render the District Attorney's continuing representation unlawful or unethical.
- d. At the conclusion of all legal services, all unpaid charges shall become due and payable; and the District Attorney shall, upon the District's request, deliver any funds or property of the District that are in the District Attorney's possession.

8. TERM:

- a. The term of this Agreement shall be for five (5) years from the effective date.
- b. The Board may extend this Agreement for an additional five (5) year term or terms; or for a term or terms less than five (5) years.
- c. The District Attorney shall be evaluated by the Board once a year at the District's regular monthly Board meeting in January or at a special meeting as may be scheduled by the Board. The District Attorney's initial evaluation under this Agreement shall take place at the District's regular monthly Board meeting in January, 2018.

9. EFFECTIVE DATE:

- a. This Agreement shall take effect immediately upon approval by the Board.

10. SEVERABILITY:

- a. In case one or more of the provisions contained in this Agreement shall be held illegal, the enforceability of the remaining provisions contained herein shall not be impaired thereby.

11. NOTICES:

- a. All notices related to this Agreement shall be considered sufficient if delivered in person, by fax, email, or by registered/certified mail to the business address of the parties.

DOUGLAS R. BELL
Cumberland Building – Suite 505
800 East Broward Boulevard
Fort Lauderdale, FL 33301

SOUTH BROWARD DRAINAGE DISTRICT
6591 SW 160th Avenue
Southwest Ranches, FL 33331

12. ASSIGNMENT:

- a. This Agreement may not be assigned to another attorney without prior approval of the Board.

13. DISCLAIMER OF GUARANTEE:

- a. Nothing in this Agreement and nothing in statements to the District shall be construed as a promise or guarantee about the outcome of any matter or of any possible litigation. Douglas R. Bell makes no such promises or guarantees.

14. NON COLLUSION:

- a. District Attorney warrants that he has not employed or retained any company or person, other than a bona fide employee working solely for District Attorney to solicit or secure this agreement and that District Attorney has not paid or agreed to pay any person company, corporation, individual, or firm, other than a bona fide employee working solely for District Attorney any fee, commission, percentage, gift, or other consideration contingent upon or resulting from the award or making of this agreement. For the breach or violation of this provision, District shall have the right to terminate the agreement.

15. PUBLIC RECORDS:

- a. In accordance with Chapter 119, Florida Statutes, the District Attorney must respond and provide all public records to the District's public records custodian upon request, including:
- b. Keep and maintain public records required by District to perform the contracted services.
- c. Upon request from the District's custodian of public records provide the District with a copy of the requested records or allow the records to be inspected or copied within a

reasonable time at a cost that does not exceed the cost provided in Chapter 119, F.S., or as otherwise provided by law.

- d. Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of the contract term and following completion of the contract if the District Attorney does not transfer the records to the District.
- e. Upon completion of the contract, transfer, at no cost, to the District all public records in possession of the District Attorney or keep and maintain public records required by the District to perform the contracted services. If the District Attorney transfers all public records to the District upon completion of the contract, the District Attorney shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the District Attorney keeps and maintains public records upon completion of the contract, the District Attorney shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the District, upon request from the District's custodian of public records, in a format that is compatible with the information technology systems of the District.
- f. **IF THE DISTRICT ATTORNEY HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE DISTRICT ATTORNEY'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS AT: SOUTH BROWARD DRAINAGE DISTRICT; ATTN: KEVIN HART, 6591 SW 160TH AVENUE, SOUTHWEST RANCHES, FL, 33331; 954-680-3337 EXT. 206; KEVIN@SBDD.ORG.**
- g. The District Attorney shall be exempt from providing any document that falls under the category of "Attorney/Client Privilege", Work Product Privilege and other exempt categories that may be applicable as determined by the District Attorney.

I have read and understand the foregoing terms and conditions, and those set forth on the attached Rate Schedule, and I agree to them as stated, and I agree to be bound and liable for all obligations under this Agreement.

In witness whereof, the parties hereto have executed this Agreement on the day first written above, and two (2) counterparts, each of which shall without proof or accounting for the other counterparts, be deemed an original Agreement.

WITNESSES:

Print Name

Signature

Print Name

Signature

DISTRICT ATTORNEY:

DOUGLAS R. BELL

By: _____

Print Name: Douglas R. Bell

Date _____

WITNESSES:

Signature

Print Name

Signature

Print Name

SOUTH BROWARD DRAINAGE DISTRICT:

By: _____

Scott Hodges, Chairperson

By: _____

Robert E. Goggin IV, Secretary

Date: _____

RATE SCHEDULE

A. Hourly Rates for Legal Personnel

District Attorney	\$250.00/hour
Paralegal	\$100.00/hour

Charges shall be based on a minimum time unit of 15 minutes.

B. Costs and expenses

In-office copying	\$0.35/page
Telefacsimile transmittal	No charge
In-house Computer Research	No additional charge
Travel in Broward County	No reimbursement
Travel outside of Broward Cty	\$0.57 /mile
Court Reporters' Fees	At Cost
Outside Copying	At Cost
Long Distance Phone Calls (Florida)	No Charge
Long Distance Phone Calls (outside Florida)	At Cost
Conference Call Set-Ups	At Cost
Video Conferencing	At Cost
Postage	At Cost
Outside Delivery Service	At Cost
Off-site File Storage	No Charge
Retrieval of Off-site Files	No Charge

- Reimbursement of any other costs not listed shall require pre-approval by the District.
- In-office copying shall be for copies requested by and provided to the District, or as required as part of the monthly Board packages, or as otherwise pre-approved by the District Director.
- Travel expense outside of Broward County shall be pre-approved by the District.

C. Effective Date

- The Rate Schedule shall take effect upon approval of this Agreement by the Board, and shall remain in effect unless otherwise modified by the Board.

South Broward Drainage District
Comparative Statement of Revenues and Expenses
General Fund (Budgetary Basis)

	<u>Oct - Dec 16</u>	<u>Annual Budget</u>
Ordinary Income/Expense		
Income		
1402 · Maintenance	2,685,263.54	3,110,681.00
1404 · Permit Fees	17,266.00	35,000.00
1405 · 5 Year Recertification Program	9,884.00	35,000.00
1406 · Residential and Lot Permit Fees	8,212.00	25,000.00
1407 · Telecommunications Annual Fee	3,500.00	3,500.00
1408 · Appropriation of Fund Balance	0.00	188,560.90
1410 · Interest Income	2,161.46	6,000.00
1416 · Miscellaneous Income	1,397.55	1,000.00
Total Income	2,727,684.55	3,404,741.90
Expense		
1412 · South Broward Collection Fee	51,359.44	62,213.62
1414 · Discounts (Early Tax Payments)	106,994.09	111,984.52
1501 · Administrative - Office	92,116.00	345,246.72
1503 · Board of Supervisors	9,450.00	37,800.00
1505 · Field Operations	138,596.75	518,706.24
1506 · Inspectors/Project Coord.	67,967.23	255,211.84
1507 · Payroll Taxes - FICA	24,037.06	93,480.31
1509 · Pension	31,216.77	107,467.12
1513 · Payroll Other	48,209.63	64,681.53
1520 · Accounting Fees	0.00	25,000.00
1535 · Engineer/Consult Fees/Spec Proj	200.00	65,000.00
1540 · Legal Fees	5,812.50	60,000.00
1543 · Legal Fees Special Proj.	0.00	25,000.00
1544 · Other Expense	0.00	1,000.00
1550 · Commercial Property Package	32,710.00	36,000.00
1555 · General/Hazard Liability	37,680.00	38,000.00
1560 · Group Health, Life & Dental	82,925.53	395,000.00
1570 · Workers Compensation	20,817.00	38,500.00
1575 · Advertising	453.90	6,500.00
1585 · Computer Supplies - Upgrades	731.92	10,000.00
1590 · Dues & Subscriptions	4,140.00	5,800.00
1600 · FPL - Electric	2,765.12	13,000.00
1603 · Gas (LP) Auxiliary Power	0.00	5,000.00
1605 · Janitorial Service	409.75	2,000.00
1610 · Licenses & Fees	175.00	1,000.00
1615 · Maintenance Contracts	3,546.40	10,200.00
1620 · Uniforms	440.43	2,500.00
1625 · Office Supplies - Postage	1,442.94	5,000.00
1630 · Payroll Service	1,178.63	3,800.00
1635 · Printing - Stationary	21.71	1,800.00
1640 · Public Records Storage/Filing	939.00	35,000.00
1645 · Telephone - Misc. Communication	3,676.87	15,000.00

South Broward Drainage District
Comparative Statement of Revenues and Expenses
General Fund (Budgetary Basis)

	<u>Oct - Dec 16</u>	<u>Annual Budget</u>
1650 · Water & Sewer	675.18	2,100.00
1655 · Buildings & Grounds	7,861.78	35,000.00
1660 · Equipment Rental/Outside Svcs.	3,219.52	5,000.00
1665 · Equip/Vehic/Boats/Hvy Equip	4,825.61	30,000.00
1670 · Fuel/Oil/Lubric. (Pump Stat)	69.78	60,000.00
1675 · Fuel/Oil/Lubric. (Vehic/Equip)	8,783.29	40,000.00
1677 · Hazardous Mat./Spill Cont.	0.00	5,000.00
1680 · Janitorial Supplies - Carp. Clg	0.00	1,000.00
1683 · Hurricane Preparedness Supp.	0.00	1,500.00
1685 · Landscaping & Mowing	11,189.67	35,000.00
1690 · Photography - VCR Equip. & Phot	0.00	250.00
1695 · Pump Stations - Flood Gates	59,109.33	70,000.00
1700 · Safety/SCUBA - Inspect Equip.	792.12	2,500.00
1705 · Sanitat. - Exterminating Serv.	2,903.01	10,000.00
1710 · Small Tools - Shop Supplies	1,611.96	9,000.00
1715 · Water Recorder/Elev Gge/Telemetry	180.84	8,000.00
1720 · Canal/Swale Cleaning/Renovation	7,016.05	30,000.00
1725 · Culvert Cleaning/Inspection	6,112.50	50,000.00
1730 · Culvert Repair - Flapper Gates	0.00	40,000.00
1735 · Endwall Repair - Replace./Upgrd	0.00	5,000.00
1740 · Erosion Control	0.00	45,000.00
1745 · Gates/Barrier/Fence/Ramp/Sign	33.20	5,000.00
1747 · Outfall Structures	0.00	2,000.00
1750 · Trash Rack/Piling/Tank Upgr.	0.00	10,000.00
1755 · Tree Removal	130.59	30,000.00
1765 · Herbicides	65,011.54	370,000.00
1770 · Triploid Carp/Fsh Guards/Maint	4,196.00	30,000.00
1775 · Water Testing	0.00	8,000.00
1780 · Seminars/Meetings/Conferences	2,534.38	8,500.00
1781 · Basin S-3 Drainage Improvements	0.00	0.00
1785 · Equip./Vehicle Replace./Upgrd	6,377.45	50,000.00
1797 · Contingency/Misc Expense	0.00	10,000.00
Total Expense	<u>962,647.47</u>	<u>3,404,741.90</u>

SOUTH BROWARD DRAINAGE DISTRICT
SUMMARY OF DISTRICT FUNDS
January 18, 2017

SBDD ASSET ACCOUNTS

Fund	Cash on Hand	Subtotals	Institution	Investment Accounts	Fund Totals	
UNASSIGNED						
General	\$2,409,324	\$2,409,324	Suntrust AdvantageNow	\$39,855	CD-FL Community	\$2,841,918
				\$247,500	CD- PNC Bank	
				\$145,239	CD-Bank United	
Payroll	\$74,725	\$74,725	Suntrust			\$74,725
COMMITTED						
Capital Improvements	\$838,595	\$838,595	Suntrust Reserve	\$247,500	CD-Stonegate	\$1,599,664
				\$247,500	CD-Landmark	
				\$184,500	CD-Centennial	
				\$81,569	CD-FL Community	
Emergency	\$3,246,697	\$3,246,697	Suntrust Reserve			\$3,246,697
Separation	\$160,668	\$160,668	Suntrust Reserve	\$51,048	CD-Bank United	\$274,716
				\$63,000	CD-Centennial	
Totals	\$6,730,009	\$6,730,009		\$1,307,711		\$8,037,720

SBDD LIABILITY ACCOUNT

Fund	Cash on Hand	Subtotals	Institution	Investment Accounts	Fund Totals	
As-Built	\$94,385	\$94,385	Suntrust Paying	\$51,213	CD-Bank United	\$519,174
				\$247,500	CD-TD Bank	
				\$126,076	CD-FL Community	
Total	\$94,385	\$94,385		\$424,789		\$519,174
FUND TOTALS				\$1,732,500		\$8,556,894

SBDD INVESTMENT SUMMARY

Investment	Recommendation	Investment Amount	Interest Rate	Issue Date	Maturity Date
FL Community Bank CD	ROLL OVER	\$247,500	1.00%	2/25/2016	2/25/2017
Centennial Bank CD		\$247,500	0.20%	7/19/2016	7/19/2017
TD Bank CD		\$247,500	0.37%	8/8/2016	8/8/2017
Stonegate Bank CD		\$247,500	0.40%	8/8/2016	8/8/2017
Landmark Bank CD		\$247,500	1.01%	8/15/2016	11/15/2017
Bank United CD		\$247,500	1.10%	9/30/2016	11/30/2017
PNC Bank CD		\$247,500	0.40%	1/20/2017	2/20/2018
TOTAL OF INVESTMENTS		\$1,732,500			

Feb-17	Jul-17	Aug-17	Nov-17	Feb-18
\$247,500	\$247,500	\$495,000	\$495,000	\$247,500

DOUGLAS R. BELL
ATTORNEY AT LAW
CUMBERLAND BUILDING, SUITE 505
800 E BROWARD BOULEVARD
FORT LAUDERDALE, FLORIDA 33301
(954) 524-8526

January 19, 2017

South Broward Drainage District
6591 Southwest 160th Avenue
Southwest Ranches, Florida 33331

I N V O I C E

Legal services rendered on behalf of South Broward Drainage District from December 7, 2016 through January 18, 2017:

1. Coordination regarding Southfill Lake and adjacent property drainage:

Attorney's Fees:	5 hrs. 15 min.	@ \$250.00/hr.	= \$ 1,312.50
Paralegal Fees:	30 minutes	@ \$100.00/hr.	= \$ 50.00
			\$ 1,362.50

2. Coordination regarding Surplus Property (Land) Policy:

Attorney's Fees:	6 hrs. 45 min.	@ \$250.00/hr.	= \$ 1,687.50
Paralegal Fees:	2 hrs. 15 min.	@ \$100.00/hr.	= \$ 225.00
			\$ 1,912.50

3. Coordination regarding City of Miramar Lakes/Canals/Waterways:

Attorney's Fees:	1 hr. 30 min.	@ \$250.00/hr.	= \$ 375.00
Paralegal Fees:	1 hr. 0 min.	@ \$100.00/hr.	= \$ 100.00
			\$ 475.00

TOTAL DUE THIS INVOICE: \$ 3,750.00