

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

DECEMBER 19, 2013

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

Kevin M. Hart, District Director
Douglas R. Bell, Legal Counsel
Freddy Fisikelli, SWR Councilman
Charles Dodge, P.P. City Manager
Reina Muniz, Recording Secretary
General Public: See Attached List

Absent:

01. CALL TO ORDER/PLEDGE OF ALLEGIANCE

Chair Hodges called the SBDD Board Meeting to order at 8:04 A.M, with Vice Chair Ryan, Commissioner Minnaugh, 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 21st, 2013, South Broward Drainage District Board meeting. Motion was seconded by Vice Chair Ryan and was carried unanimously by the Commissioners present.

04. DIRECTOR'S REPORT

Commissioners Goggin, Mersinger and Good joined the meeting.

**A. RELEASE AND VACATION OF DRAINAGE EASEMENTS IN PROPOSED
"FRANKLIN ACADEMY 6-12" PLAT, PEMBROKE PINES, FL**

District Director Hart stated that South Broward Drainage District (SBDD) received a request to vacate existing Drainage/Flowage Easements located within the proposed Franklin Academy 6-12 development in the City of Pembroke Pines. The Easements were previously dedicated by separate instrument, and the property is currently owned by the City of Pembroke Pines, and is under contract for sale to Discovery Schools, Inc.

As part of this request, the new property owner, Discovery Schools, Inc., will be dedicating new, replacement Easements as follows:

- Drainage, Flowage & Storage Easement over the proposed lake area
- Lake Maintenance Easement
- Drainage Easements over all outfall culverts
- 20' Drainage Easement along the eastern property line and a portion of the north property line.
- 30' Drainage Easement along SW 207th Terrace and SW 54th Court where a public right-of-way is not proposed.
- Boat Ramp Easement

The reason for the request is to accommodate the proposed development plan for the property. SBDD has reviewed the proposed water management and drainage plan and has determined that the proposed plans meet SBDD Criteria. The final water management and drainage plan for the property will include the following provisions:

- Account for existing drainage patterns and off-site flows through the property.
- Meet all SBDD Criteria, including basin storage requirements.
- Maintain east-west flow across the property at all times, until the new drainage system is in place.
- Provide a positive drainage system along the east property line.
- Install a 48" RCP outfall from the on-site lake to the "Trails Lake".
- Demonstrate that the proposed development will not have any adverse drainage impacts to the surrounding areas (i.e.: no increase in stages).

Based upon the District's review of the proposed water management and drainage plan to date, the above requirements are being met and will be met, and the applicant will be required to obtain a Paving & Drainage Permit from the District.

SBDD staff has no objection to this vacation request, subject to the following conditions:

- The dedication of the new, replacement Easements as depicted on Exhibit #2 or determined to be required by SBDD.
- The property owner shall enter into a new Maintenance & Indemnification Agreement with SBDD to replace the Indemnification/Maintenance Agreement currently in place for the property and recorded in OR Book 18948, Page 085, B.C.R.
- The property owner shall pay for all associated legal costs incurred by the District.
- The water management plan for the property shall meet all SBDD criteria.

There are no financial impacts to this Agenda Item, other than SBDD administrative costs; all other costs will be incurred by the property owner.

A motion to approve the foregoing was requested by the Chair. Vice Chair Ryan moved

for approval of the Release and Vacation of Drainage Easements in the proposed "Franklin Academy 6-12" Plat. Motion was seconded by Commissioner Goggin.

A clarification was made by Attorney Bell and District Director Hart that the easement to be vacated is depicted in the sketch and legal description attached to the District Director's memo.

Chair Hodges recognized members of the public who requested to speak on this item.

Mr. Fisikelli, SWR Councilman, voiced the Town of SWR's opposition to this project due to the amount of traffic it will bring. He said that the Town of SWR which borders the property, is not zoned for this type of development.

Mr. Michael Garcia, Attorney for the Town of SWR, agreed with Mr. Fisikelli. He requested that the Board of Commissioners table this item on account that the Town has issues with the City of Pembroke Pines regarding this project. He said that the Town has initiated a Conflict Resolution with the City of Pembroke Pines pursuant to Chapter 164, F.S., and would like this item tabled until all legal proceedings regarding this issue have been resolved. He said that they have spoken to Broward County and that Broward County has postponed this issue until the legal proceedings run its course. He said the Town of SWR has concerns with the project and the plat, and that there are problems with the traffic. He said that the City of Pembroke Pines disagrees with the Town and has decided to move forward with this application, and he respectfully requests that the Board table this item.

Ms. Debbie Orshefsky, Attorney representing Discovery School Inc., urged the Board of Commissioners to move forward with the approval pursuant to SBDD staff's recommendation. She said that the remarks made by the attorney for the Town of SWR with regard to a Chapter 164 proceeding, are inappropriate to the matter before the SBDD Board.

Mr. Garcia rebutted, reiterating that the Town has an issue with Pembroke Pines that they are litigating, and he believes that it would behoove the Board not to move forward on this item without having a resolution between the Town and Pembroke Pines.

Chair Hodges made it clear that the District is aware of the conflict between the Town of SWR and the City of Pembroke Pines. He said that the reason for this Agenda item is due to drainage issues and not to traffic, zoning or land use; and that our main concern is that the applicant meets SBDD criteria.

Discussion ensued.

Commissioner Mersinger stated that she has not found any legal reason that SBDD cannot move forward with this item. She had concerns about the District being restrained by the lawsuit between SWR and Pembroke Pines. Attorney Bell replied that the District is totally separate from both the Town and the City. He said that when it comes to the drainage, the District has exclusive jurisdiction over that particular issue; and that the

District basically transects both municipalities. He commented that the District would not be doing anything different if the situation were reversed, and it was the City of Pembroke Pines that was expressing concerns about the Town of SWR developing this particular piece of property. The Board is just approving the drainage aspect of the development, and we have no jurisdiction or say as to what the property will be used for, unless it affects drainage.

Commissioner Mersinger also asked if without seeing any legitimate or legal reason to oppose the request from a drainage standpoint, would the District not be opening themselves up to possible legal action. Attorney Bell said that SWR could go to court and ask for an injunction to prevent the District from moving forward, but he said that it may be futile for them to do that. He said that the District's action is also subject to the sale of the property, because it still has to be transferred from Pembroke Pines to Discovery Schools, Inc. which has not taken place yet.

Chair Hodges commented that District Director Hart has reviewed the calculations and that they meet the District's criteria, and that the Board is simply reviewing drainage easements at this time.

Commissioner Minnaugh had concerns on the residential development slightly to the east that has some ditches that are located in the Town of SWR. She said that something needs to be done with that ditch so that there are no future complaints or potential problems. District Director Hart said that there could be some provisions made for improvements to that ditch as well.

Commissioner Minnaugh said that this should be included in the applicant's package, and that while they are in their development stage, they should take care of it, rather than coming back to the District, or having the District handle it. Attorney Bell said that in one of the provisions placed in the original agreements, he made sure that everything to the east was provided with drainage; and that is why there are these flow-through easements; and it is his understanding that this is being taken care of through the road right-of-way. District Director Hart clarified that some of that drainage that currently flows to the east is being redirected to the south as part of the development plan, so that there could be an opportunity, or need, to make some improvements to that ditch to the east. He agreed with Commissioner Minnaugh that filling it up and piping it would take care of the problem.

Ms. Orshefsky, stated that they understand that this property has been part of providing drainage for its surrounding areas, and that they will, through their planning, design it so that they accommodate the drainage that they are required to accommodate; and will make every effort to do so on their own property. Commissioner Minnaugh clarified that the area in question, is not on their own property. Ms. Orshefsky replied that they have to make sure that their project will result in an improvement to the surrounding area, and that they are taking care of all the necessary drainage from off-site properties. She also added that she believes that these provisions will be part of the design and construction; and she concurred with Commissioner Minnaugh's request. Commissioner Minnaugh requested Attorney Bell to draw up documents to make sure that this is taken care of. Ms. Orshefsky said that they will find an engineering solution that will address all applicable standards.

District Director Hart explained the permitting process and what conditions will need to be met. This release and vacation request will be subject to the sale of the property being finalized and closed upon. The actual vacation document is in the name of the proposed buyer, and all the new easements will be dedicated by the buyer, so that if for whatever reason the sale does not go through and the development plan does not go through as presented, this approval will be reconsidered.

Chair Hodges recognized Mr. Charles Dodge, City of Pembroke Pines City Manager, as being present in the audience. Mr. Fisikelli wanted to make sure that the Board takes into consideration that this was a residential property; and that any changes to the reservations not change that. He wanted to make it clear that he was not there to object to the District, but to the issues with the City of Pembroke Pines. Chair Hodges assured Mr. Fisikelli through District Director Hart's review process, that the drainage will be as good, if not better, than it was before.

Vice Chair Ryan asked Attorney Bell how long the Conflict Resolution process through Chapter 164 of the Florida Statutes will take. Attorney Bell replied that it could take years, and that it all depends on how fast they try to expedite it. Vice Chair Ryan commented that the District is aware of the traffic concern that the Town has, and is sympathetic to it, but that the traffic problem is not a drainage problem. That SBDD's Charter states that the District deal with drainage issues and basically nothing else. He said that the District's engineer, District Director Hart, makes sure that they meet all the qualifications and standards set for this property to meet the drainage requirements. He said that with that in mind, the Town of SWR does not really have a case as far as asking the District to disapprove this, or place it into a Chapter 164 process, which could take a long time.

Commissioner Goggin asked District Director Hart for clarification on the road that has been proposed and is already under construction. He wanted to know if it has been approved and if the District reviewed the drainage on it; and if it met the District's criteria? District Director Hart replied yes, that the City of Pembroke Pines had submitted a permit application to the District for construction of SW 207th Terrace which extends along the west perimeter of the property and also includes SW 54th Court to the south. This was a separate application and the District reviewed it for compliance with Criteria. He said that the roadway is currently under construction, and although it is separate from this application, it is connected because it will be the access for that property.

Commissioner Good asked District Director Hart if the Board has ever denied a request of this nature for any reason. District Director Hart replied he does not believe so. It is not an uncommon request to the District and it is something that the Board has approved in the past. Attorney Bell concurred.

Commissioner Good restated the concern that the Board has on preservation of off-site flowage. He said that he agrees in the preservation of that off-site flowage. He said that when one looks at the way the drainage and flowage easements are structured right now, it is like a natural BMP, and in this property, in the way it is planned on being used, he is concerned that there will be potential impacts to the water quality criteria that has just been

passed by the state. He stated that he is trusting that staff will ensure that the proper BMPs will be installed in order to ensure that the water quality will be retained. District Director Hart said yes, that the proposed plan does include a series of swales which are considered BMP treatment systems, and also includes exfiltration trench, and very likely will include a wetland area as well, that also improves water quality.

Commissioner Mersinger had concerns with potential parking area drainage problems. She wants to make certain that the District does not encounter the flooding problems the District has encountered with other areas. District Director Hart replied that maintenance will be an important component of the stormwater management system, especially the roadside swale system and that the City of Pembroke Pines and the property owner will be responsible for maintenance. The District is putting together a workshop to help educate commercial and industrial properties on the importance of maintenance of swale areas.

The question was called, a roll call vote was taken, and the motion was carried unanimously.

B. "LETTER OF NO OBJECTION" TO THE RELEASE OF ROAD RESERVATIONS IN THE PROPOSED "FRANKLIN ACADEMY 6-12" PLAT, PEMBROKE PINES, FL

District Director Hart stated that South Broward Drainage District (SBDD) received a request for a "Letter of No Objection" to the release of two (2) Road Reservations located within the proposed Franklin Academy 6-12 development in the City of Pembroke Pines. In addition to the drainage easements previously discussed, there are a number of road right-of-way and road reservations on the property. Some of these were dedicated by separate instrument and others by plat. This is consistent throughout all of Broward County where you have rights-of ways dedicated along section lines and quarter section lines. There were rights-of-ways that were dedicated under the old Dade County plats. Those rights-of-ways are released as a matter of course when the property is platted.

The description of the areas to be released are attached to the District Director's memo. The road reservations were previously dedicated by separate instrument. The property is currently owned by the City of Pembroke Pines and is under contract for sale to Discovery Schools, Inc. This request is associated with a separate request by the applicant to vacate an existing Drainage/Flowage Easement on the same property.

The reason for the request is to accommodate the proposed development plan for the property.

SBDD staff has no objection to this vacation request, subject to Board approval of the Drainage/Flowage easement vacation request and the property owner paying for all associated legal costs incurred by the District.

There are no financial impacts to this Agenda Item, other than SBDD administrative costs; all other costs will be incurred by the property owner.

District Director Hart deferred to Attorney Bell for additional comments.

Attorney Bell commented that he was not sure if the District should include the road easement which is the second document under OR Book 16892, Page 735; which is identified as a road easement, but when checking with the Broward County Property Appraiser's (BCPA) website it indicates that it is part of the Griffin Road right-of-way. It doesn't show up as being owned by Pembroke Pines, and it does not seem as if it should be included as part of the overall transfer. He said that it should be moved off the plat, and there should be further clarification as to whether it is owned by Broward County or Pembroke Pines; and being an easement it should still be owned by the underlining property owner, but it is not indicated as such.

Chair Hodges questioned if that would affect the District's "Letter of No Objection"? Attorney Bell replied that the District can approve the "Letter of No Objection", subject to clarification of that particular area.

Commissioner Minnaugh moved for approval of the "Letter of No Objection" to the release of road reservations in the proposed "Franklin Academy 6-12" Plat, subject to clarification of that particular road right-of-way mentioned by Attorney Bell, and who owns it. Motion was seconded by Commissioner Goggin.

Ms. Orshefsky commented that the portion of land discussed is actually part of the right-of-way and that it will be a road; she did not believe it to be an issue. Attorney Bell replied that it is part of the plat, and questioned whether it is part of 207th Avenue or Griffin Road. Ms. Orshefsky stated that it will ultimately be a part of Griffin Road per their surveyor.

The question was called and it was carried unanimously.

C. VARIANCE REQUEST FOR TERRA RANCHES, SOUTHWEST RANCHES, FL

District Director Hart said that the project engineer for the Terra Ranches project is requesting a variance from SBDD Criteria for a proposed lake and wetland area cross-section on behalf of the property owner. The property is located at the southeast corner of Stirling Road and SW 172nd Avenue in the Town of Southwest Ranches.

Exhibit 11B of the District Criteria Manual – "Section with Stabilized Divider for Lakes/Water Bodies Adjacent to Mitigation Areas & Behind Residential Lots" requires that the open water area, adjacent to a wetland area, be 10-feet deep and a minimum 15-foot wide. The applicant is proposing an open water area section as follows:

- 56-foot width (top of bank to top of bank)
- 46-foot width (water's edge to water's edge)
- 10-foot depth at deepest point
- No minimum width at the 10-foot depth

The project engineer met with the Variance Review Committee (VRC) on December 11, 2013 and as a follow-up to that meeting the variance request is being presented to the SBDD Board for consideration.

The details of the variance as discussed at the VRC are as follows:

1. The requested variance is for an open water area, adjacent to a wetland area.
2. The water management and drainage plan for the project will provide for off-site drainage to flow through the property.
3. The water management and drainage plan for the project includes a drainage outfall to the District's canal along SW 172nd Avenue.
4. The property owner will dedicate easements to SBDD as required.
5. The requested variance will not have any adverse impacts on the drainage for this property or any adjacent properties.
6. The property owner will be required to obtain a Paving & Drainage Permit from SBDD.
7. The property owner will be required to enter into a Maintenance and Indemnification Agreement with SBDD as a condition of approval of the variance.
8. The property owner (or successors) will be responsible to maintain the open water section of the lake and ensure that it functions as an open water flow channel.
9. The property owner shall pay for all associated legal costs incurred by the District.

SBDD staff has no objection to this variance request. There are no financial impacts to this Agenda Item, other than SBDD administrative costs; all other costs will be incurred by the property owner.

The requested variance is to approve the "Section with Stabilized Divider for Lakes/Water Bodies Adjacent to Mitigation Areas & Behind Residential Lots" as depicted on Exhibit "A" for the Terra Ranches project located at the southeast corner of Stirling Road and SW 172nd Avenue in the Town of Southwest Ranches. If the variance is approved, the property owner will be required to enter into a Maintenance and Indemnification Agreement with SBDD and pay for all associated legal costs.

Vice Chair Ryan moved for approval of the Variance Request for Terra Ranches as presented. Motion was seconded by Commissioner Santana-Woodall.

Commissioner Minnaugh had concerns that there is no minimum width at the 10' depth. She said the reason for her concern is because the district is experiencing that same problem with the Taft Street canal.

District Director Hart explained that that District is narrowing the width on Taft Street to provide a flatter cross slope on the canal bank. In some cases, he said, the Taft Street canal is very shallow, and the District is making provisions to deepen that. This particular section (Terra Ranches) will be constructed 10' deep, and the applicant will be required to submit as-builts verifying the 10' depth. The conditions, as far as the underlining soil and geology, will allow them to get a much steeper angle than Taft

Street. It is a little different than Taft Street because it is not quite as sandy; it is actually rockier. Based on the District's experience and knowledge of the area, the District believes that they will be able to get the 10' depth.

Commissioner Minnaugh also asked who would be responsible for maintaining that canal. District Director Hart replied that the property owner and successor will be responsible. Whoever is responsible for the maintenance of that water body will also have a 5-year requirement under their permit for the wetlands, and staff feels that the maintenance of this channel can be maintained as well, without much difficulty.

Commissioner Minnaugh asked Mr. Antonio Quevedo, HSQ Group Engineer, if they will have a Homeowner's Association? Mr. Quevedo replied absolutely; and that they already have approvals from the SFWMD and Broward County. Part of the approval included the preparation of a draft agreement for the HOA documents. He said that the HOA will own the lake, and maintain not only the lake, but the lake maintenance area around the lake; and as District Director Hart said, they will have to hire him or another engineering firm every five years to certify that the drainage system is operating properly.

Commissioner Minnaugh wants the approval conditioned upon SBDD reviewing the HOA documents to ensure that it is worded exactly to SBDD specifications. She said she wants it specifically written that the HOA is responsible for maintaining not only the lake, but the lake maintenance area around the lake, and hiring an engineering firm to do a 5-year recertification.

Chair Hodges asked if the open flow section is part of the conservation easement. Mr. Quevedo replied no, that the conservation easement will only be around the wetland area. He said they will ensure that District Director Hart receives a copy of the documents prior to recording them, and will place whatever language is necessary.

Commissioner Goggin asked where the tie-in to this lake is. District Director Hart replied that there will be a headwall at the west end of the channel, and that they will be placing revetment stabilization around that headwall which will tie into the canal on SW 172nd Avenue, which is the District's Basin 8 main canal. In addition, the plan includes a second connection to the east end with a headwall, manhole and stubout to allow the property to the east, which is currently undeveloped, to connect through it. Finally, there will be provisions for any properties north of this site to connect if they need to do so. That will be outlined and accounted for in the design plans, and the Agreement that the owner has to enter into; to allow for those connections.

Commissioner Good commented that he is familiar with the 5-year recertification program for structures, but was not familiar with a 5-year recertification program for water bodies. District Director Hart elaborated that the District focuses mainly on the inlets, pipes and structures, but that on this particular project, the District can include that channel. It is at the District's discretion, and he has no problem making sure that it is included specifically as a provision in their 5-year recertification requirements. Typically the District does not do a 5-year recertification on water bodies, but that does not mean

the District cannot do a 5-year recertification on water bodies, and on this particular project the District can write it into the Agreement.

Commissioner Good stated that as time goes by, the District is seeing more and more water bodies that were once conveyed to the District, now being dedicated as an easement (as opposed to ownership), and it gives the District the right to make certain that everything is okay. He suggested that perhaps the District should be thinking about expanding the recertification process to include all water bodies, not just this one. He said that where there is an easement, the District needs to ensure that the water body is correct, because if there is improper maintenance, the water body can be negatively impacted.

District Director Hart and Chair Hodges concurred with Commissioner Good regarding expanding the recertification process to include the water bodies, and to make it clear in the Agreement, so that there are no questions.

The question was called and was carried unanimously.

D. RE-INVESTMENT OF DISTRICT FUNDS

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

- | | |
|-----------------------------------|---------------------------|
| 1. Regent Bank CD - \$240,023 | Maturity Date - 1/10/2014 |
| 2. Bank of America CD - \$247,500 | Maturity Date - 2/8/14 |

Upon maturity of these investments, the District will have approximately \$487,523 of additional cash-on-hand.

On December 10, 2013, 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 each individual CD. The recommendation from the Finance and Investment Committee is to re-invest these funds in new 12-month CDs at the highest available interest rate.

A cash flow analysis by SBDD staff indicates that the District will have adequate cash-on-hand during the 12-month periods of the new CDs. The District is requesting approval to re-invest the monies that will become available from two maturing CD investments over the next three months by purchasing new 12-month CDs at the highest available interest rates.

Commissioner Minnaugh moved to approve the re-investment of District funds. Motion was seconded by Commissioner Santana-Woodall and was carried unanimously.

E. OTHER

- Recognition to Assistant District Director, Luis Ochoa - District Director Hart commended Assistant District Director, Luis Ochoa, in his accomplishment towards

obtaining his engineering degree and in passing his Engineering Fundamentals exam.

- Taft Street Canal – District Director Hart said that the Taft Street Canal work is moving forward. The District completed some work that was not anticipated to be completed, and it was a big benefit to the District as part of the joint project with the City of Pembroke Pines. The City will now proceed to deepen the canal and stabilize the south canal bank. The District was able to piggy-back off of the City's maintenance of traffic that was set up to remove the vegetation; and this allowed the District to use its grapple truck. The District was able to remove 20 to 30 years of muck, trash, etc. that had been sitting at the bottom of that canal. It took a little over a week to perform that work.
- Update on CIP Projects – The District is continuing to move forward on a number of other CIP Projects. The District is finishing the plans to replace the existing roof on the S3 Pump Station which is a wood truss roof; it will be replaced with concrete roof which will reinforce the pump station building. The District is also doing pump and motor rehabilitation as well, in a number of the District's pump stations.

05. ATTORNEY'S REPORT:

Attorney Bell said that on the update on Legislation, he has heard rumors, but nothing definitive.

Commissioner Minnaugh asked Attorney Bell for an update on Hotwire. Attorney Bell said that the District is still waiting for an additional deposit and deferred to District Director Hart.

District Director Hart stated that after the last Board meeting, the District contacted the attorney for Hotwire. The District expressed to them the decision of the Board at that meeting, and the need and requirement to get an additional retainer for attorney costs. As of today, the District has not received that additional deposit. The District also contacted the attorney that was recommended to the District through the Board. The attorney has agreed to assist Attorney Bell in reviewing the agreement and helping him with some of the FCC and communication issues. The District has not contracted with him yet, because they are waiting on the deposit. Attorney Bell said that he has contacted the recommended attorney and that he has already given him some good information.

Discussion ensued among members of the Commission. Commissioner Goggin commented that none of the residences wanted any of this in their back yard; and they want clarification on why the District has not acted on this up to this point. They have concerns with their safety and other issues, and they want answers.

District Director Hart stated that Hotwire began working without a permit. They did not notify the District that they were doing the work; and when the District was informed, Hotwire was contacted and told they needed to apply for a permit. They were placed on notice that they were working without a permit. At that point, they stopped installing new conduit (once the District got involved), but District Director Hart was notified, after-the-

fact, that they still pulled cable through the conduit that was already in place, and that they were working within the boxes. He said Attorney Bell has been in touch with their council as well to try and work out a resolution. Commissioner Mersinger commented that in essence, they are disregarding anything that the District has said to them.

Commissioner Minnaugh asked District Director Hart if at this point the District would even consider giving them a permit. District Director Hart said that it is possible that the District would issue them a permit. He said that the way the District looks at it, and the District has indicated this to Hotwire already, is “will it inhibit the District’s use of the easement?” In addition, SBDD needs to verify that the HOA has the authority and permission to place the line, etc. in the easement area. As far as placing underground cable in the lake maintenance easement, it really does not impact the District’s drainage, per say. The HOA needs to verify that this was previously approved through their HOA documents, to allow cable in those easements.

Commissioner Mersinger commented that these people feel they have carte blanche to do what they want on someone else’s property without going through the proper channels, and wrong is wrong.

Commissioner Good suggested that the District review their Charter and address the issue regarding the use of District easements by other third party companies as a Charter amendment.

Commissioner Goggin commented that first Hotwire goes in and does the work, but the second part of this is that they didn’t clean up and bring the easement back to a condition that the District requires. He agrees with Commissioner Good that there is no provision in the District Charter.

Commissioner Mersinger stated that one of the big problems the District has is that they do not have the teeth to do anything about something like this when it is being done, or even after it is done, and that this was done without the District’s knowledge.

Commissioner Goggin said that 75% or 80% of the residences did not want it to begin with, and the HOA passed it anyway. Here the District sits in a situation where they set up something in their Charter, where the HOA is not permitted to do work (without a permit), but they are doing it anyway, and now the residences are looking at the District thinking that they don’t have their act together because they are not taking care of business.

Commissioner Mersinger stated that the only way she perceives for the District to be able to do anything about this, would be through a Charter change. It was the consensus of the Board to schedule a workshop to discuss a Charter change in this regard.

Chair Hodges commented that the District just has an easement over this, and it is not the District’s property. It is not as black and white as it seems. The residents need to complain to their HOA, or their City who also has to issue a permit.

Commissioner Mersinger commented that these people pay the District to take care of their

drainage, and that the District is responsible to them. Chair Hodges said the District is responsible to them for drainage, not cable; that is another issue. Commissioner Mersinger said that work is being done in the District's easement without permission, and that the District is powerless to do anything to stop them. Chair Hodges said that he does not believe that the District is powerless, that the District can always send a threatening letter saying that they potentially need to remove all of their conduit out of the easement.

District Director Hart stated that they have been placed on notice. Commissioner Minnaugh asked if he sent a letter to the HOA. District Director Hart replied no, they have not, because up until now they have been working with them on a resolution. That resolution would include permission/authority for them to place the cable in that location. The original development documents did include provisions for the placement of cable within these private lots. The problem that the HOA ran into was that the document was in the name of the original developer, and was never transferred properly assigned to the HOA. He said that technically they do not have the authority they thought they had. Even some of the documents that the HOA has provided to Hotwire, and Resolutions that they approved for Hotwire, are incorrect. He said he would be hesitant to issue a Notice of Violation because it would hurt the property owners more so than Hotwire. He said that if this does not get resolved within six months, or whatever time the District deems appropriate, then the District can place Hotwire on notice. He said that there is no new digging that he is aware of; and if there is any restoration work that has not been completed properly, the District would ensure that all that work is completed correctly. There is no excuse that someone's yard has not been properly restored.

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

None.

08. MEETING DATE(S)

A. The Next Regular Board Meeting will be held on **Thursday, January 30th at 8:00 a.m.**

Adjournment at 9:38 A.M.

Respectfully submitted,

Robert E. Goggin IV, Secretary
South Broward Drainage District

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MEMORANDUM

DATE: January 23, 2014

TO: South Broward Drainage District Commissioners

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

Subject: Request to Vacate a 40-Foot Drainage Easement in the "Pembroke Falls Phase 3" Plat
(aka: Mercedes Benz Property)

Comments:

South Broward Drainage District (SBDD) received a request to vacate a 40-foot Drainage Easement in the "Pembroke Falls Phase 3" Plat (aka: Mercedes Benz). This easement was previously dedicated by separate instrument under OR Book 25688, Page 560, BCR.

The property is owned by AN Luxury Imports of Pembroke Pines, Inc.

Attached to this memo is the sketch & legal description of the Drainage Easement area to be vacated, along with the original easement dedication.

As part of this request, the property owner will be dedicating a new 40-foot Drainage Easement to SBDD to replace the drainage easement being vacated. An overall Exhibit showing the easement area to be vacated together with the new easement area to be dedicated is attached.

The reason for the request is to place the 40-foot DE in the proper location. The vacation and rededication of the easement did not occur when the property was originally developed, and as a result, the existing DE is located over the existing car dealership building. This process will clean up and correct this previous oversight.

SBDD staff has no objection to this vacation request, subject to the following conditions:

- Dedication of a new 40-foot DE over the existing 60" RCP.
- Property owner to enter into a Maintenance & Indemnification Agreement with SBDD to include the responsibility for the maintenance of the 60" RCP.

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 approval of SBDD to vacate and release its interest in the following properties, subject to the conditions listed above: Properties described in the attached Exhibit "A" of the Release and Vacation of Drainage Easement, Pembroke Falls Phase 3 (Mercedes Benz); said property being a portion of Parcel 'B', "Pembroke Falls Phase 3" Plat, according to the Plat thereof as recorded in Plat Book 158, Page 29, B.C.R. and also being the easement thereof recorded in ORB 25688, Pg 560, B.C.R.

KH
Attachments



SITE

LOCATION MAP

PROJECT: MERCEDES OF PEMBROKE PINES	
LOCATION: NW 142ND AVE & PINES BOULEVARD	
PROJECT NO: F130081	PAGE NO: 1 OF 1
PREPARED BY: KLB	DATE:
CHECKED BY: JMG	SCALE: N.T.S.



1000 CORPORATE DRIVE, SUITE 250, FORT LAUDERDALE, FLORIDA 33334 - TEL: (954) 202-7000



Prepared by

And Return To: South Broward Drainage District
6591 S.W. 160th Avenue
Southwest Ranches, Florida 33331

Folio No.: 5140 1405 0050

**RELEASE AND VACATION OF DRAINAGE EASEMENT
PEMBROKE FALLS PHASE 3 (MERCEDES BENZ)**

THIS RELEASE AND VACATION OF THE DRAINAGE EASEMENT @ PEMBROKE FALLS PHASE 3 PARCEL B is executed this _____ day of _____, 2_____, by SOUTH BROWARD DRAINAGE DISTRICT, a political subdivision of the State of Florida, having its principal place of business at 6591 S.W. 160th Avenue, Southwest Ranches, Florida 33331, first party to AN LUXURY IMPORTS OF PEMBROKE PINES, INC., a Delaware Corporation whose address is 110 S.E. 6th Street 26th Floor, Ft. Lauderdale, Florida 33301, his successors and assigns as their interest may appear of record, second party.

(Wherever used herein, the terms "first party" and "second 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.)

WITNESSETH, that the first party, for and in consideration of the sum of \$10.00, in hand paid by the 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 DRAINAGE EASEMENT as described in the attached "EXHIBIT A". Said easement having been recorded in the Broward County, Florida Public Records at Official Records Book 25688, Page 560.

The purpose of this RELEASE AND VACATION is to release and vacate the first party's interest in and to the EASEMENT located on second party's property as described above. 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.

Signed, sealed and delivered
in the presence of:

SOUTH BROWARD DRAINAGE DISTRICT

Witness Signature

SCOTT HODGES, Chairperson

Witness Printed Name

Attest:

Witness Signature

ROBERT GOGGIN IV, Secretary

Witness Printed Name

(DISTRICT SEAL)

STATE OF FLORIDA)
)§
COUNTY OF BROWARD)

The foregoing instrument was executed before me this _____ of _____, 2____, by SCOTT HODGES and ROBERT GOGGIN IV as President and Secretary, respectively of the SOUTH BROWARD DRAINAGE DISTRICT, first party, who are personally known to me.

WITNESS my hand and official seal in the County and State last aforesaid this _____ day of _____, 2____.

(NOTARY SEAL/STAMP)

NOTARY PUBLIC, STATE OF FLORIDA AT LARGE



EXHIBIT "A"
McLAUGHLIN ENGINEERING COMPANY
LB#285

ENGINEERING * SURVEYING * PLATTING * LAND PLANNING
 400 N.E. 3rd AVENUE FORT LAUDERDALE, FLORIDA
 33301 PHONE (954) 763-7611 * FAX (954) 763-7615

SCALE 1" = 100'

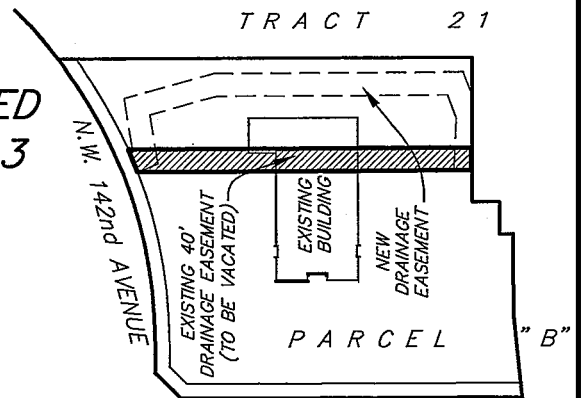
SKETCH AND DESCRIPTION

**40' DRAINAGE EASEMENT TO BE VACATED
 PARCEL "B", PEMBROKE FALLS PHASE 3
 (PLAT BOOK 158, PAGE 29, B.C.R.)
 SHEET 1 OF 2 SHEETS**

LEGAL DESCRIPTION:

A portion of Parcel "B", PEMBROKE FALLS PHASE 3, according to the plat thereof, as recorded in Plat Book 158, Page 29, of the public records of Broward County, Florida, more fully described on Sheet 2 of 2 Sheets.

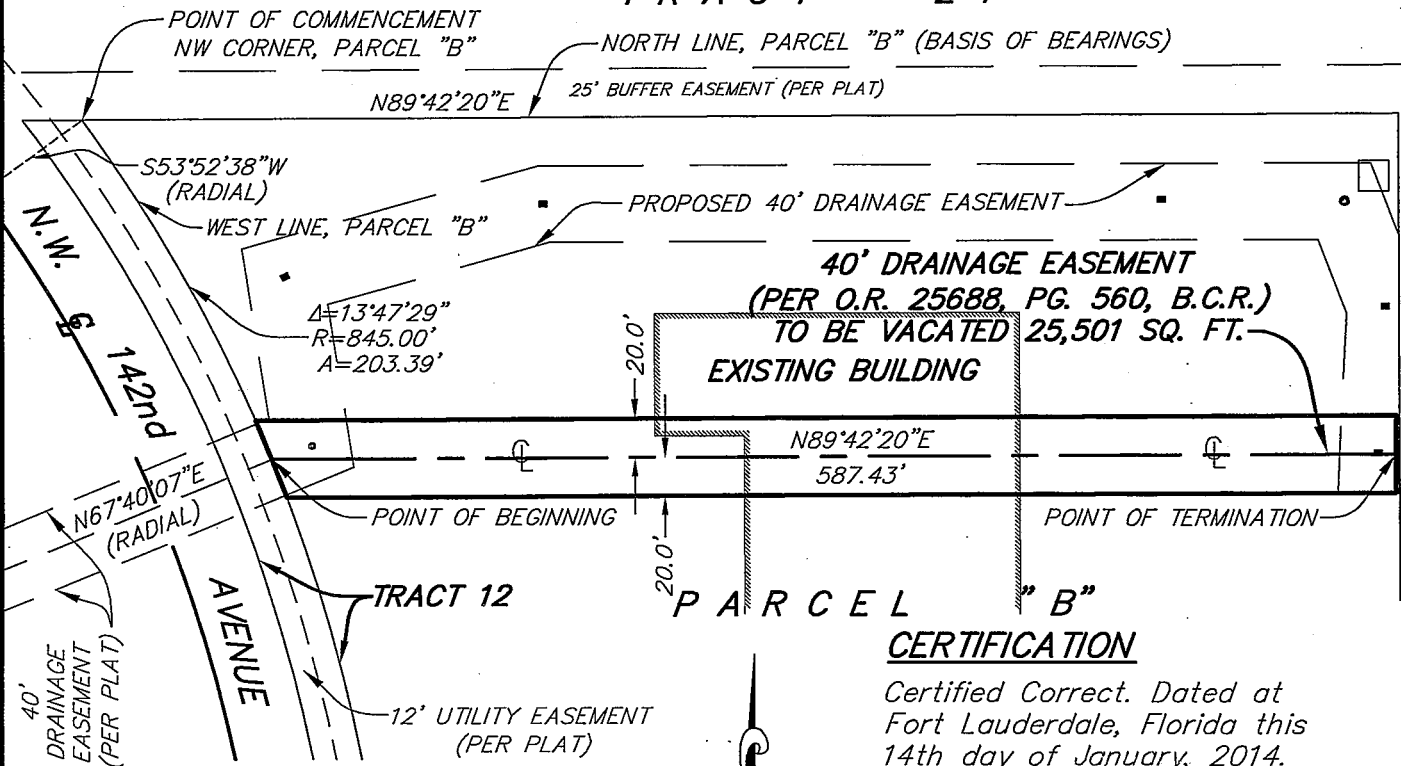
Said lands situate, lying and being in the City of Pembroke Pines, Broward County, Florida and containing 25,501 square feet or 0.5395 acres more or less.



PINES BOULEVARD (HOLLYWOOD BLVD.)

**SITE LAYOUT
 NOT TO SCALE**

TRACT 21



CERTIFICATION

Certified Correct. Dated at
 Fort Lauderdale, Florida this
 14th day of January, 2014.

McLAUGHLIN ENGINEERING COMPANY

Jerald A. McLaughlin
 JERALD A. McLAUGHLIN
 Registered Land Surveyor No. 5269
 State of Florida.

NOTES:

- 1) This sketch reflects all easements and rights-of-way, as shown on above referenced record plat(s). The subject property was not abstracted for other easements road reservations or rights-of-way of record by McLaughlin Engineering Company.
- 2) Legal description prepared by McLaughlin Engineering Co.
- 3) This drawing is not valid unless sealed with an embossed surveyors seal.
- 4) THIS IS NOT A BOUNDARY SURVEY.
- 5) Bearings shown refer to record plat (158/29 B.C.R.) and assume the North line of said Parcel "B", as North 89°42'20" East.

FIELD BOOK NO. _____

DRAWN BY: JMMjr

JOB ORDER NO. U8842

CHECKED BY: _____

REF. DWG.: 95-3-115

C: \JMMjr\2014\U8842(DE)

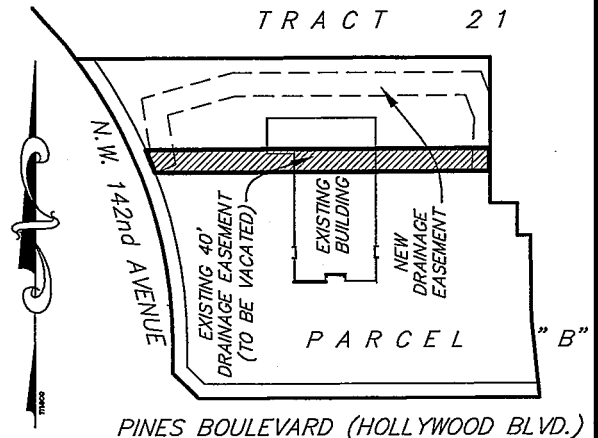


McLAUGHLIN ENGINEERING COMPANY

LB#285

ENGINEERING * SURVEYING * PLATTING * LAND PLANNING
400 N.E. 3rd AVENUE FORT LAUDERDALE, FLORIDA
33301 PHONE (954) 763-7611 * FAX (954) 763-7615

SKETCH AND DESCRIPTION 40' DRAINAGE EASEMENT TO BE VACATED PARCEL "B", PEMBROKE FALLS PHASE 3 (PLAT BOOK 158, PAGE 29, B.C.R.) SHEET 2 OF 2 SHEETS



PINES BOULEVARD (HOLLYWOOD BLVD.)

SITE LAYOUT NOT TO SCALE

LEGAL DESCRIPTION:

A strip of land 40.00 feet in width, lying 20.00 feet on each side of the centerline, over, under across and through a portion of Parcel "B", PEMBROKE FALLS PHASE 3, according to the plat thereof, as recorded in Plat Book 158, Page 29, of the public records of Broward County, Florida, said centerline being more fully described as follows:

Commencing at the Northwest corner of said Parcel "B", being a point on a curve; thence Southeasterly on the West line of said Parcel "B" and on said curve to the right, whose radius point bears South 53°52'38" West, with a radius of 845.00 feet, a central angle of 13°47'29", an arc distance of 203.39 feet to the Point of Beginning of the herein described centerline; thence North 89°42'20" East, a distance of 587.43 feet to the point of Termination of the herein described centerline.

Said lands situate, lying and being in the City of Pembroke Pines, Broward County, Florida and containing 25,501 square feet or 0.5395 acres more or less.

Note: It is the intent of this description to describe all of that certain 40 foot Drainage Easement recorded in Official Records Book 25688, Page 560, Broward County Records.

CERTIFICATION

Certified Correct. Dated at Fort Lauderdale, Florida this 14th day of January, 2014.

McLAUGHLIN ENGINEERING COMPANY

JERALD A. McLAUGHLIN
Registered Land Surveyor No. 5269
State of Florida.

NOTES:

- 1) This sketch reflects all easements and rights-of-way, as shown on above referenced record plat(s). The subject property was not abstracted for other easements road reservations or rights-of-way of record by McLaughlin Engineering Company.
- 2) Legal description prepared by McLaughlin Engineering Co.
- 3) This drawing is not valid unless sealed with an embossed surveyors seal.
- 4) THIS IS NOT A BOUNDARY SURVEY.
- 5) Bearings shown refer to record plat (158/29 B.C.R.) and assume the North line of said Parcel "B", as North 89°42'20" East.

FIELD BOOK NO. _____

DRAWN BY: JMMjr _____

JOB ORDER NO. U8842 _____

CHECKED BY: _____

REF. DWG.: 95-3-115

C: \JMMjr/2014/U8842(DE)

Prepared By and Return To:

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

Folio:

**DRAINAGE EASEMENT
(PEMBROKE FALLS PHASE 3 - MERCEDES BENZ)**

THIS DRAINAGE EASEMENT is granted this ____ day of _____, 20____, by **AN LUXURY IMPORTS OF PEMBROKE PINES, INC., a Delaware Corporation**, whose address is 110 S.E. 6th Street 26th Floor, Ft. Lauderdale, Florida 33301, hereinafter referred to as "Grantor", to **SOUTH BROWARD DRAINAGE DISTRICT**, a political subdivision of the State of Florida, located at 6591 S.W. 160th Avenue, Southwest Ranches, Florida 33331, hereinafter referred to as "District".

WITNESSETH:

That the Grantor, for and in consideration of the sum of ten dollars (\$10.00) and other good and valuable consideration, the receipt whereof is hereby acknowledged, does hereby grant and convey:

a) To District, its successors and assigns, a perpetual and non-exclusive Drainage Easement for the construction and maintenance of drainage facilities, together with any necessary appurtenances incidental and necessary thereto, over, across and through the real property described in Exhibit "A" attached hereto and made a part hereof ("Drainage Easement Areas), together with free ingress and egress across said Drainage Easement Areas for the purpose of constructing, maintaining and repairing the drainage system and appurtenances contained therein.

b) Although the Drainage Easement granted herein is non-exclusive, should any easements over the same property be granted subsequent to the date of this Easement, the holder of any such subsequent easement shall be required to obtain approval from the District for the use of the Drainage Easement Areas. Such approval by the District shall not be unreasonably withheld or denied.

c) The rights granted herein to the District may be released or modified by a written, recordable release or modification approved by the Grantor and executed by the District.

d) No improvements, trees, landscaping or encroachments, including utilities, shall be placed within the Drainage Easement Area without the approval of and a permit from the District.

e) Grantor acknowledges that Grantor and Grantor's successors and assigns shall be responsible for construction and maintenance of all drainage facilities constructed within the Drainage Easement Areas and that District shall have the right but not the obligation to maintain said drainage facilities.

f) Grantor further acknowledges that in the event the District incurs any expenses in maintaining or repairing the drainage facilities within the Drainage

Easement Area, Grantor and Grantor's successors and assigns shall reimburse District for said expenses including attorney's fees and costs to collect said expenses. However, before incurring any expenses, except in an emergency, District shall provide written notice to Grantor at least five (5) working days prior to performing any work to maintain or repair said drainage facilities. During this period of time, Grantor or Grantor's successors and assigns may perform the work proposed by District or notify District that Grantor will perform said work to District's requirements.

IN WITNESS WHEREOF, the said party of the first part has caused these presents to be signed in its name by its proper officer, the day and year above written.

Signed, sealed and delivered
in the presence of:

"GRANTOR"

**AN LUXURY IMPORTS OF PEMBROKE
PINES, INC.**

Witnesses:

Signature

By: _____
James R. Bender, President

Print Name

Signature

Print Name

STATE OF _____)
COUNTY OF _____) §

The foregoing Drainage Easement was acknowledged before me this _____ day of _____, 20____, by **James R. Bender, as President of AN LUXURY IMPORTS OF PEMBROKE PINES, INC.**, as Grantor, who (is personally known to me) or (has produced _____ as identification).

Witness my hand and official seal in the county and state last aforesaid this _____ day of _____, 20____.

[NOTARY SEAL AND STAMP]

NOTARY PUBLIC



EXHIBIT "A"
McLAUGHLIN ENGINEERING COMPANY
LB#285

ENGINEERING * SURVEYING * PLATTING * LAND PLANNING
 400 N.E. 3rd AVENUE FORT LAUDERDALE, FLORIDA
 33301 PHONE (954) 763-7611 * FAX (954) 763-7615

SCALE 1" = 100'

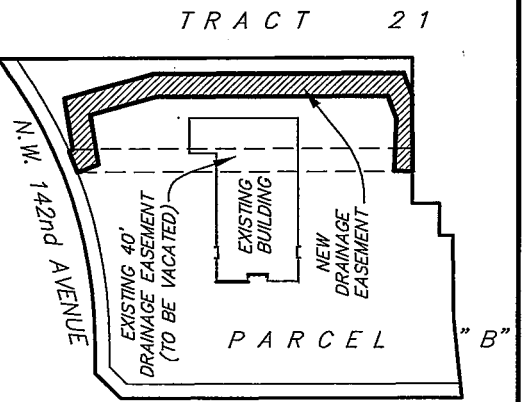
SKETCH AND DESCRIPTION
DRAINAGE EASEMENT

PARCEL "B", PEMBROKE FALLS PHASE 3
(PLAT BOOK 158, PAGE 29, B.C.R.)
SHEET 1 OF 2 SHEETS

LEGAL DESCRIPTION:

A portion of Parcel "B", PEMBROKE FALLS PHASE 3, according to the plat thereof, as recorded in Plat Book 158, Page 29, of the public records of Broward County, Florida, more fully described on Sheet 2 of 2 Sheets.

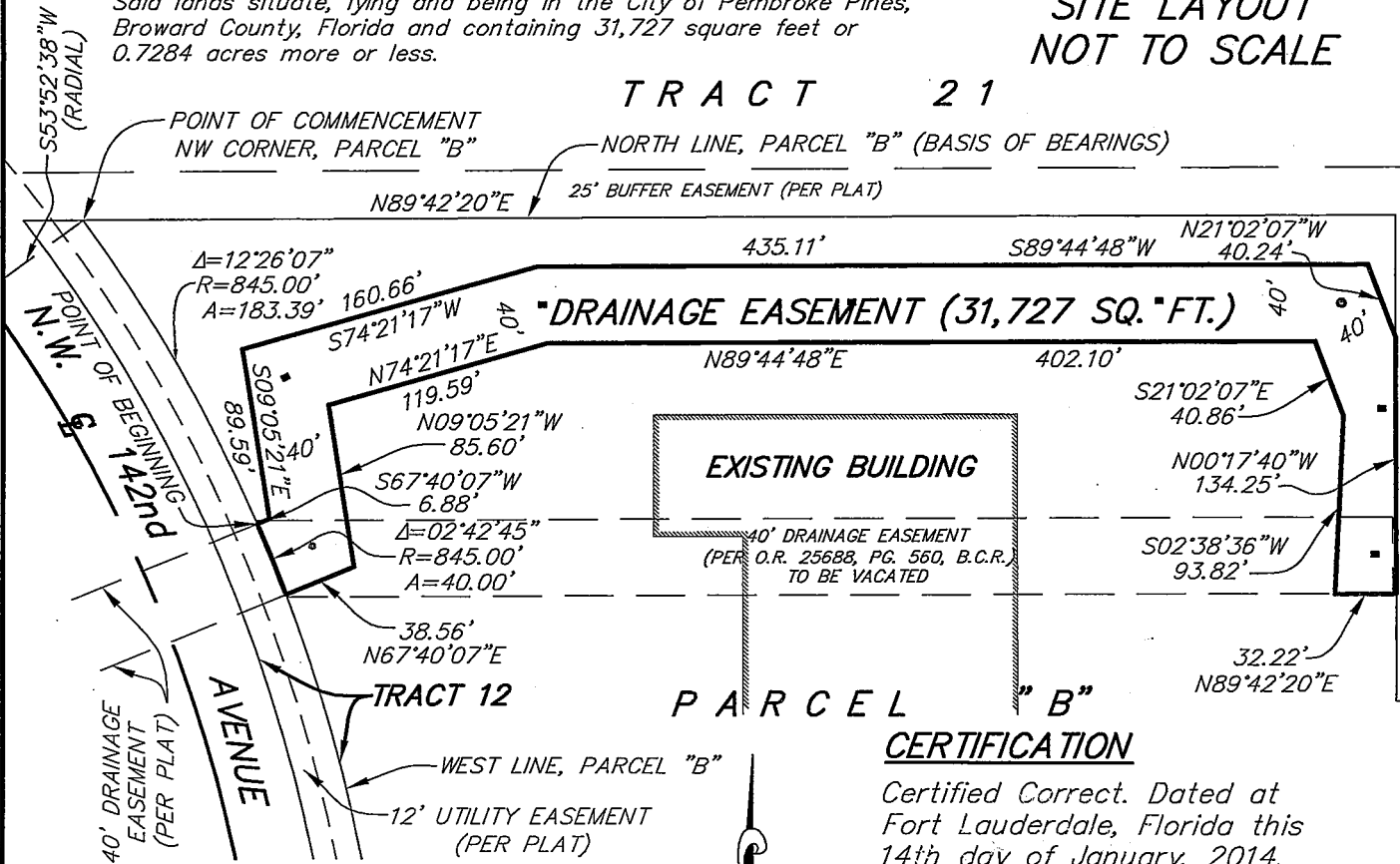
Said lands situate, lying and being in the City of Pembroke Pines, Broward County, Florida and containing 31,727 square feet or 0.7284 acres more or less.



PINES BOULEVARD (HOLLYWOOD BLVD.)

SITE LAYOUT
NOT TO SCALE

TRACT 21



PARCEL "B"

CERTIFICATION

Certified Correct. Dated at Fort Lauderdale, Florida this 14th day of January, 2014.

McLAUGHLIN ENGINEERING COMPANY

Jerald A. McLaughlin
JERALD A. McLAUGHLIN
 Registered Land Surveyor No. 5269
 State of Florida.

NOTES:

- 1) This sketch reflects all easements and rights-of-way, as shown on above referenced record plat(s). The subject property was not abstracted for other easements road reservations or rights-of-way of record by McLaughlin Engineering Company.
- 2) Legal description prepared by McLaughlin Engineering Co.
- 3) This drawing is not valid unless sealed with an embossed surveyors seal.
- 4) THIS IS NOT A BOUNDARY SURVEY.
- 5) Bearings shown refer to record plat (158/29 B.C.R.) and assume the North line of said Parcel "B", as North 89°42'20" East.

FIELD BOOK NO. _____

DRAWN BY: JMMjr

JOB ORDER NO. U8842

CHECKED BY: JAM

REF. DWG.: 95-3-115

C: \JMMjr\2014\U8842(DE)



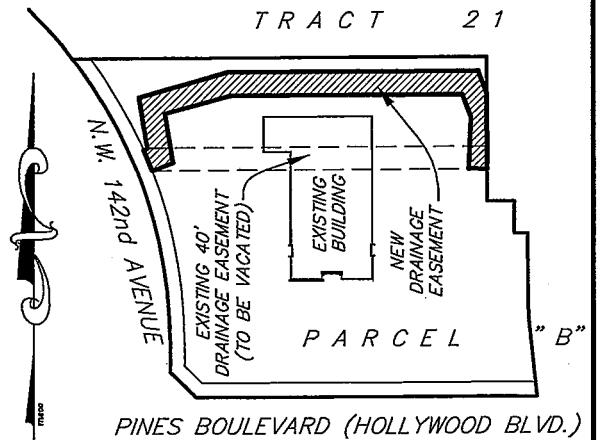
McLAUGHLIN ENGINEERING COMPANY

LB#285

ENGINEERING * SURVEYING * PLATTING * LAND PLANNING
400 N.E. 3rd AVENUE FORT LAUDERDALE, FLORIDA
33301 PHONE (954) 763-7611 * FAX (954) 763-7615

SKETCH AND DESCRIPTION DRAINAGE EASEMENT PARCEL "B", PEMBROKE FALLS PHASE 3

(PLAT BOOK 158, PAGE 29, B.C.R.)
SHEET 2 OF 2 SHEETS



**SITE LAYOUT
NOT TO SCALE**

LEGAL DESCRIPTION:

A portion of Parcel "B", PEMBROKE FALLS PHASE 3, according to the plat thereof, as recorded in Plat Book 158, Page 29, of the public records of Broward County, Florida, more fully described as follows:

Commencing at the Northwest corner of said Parcel "B", being a point on a curve; thence Southeasterly on the West line of said Parcel "B" and on said curve to the right, whose radius point bears South 53°52'38" West, with a radius of 845.00 feet, a central angle of 12°26'07", an arc distance of 183.39 feet to the Point of Beginning; thence continuing Southeasterly on said West line and on said curve to the right, with a radius of 845.00 feet, a central angle of 02°42'45", an arc distance of 40.00 feet; thence North 67°40'07" East, a distance of 38.56 feet; thence North 09°05'21" West, a distance of 80.60 feet; thence North 74°21'17" East, a distance of 119.59 feet; thence North 89°44'48" East, a distance of 402.10 feet; thence South 21°02'07" East, a distance of 40.86 feet; thence South 02°38'36" West, a distance of 93.82 feet; thence North 89°42'20" East, a distance of 32.22 feet; thence North 00°17'40" West, a distance of 134.25 feet; thence North 21°02'07" West, a distance of 40.24 feet; thence South 89°44'48" West, a distance of 435.11 feet; thence South 74°21'17" West, a distance of 160.66 feet; thence South 09°05'21" East, a distance of 89.59 feet; thence South 67°40'07" West, a distance of 6.88 feet to the Point of Beginning.

Said lands situate, lying and being in the City of Pembroke Pines, Broward County, Florida and containing 31,727 square feet or 0.7284 acres more or less.

CERTIFICATION

Certified Correct. Dated at Fort Lauderdale, Florida this 14th day of January, 2014.

McLAUGHLIN ENGINEERING COMPANY

Jerald A. McLaughlin
JERALD A. McLAUGHLIN
Registered Land Surveyor No. 5269
State of Florida.

NOTES:

- 1) This sketch reflects all easements and rights-of-way, as shown on above referenced record plat(s). The subject property was not abstracted for other easements road reservations or rights-of-way of record by McLaughlin Engineering Company.
- 2) Legal description prepared by McLaughlin Engineering Co.
- 3) This drawing is not valid unless sealed with an embossed surveyors seal.
- 4) THIS IS NOT A BOUNDARY SURVEY.
- 5) Bearings shown refer to record plat (158/29 B.C.R.) and assume the North line of said Parcel "B", as North 89°42'20" East.

FIELD BOOK NO. _____

DRAWN BY: JMMjr

JOB ORDER NO. U8842

CHECKED BY: JAM

REF. DWG.: 95-3-115

C: \JMMjr\2014\U8842(DE)

PP.WPD
May 28, 1988
88DN* 1820

BK 25688PG05601

96-582922 T#001
11-22-96 04:06PM

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

\$ 0.70
DOCU. STAMPS-DEED
RECVD. BROWARD CNTY
B. JACK OSTERHOLT
COUNTY ADMIN.

Folio#: 1014 05 001

(COPY OF RECORDED 40' DE
TO BE VACATED)

D1014-02

DRAINAGE EASEMENT

THIS DRAINAGE EASEMENT is granted this 3rd day of June, 1996, by MAROONE MANAGEMENT SERVICES, L.P., a Florida limited partnership, whose address is 8600 Pines Boulevard (SR 820), Pembroke Pines, Florida 33024 hereinafter referred to as "Grantor" to SOUTH BROWARD DRAINAGE DISTRICT, a political subdivision of the State of Florida, located at 6591 S.W. 160th Avenue, Davie, Florida 33331, hereinafter referred to as "District".

THIS IS NOT AN OFFICIAL COPY
WITNESSETH:
That the Grantor, for and in consideration of the sum of ten dollars (\$10.00) and other good and valuable consideration in hand paid by District, the receipt whereof is hereby acknowledged, does hereby grant and convey to District, its successors and assigns, a perpetual and exclusive drainage easement for the construction and maintenance of drainage facilities, together with any necessary appurtenances incidental and necessary thereto, over, across and through the following described property of Grantor:

SEE EXHIBIT "1" 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.

This Drainage Easement is subject to being released and vacated by District to the extent that said Drainage Easement is no longer required for drainage of that portion of Parcel B of Pembroke Falls Phase III, according to the plat thereof, recorded in Plat Book 158, Page 29 of the Public Records of Broward County, Florida, lying east of this Drainage Easement, a substitute/replacement drainage system is constructed and accepted by District and a new Drainage Easement is dedicated to District over said substitute/replacement drainage system.

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

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:

"Grantor" (MAROONE MANAGEMENT SERVICES, L.P.,
a Florida limited partnership)

Witness Signature 1

[Handwritten Signature]

By: MAROONE ISUZU, INC., its General Partner

[Handwritten Signature]
By: Bradley N. Hodgen, Vice President

Witness Printed Name 1

[Handwritten Signature]

Witness Signature 2

[Handwritten Signature]

Witness Printed Name 2

(2)
[Handwritten Initials]

STATE OF FLORIDA)
) §
COUNTY OF BROWARD)

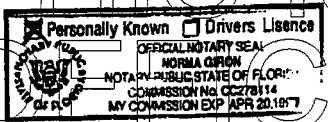
The foregoing Drainage Easement was acknowledged before me this 30 day of June, 1996 by Bradley N. Hodgen, Vice President, of MAROONE ISUZU, INC., General Partner of MAROONE MANAGEMENT SERVICES, L.P., a Florida limited partnership, Grantor, who: (is personally known to me) (has produced _____ as identification).

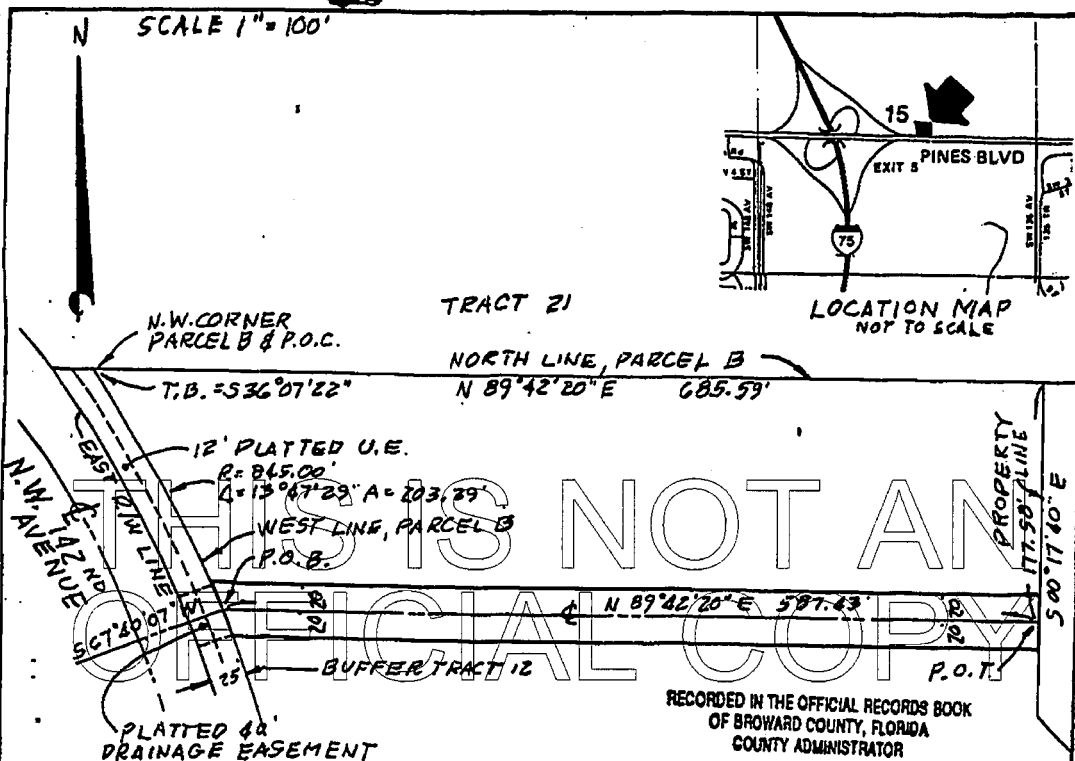
Witness my hand and official seal in the county and state last aforesaid this 30 day of June, 1996.

[NOTARY SEAL AND STAMP]

Norma Giron
NOTARY PUBLIC
STATE OF FLORIDA AT LARGE
NORMA GIRON
PRINTED OR STAMPED NAME OF NOTARY

THIS IS NOT AN OFFICIAL COPY





**SKETCH AND DESCRIPTION
40 FOOT DRAINAGE EASEMENT**

A 40 foot easement over, across and through a portion of Parcel B, PEMBROKE FALLS PHASE 3, according to the plat thereof recorded in Plat Book 158, Page 29, of the public records of Broward County, Florida, and being 20 feet on each side of a centerline more fully described as follows:

Commencing at the Northwest corner of said Parcel B; thence Southeasterly on the West line of said Parcel B and on a curve to the right, whose tangent bears South $36^{\circ}07'22''$ East, with a radius of 845.00 feet and a central angle of $13^{\circ}47'29''$, an arc distance of 203.39 feet to the Point of Beginning of the herein described centerline; thence North $89^{\circ}42'20''$ East, a distance of 587.43 feet to the Point of Termination of the herein described centerline.

Said land situate, lying and being in the City of Pembroke Pines, Broward County, Florida.

Certified correct. Dated at Fort Lauderdale, Florida, this 20th day of May, 1996.

NOTES:

- (1) THIS IS NOT A SURVEY.
- (2) This Sketch reflects all easements and right-of-way as shown on the above referenced plat. The subject property was not abstracted for other easements, road reservations, or rights-of-way of record by McLaughlin Engineering Co.
- (3) Description prepared by McLaughlin Engineering Co. this 20th day of May, 1996, and does not infer title or ownership.
- (4) Bearings refer to the plat of PEMBROKE FALLS PHASE 3, 158/29.
- (5) P.O.B.=Point of Beginning, P.O.C.=Point of Commencement, P.O.T.=Point of Termination, =Centerline, N.W.=Northwest, U.E.=Utility Easement, T.B.=Tangent Bearing, R=Radius, =Central angle (Delta), A=Arc.
- (6) It is the intent of this description that the sidelines of the easement be either lengthened or shortened to intersect with the property lines or other easement lines where applicable.
- (7) THIS DRAWING IS NOT VALID UNLESS SEALED WITH AN EMBOSSED SURVEYORS SEAL.

McLAUGHLIN ENGINEERING CO.

Jerald A. McLaughlin
Registered Land Surveyor No. 5289
State of Florida

FIELD BOOK NO. N/A

JOB ORDER NO. S-5414

Exhibit "1" to
drainage
Easement

DRAWN BY DFB

CHECKED BY CA

****MEMORANDUM****

DATE: January 23, 2014

TO: South Broward Drainage District Commissioners

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

Subject: Request to Vacate a 30-Foot Drainage Easement in the "North 29 Associates" Plat (aka: Shoppes of Silver Isles – Starbucks Property)

Comments:

In May, 2013 South Broward Drainage District (SBDD) approved the vacation of a portion of a 30-foot Drainage Easement (DE) in the "North 29 Associates" Plat (aka: Shoppes of Silver Isles). This easement had been previously dedicated by separate instrument under OR Book 33860, Page 1564, BCR and was vacated due to the proposed development plan for the property. As a condition of approval, the property owner was required to dedicate a new 30-foot DE and enter into a Maintenance & Indemnification Agreement with SBDD. The approval also involves the relocation of an existing 48" RCP lake inter-connect pipe.

SBDD was informed recently that the new 30-foot DE, which was recorded under OR Book 50019, Page 905, BCR, has changed and needs to be re-dedicated. Therefore, the property owner is requesting that the District vacate the new 30-foot DE in order for them to dedicate a new, corrected 30-foot DE. District Attorney Bell has advised that this is the proper procedure for updating the easement.

The property is owned by the Shoppes at Silver Isles, Inc.

Attached to this memo are the sketch & legal descriptions of the Drainage Easement area to be vacated, along with the original easement dedication. Also attached is the new, updated 30-foot DE.

SBDD staff has no objection to this vacation request, subject to the same conditions as the previous vacation approval by the District:

- Dedication of new 30-foot DE
- Property owner to be responsible for the inspections and maintenance of the new 48" RCP to be relocated.
- Property owner to enter into a Maintenance & Indemnification Agreement with SBDD.

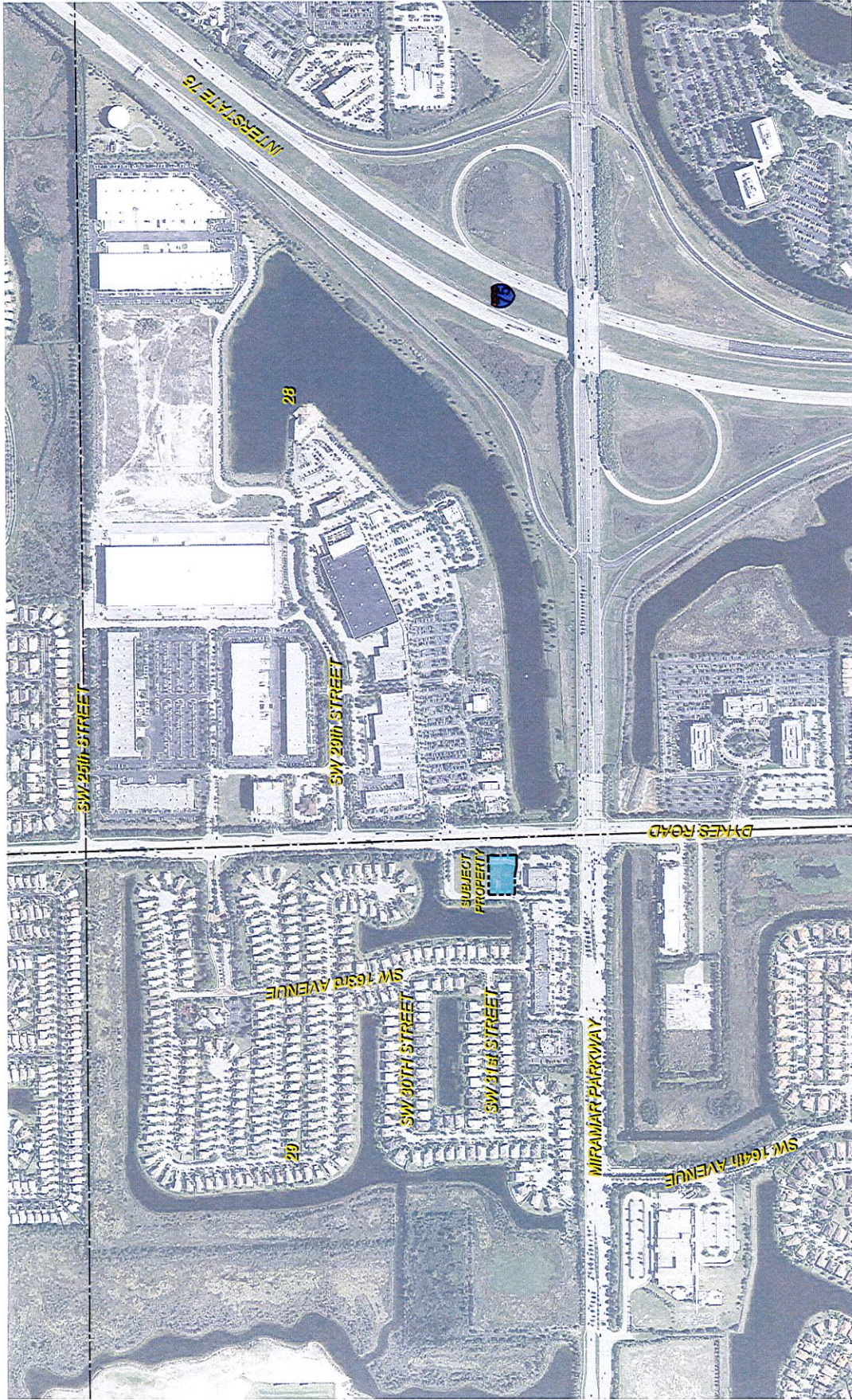
Financial impacts to this Agenda Item: none, other than SBDD administrative costs; all other costs will be incurred by the property owner.

The request is for approval of SBDD to vacate and release its interest in the following properties, subject to the conditions listed above: Properties described in the attached Exhibit "A" of the Release and Vacation of a Drainage Easement (North 29 Assoc. Plat); said property being a portion of Parcel 'A', "North 29 Associates" Plat, according to the Plat thereof as recorded in Plat Book

171, Page 1, B.C.R. and also being a portion of the easement thereof recorded in ORB 50019, Pg 905, B.C.R.

KH
Attachments

SCALE 1" = 500'
 (FOR 11"x17" DRAWING)



PROJECT NUMBER
 13007

IF 0000995
 0000995

LOCATION MAP
 EXHIBIT

SHOPPES AT SILVER ISLES STARBUCKS
 GI COMMERCIAL, LLC

WINNINGHAM &
 FRADLEY INC.
 CIVIL ENGINEERS & SURVEYORS
 1111 E. 10th Street, Okemaw, MO 64801 417-771-7400 FAX 417-771-0088 www.wfinc.com

DESIGNED	MEC
DRAWN	MEC
CHECKED	MEC
DATE	

REVISIONS

1/20/2017 Shoppe at Silver Isles, Starbuck's at Silver Isles Location Map Exhibit (04/2017)

1 OF 1

07/2003.5003.P4



SCALE: 1" = 20'
FOR 24" x 36" DRAWING

NEW EASEMENT AREA
EXISTING EASEMENT AREAS

PARCEL A
NORTH 23 ASSOCIATES
P.B. 17, PG. 3

Vacant Lot

Private Lake
D.W.E. 3.50

LAKE TRACT L-2
148,273 S.F.
13.404 ACRES
NORTH 23 ASSOCIATES
P.B. 17, PG. 3

STARBUCKS
F.F. = 300'
1,770 S.F.

PARCEL A
NORTH 23 ASSOCIATES
P.B. 17, PG. 3

CVS Pharmacy

DYKES ROAD
BROWARD COUNTY TRAFFICWAY

SUMMARY OF DRAINAGE STRUCTURES

- 1 INLET R.E. 6.50
- 2 INLET R.E. 6.50
- 3 INLET R.E. 6.50
- 4 CONTROL STRUCTURE R.E. 6.50
- 5 MANHOLE R.E. 6.50
- 6 MANHOLE R.E. 7.30
- 7 MANHOLE R.E. 6.50
- 8 Existing Concrete Manhole R.E. 7.04
- 9 Existing 15' Endcut T.O.W. 1.50

NOTES:

BUILDING F.F. = 300 MIN.
BASE FLOOD ELEV. = 6.00
S.F.W.D. F.F. = 6.00 100 YRS.
S.F.W.D. MIN. RD. ELEV. = 6.50 10 YRS.
BROWARD COUNTY 100 YR. FLOOD = 6.00
BROWARD COUNTY 10 YR. FLOOD = 6.00

MINIMUM FINISHED FLOOR ELEVATION SHALL BE 11" ABOVE THE BASE FLOOD ELEVATION OR 6" ABOVE THE HIGHEST POINT OF THE ADJACENT ROAD CROWN WHICHEVER IS HIGHER.

FIRM # FLOOD INSURANCE RATE MAP
MAP NO. 12008025 F. EFFECTIVE DATE
AUG. 16, 1992, ZONE AN R.L. 7.00

ELEVATIONS SHOW ON THE DRAWING REFER TO N.G.V.D. DATUM
N.A.V.D. = N.G.V.D. + 1.57

LEGEND

	VACATE EXISTING DRAINAGE EASEMENT		R/W LINE/TRACT LINE
	30' PROPOSED DRAINAGE EASEMENT		EASEMENT LINE
	PROPOSED CONCRETE		PROPERTY LINE
	PROPOSED PAVERS		CENTER LINE
	PROPOSED MANHOLE		RIDGE LINE
	PROPOSED CATCH BASIN		EDGE OF WATER
	HIGH POINT		PROPOSED TYPE D CURB
	FLOW ARROW		EXISTING CURB
	EXISTING GRADE		EXISTING UNDERGROUND UTILITIES
	PROPOSED GRADE		PROPOSED DRAINAGE PRC R.C.P.
			INFILTRATION TRENCH

ABBREVIATIONS

P.B.	PLAT BOOK	D.W.E.	DESIGN WATER ELEVATION
O.R.B.	OFFICIAL RECORD BOOK	D.E.	DRAINAGE EASEMENT
P.	PAGE	F.F.	FINISHED FLOOR
B.C.R.	BROWARD COUNTY RECORDS	N.G.V.D.	NATIONAL GEODETIC VERTICAL DATUM
R/W	RIGHT-OF-WAY	U.E.	UTILITY EASEMENT
S.F.	SQUARE FEET	L.M.E.	LAKE MAINTENANCE EASEMENT
F.H.	FIRE HYDRANT	E.O.W.	EDGE OF WATER
W.M.	WATER MAIN	R.E.	RIM ELEVATION
I.E.	INVERT ELEVATION	T.O.W.	TOP OF WALL

CONCEPTUAL PAVING & DRAINAGE SYSTEM PLAN

SHOPPES AT SILVER ISLES STARBUCKS
GL COMMERCIAL, LLC.

WINNINGHAM & FRADLEY, INC.
ENGINEERS - PLANNERS - SURVEYORS
111 N.E. 44th STREET, OAKLAND PARK, FL 33324 954-771-7440 FAX 954-771-0250 www.wfinc.com

DESIGNED:	M.E.C.	DATE:	03/13	APPROVED:		EB-0002993
DRAWN:	M.E.C.	DATE:	03/13			18-0002993
CHECKED:	G.S.B.	DATE:	04/15			
PUBLISHED:	5/13/2013, 4:57:16 PM	PROJECT NUMBER:	13007	SHEET:	CPDI OF 2	

NO.	REVISIONS	DATE

J:\2013\2013 Shop at Silver Isles\CAD\Drawings\Conceptual PD_Plan.dwg

Prepared by
And Return To:

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

Folio No.: 514029133243

**RELEASE AND VACATION OF DRAINAGE EASEMENT
(NORTH 29 ASSOC. PLAT)**

THIS RELEASE AND VACATION OF THE DRAINAGE EASEMENT FOR **THE SHOPPES AT SILVER LISLES, LLC** 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 S.W. 160th Avenue, Southwest Ranches, Florida 33331, first party, in favor of **THE SHOPPES AT SILVER ISLES, LLC**, a limited liability company, whose address is 1600 Sawgrass Corporate Parkway Suite 300, Sunrise, Florida 33323, its successors and assigns as their interest may appear of record, second party.

(Wherever used herein, the terms "first party" and "second 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.)

WITNESSETH

That the first party, for and in consideration of the sum of \$10.00, in hand paid by the 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 Drainage Easement for North 29 Assoc. Plat ("Easement") located on the following described lot, piece or parcel of land situate, lying and being in the County of Broward, State of Florida, to-wit:

SEE EXHIBIT "A" ATTACHED HERETO

Said easement having been recorded in the Broward County, Florida Public Records at Official Records Book 50019, Page 905.

The purpose of this RELEASE AND VACATION is to release and vacate the first party's interest in and the Easement located on second party's property as described above. 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.

Signed, sealed and delivered

SOUTH BROWARD DRAINAGE DISTRICT

In the presence of:

Witness Signature

SCOTT HODGES, Chairperson

Witness Printed Name

Attest:

Witness Signature

ROBERT GOGGIN IV, Secretary

Witness Printed Name

STATE OF FLORIDA)
)§
COUNTY OF BROWARD)

The foregoing instrument was executed before me this _____ of _____, 20____, by SCOTT HODGES and ROBERT GOGGIN IV as Chairperson and Secretary, respectively of the SOUTH BROWARD DRAINAGE DISTRICT, first party, who are personally known to me.

WITNESS my hand and official seal in the County and State last aforesaid this ____ day of _____, 20____.

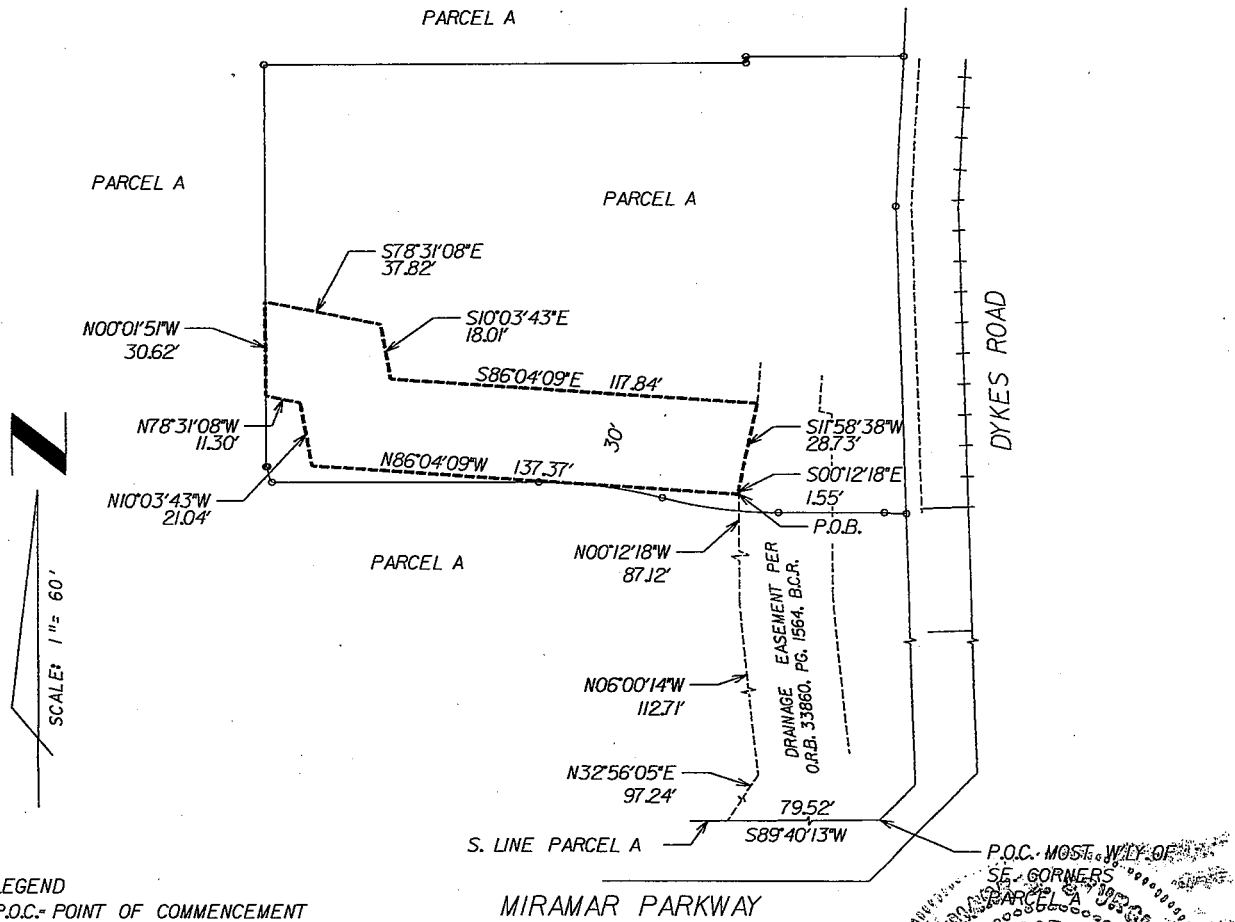
(NOTARY SEAL/STAMP)

NOTARY PUBLIC, STATE OF FLORIDA AT LARGE

EXHIBIT "A"

DESCRIPTION

THAT PORTION OF PARCEL A, ACCORDING TO THE PLAT OF NORTH 29 ASSOC., AS RECORDED IN PLAT BOOK 171 AT PAGE 10 OF THE PUBLIC RECORDS OF BROWARD COUNTY, FLORIDA, BEING A PORTION OF THE DRAINAGE EASEMENT AS DESCRIBED IN OFFICIAL RECORDS BOOK 33860 AT PAGE 1564 OF THE PUBLIC RECORDS OF BROWARD COUNTY, FLORIDA DESCRIBED AS FOLLOWS;
 COMMENCING AT THE MOST WESTERLY OF THE SOUTHEAST CORNERS OF SAID PARCEL A; THENCE RUN SOUTH 89°40'13" WEST (BASIS OF BEARINGS BEING A GRID BEARING) 79.52 FEET ALONG THE SOUTH LINE OF SAID PARCEL A; THENCE RUN NORTH 32°56'05" EAST 97.24 FEET; THENCE RUN NORTH 06°00'14" WEST 112.71 FEET; THENCE RUN NORTH 00°12'18" WEST 87.12 FEET TO THE POINT OF BEGINNING; THENCE RUN NORTH 86°04'09" WEST 137.37 FEET; THENCE RUN NORTH 10°03'43" WEST 21.04 FEET; THENCE RUN NORTH 78°31'08" WEST 11.30 FEET; THENCE RUN NORTH 00°01'51" WEST 30.62 FEET; THENCE RUN SOUTH 78°31'08" EAST 37.82 FEET; THENCE RUN SOUTH 10°03'43" EAST 18.01 FEET; THENCE RUN SOUTH 86°04'09" EAST 117.84 FEET; THENCE RUN SOUTH 11°58'38" WEST 28.73 FEET; THENCE RUN SOUTH 00°12'18" EAST 1.55 FEET TO THE POINT OF BEGINNING.
 SAID LANDS SITUATE IN THE CITY OF MIRAMAR, BROWARD COUNTY, FLORIDA.



LEGEND
 P.O.C.- POINT OF COMMENCEMENT
 P.O.B.- POINT OF BEGINNING
 O.R.B.- OFFICIAL RECORDS BOOK
 B.C.R.- BROWARD COUNTY RECORDS

NOT VALID WITHOUT THE SIGNATURE AND THE ORIGINAL RAISED SEAL OF A FLORIDA LICENSED SURVEYOR AND MAPPER THIS IS NOT A SKETCH OF SURVEY. IT IS ONLY THE GRAPHIC REPRESENTATION OF THE DESCRIPTION DEPICTED HEREON.

BY: *Mark D. Sturgis* 5-9-13
 MARK D. STURGIS
 LICENSED SURVEYOR AND MAPPER NO. 154829
 STATE OF FLORIDA

NORTH 29 ASSOC. PLAT		SKETCH AND DESCRIPTION	
CITY OF MIRAMAR, BROWARD COUNTY, FLORIDA		30' DRAINAGE EASEMENT	
WINNINGHAM & FRADLEY, INC. ENGINEERS - PLANNERS - SURVEYORS <small>111 N.E. 44th STREET, OAKLAND PARK, FL 33334 954-771-7440 FAX: 954-771-0298 www.winfrad.com</small>		EB-0002995 LB-0002995	DRAWN: CEG DATE: 4-17-13 CHECKED: DATE:
		PROJECT NUMBER 13007	SHEET 1 OF 1

**DRAINAGE EASEMENT
(NORTH 29 ASSOC. PLAT)**

THESE DRAINAGE EASEMENTS granted this _____ day of _____, 20____, by **THE SHOPPES AT SILVER ISLES, INC.** whose address is 1600 Sawgrass Corporate Parkway Suite 300, Sunrise, Florida 33323, hereinafter referred to as "Grantor" to **SOUTH BROWARD DRAINAGE DISTRICT**, a political subdivision of the State of Florida, located at 6591 S.W. 160th Avenue, Southwest Ranches, Florida 33331, hereinafter referred to as "District".

W I T N E S S E T H:

That the Grantor, for and in consideration of the sum of ten dollars (\$10.00) and other good and valuable consideration, the receipt whereof is hereby acknowledged, does hereby grant and convey:

(1) To District, its successors and assigns, perpetual and non-exclusive drainage easement for the construction and maintenance of drainage facilities, together with any necessary appurtenances incidental and necessary thereto, over, across and through the real properties described in Exhibit "A" attached hereto and made a part hereof ("Drainage Easement"), together with free ingress and egress across said Drainage Easement for the purpose of constructing, maintaining and repairing the drainage system and appurtenances contained therein.

(2) Although the easement granted herein is non-exclusive, should any easements over the same property be granted, subsequent to the date of these easements the holder of any such subsequent easement shall be required to obtain approval from the District for the use of the Drainage Easement. Such approval by the District shall not be unreasonably withheld or denied.

(3) The rights granted herein to the District may be released or modified by a written, recordable release or modification approved by the Grantor and executed by the District.

(4) No improvements, trees, landscaping or encroachments including utilities shall be placed within the Drainage Easement without the approval of and a permit from the District.

(5) Grantor acknowledges that Grantor and Grantor's successors and assigns shall be responsible for construction and maintenance of all drainage facilities constructed within the Drainage Easement and that District shall have the right but not the obligation to maintain said drainage facilities.

(6) Grantor further acknowledges that in the event the District incurs any expenses in maintaining or repairing the drainage facilities within the Drainage Easement, Grantor and Grantors successors and assigns shall reimburse District for said expenses including attorney's fees and costs to collect said expenses. However,

before incurring any expenses, except in an emergency, District shall provide written notice to Grantor at least five (5) working days prior to performing any work to maintain or repair said drainage facilities. During this period of time, Grantor or Grantor's successors and assigns may perform the work proposed by District or notify District that Grantor will perform said work to District's requirements.

IN WITNESS WHEREOF, the said party of the first part has caused these presents to be signed in its name by its proper officer, the day and year above written.

Signed, sealed and delivered
in the presence of:

"Grantor"
THE SHOPPES AT SILVER ISLES, INC.

Witness Signature †

Michael Friedman, Authorized Signatory

Witness Printed Name †

Witness Signature †

Witness Printed Name †

STATE OF FLORIDA)
) §
COUNTY OF)

The foregoing Drainage Easements are acknowledged before me this _____ day of _____, 20__ by **Michael Friedman, as Authorized Signatory for The Shoppes at Silver Isles, Inc.**, as Grantor, who (is personally known to me) or (has produced _____ as identification).

Witness my hand and official seal in the county and state last aforesaid this _____ day of _____, 20__.

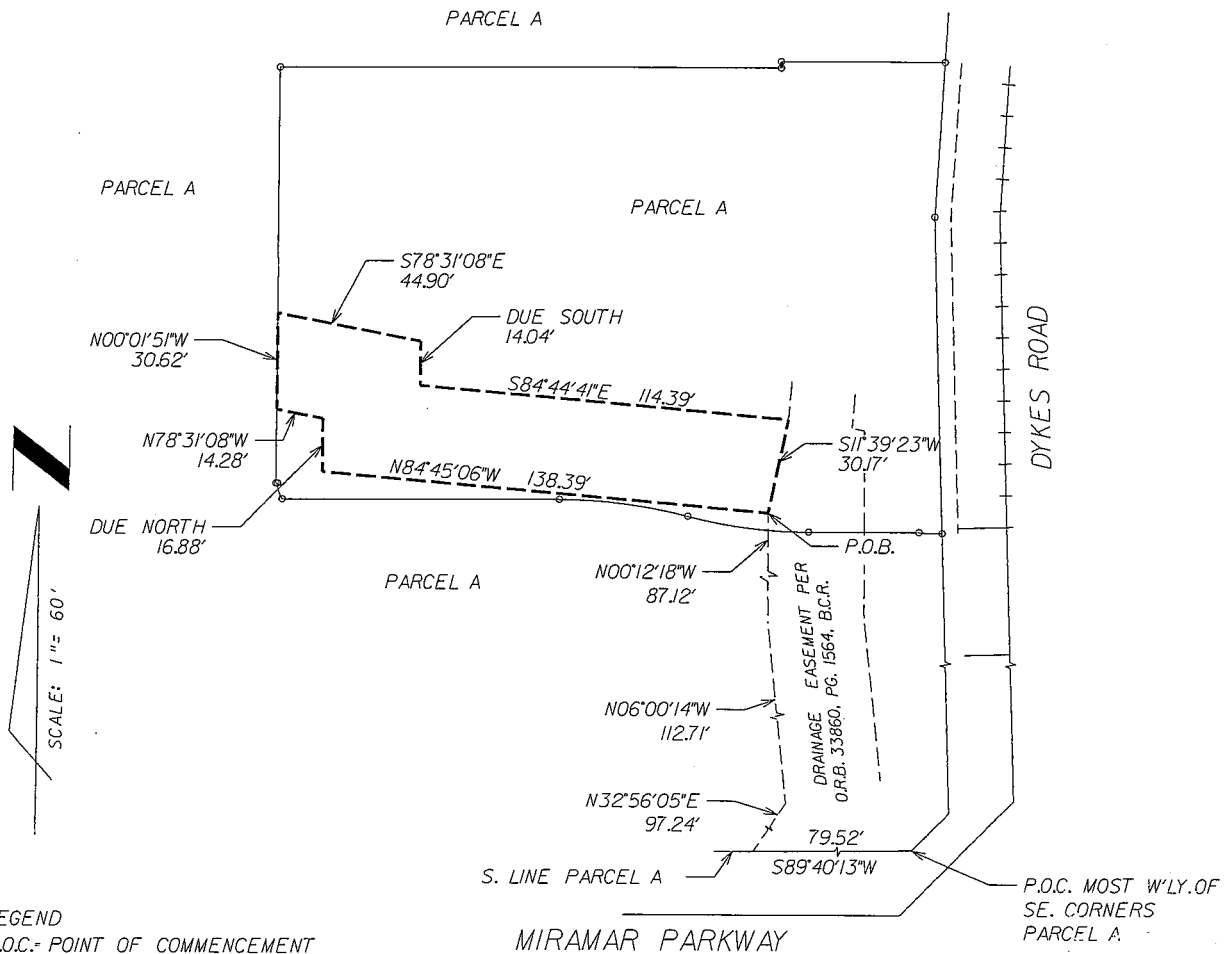
[NOTARY SEAL AND STAMP]

NOTARY PUBLIC SIGNATURE

EXHIBIT "A"

DESCRIPTION

THAT PORTION OF PARCEL A, ACCORDING TO THE PLAT OF NORTH 29 ASSOC., AS RECORDED IN PLAT BOOK 171 AT PAGE 1 OF THE PUBLIC RECORDS OF BROWARD COUNTY, FLORIDA, BEING A PORTION OF THE DRAINAGE EASEMENT AS DESCRIBED IN OFFICIAL RECORDS BOOK 33860 AT PAGE 1564 OF THE PUBLIC RECORDS OF BROWARD COUNTY, FLORIDA DESCRIBED AS FOLLOWS;
 COMMENCING AT THE MOST WESTERLY OF THE SOUTHEAST CORNERS OF SAID PARCEL A; THENCE RUN SOUTH 89°40'13" WEST (BASIS OF BEARINGS BEING A GRID BEARING) 79.52 FEET ALONG THE SOUTH LINE OF SAID PARCEL A; THENCE RUN NORTH 32°56'05" EAST 97.24 FEET; THENCE RUN NORTH 06°00'14" WEST 112.71 FEET; THENCE RUN NORTH 00°12'18" WEST 87.12 FEET TO THE POINT OF BEGINNING; THENCE RUN NORTH 84°45'06" WEST 138.39 FEET; THENCE RUN DUE NORTH 16.88 FEET; THENCE RUN NORTH 78°31'08" WEST 14.28 FEET; THENCE RUN NORTH 00°01'51" WEST 30.62 FEET; THENCE RUN SOUTH 78°31'08" EAST 44.90 FEET; THENCE RUN DUE SOUTH 14.04 FEET; THENCE RUN SOUTH 84°44'41" EAST 114.39 FEET; THENCE RUN SOUTH 11°39'23" WEST 30.17 FEET TO THE POINT OF BEGINNING.
 SAID LANDS SITUATE IN THE CITY OF MIRAMAR, BROWARD COUNTY, FLORIDA.



LEGEND
 P.O.C.= POINT OF COMMENCEMENT
 P.O.B.= POINT OF BEGINNING
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BY: Mark D. Sturgis 12-23-13
 MARK D. STURGIS
 LICENSED SURVEYOR AND MAPPER NO. LS4829
 STATE OF FLORIDA

NORTH 29 ASSOC. PLAT		SKETCH AND DESCRIPTION	
CITY OF MIRAMAR, BROWARD COUNTY, FLORIDA		DRAINAGE EASEMENT	
WINNINGHAM & FRADLEY, INC. ENGINEERS - PLANNERS - SURVEYORS <small>111 N.E. 44th STREET, OAKLAND PARK, FL 33331 954-771-7140 FAX: 954-771-0298 www.winnfrad.com</small>	EB-0002995 LB-0002995	DRAWN: CEG DATE: 12-23-13 CHECKED: DATE:	PROJECT NUMBER 13007 SHEET 1 OF 1

2

COPY OF RECORDED 30-FOOT DRAINAGE ESM'T TO BE VACATED

INSTR # 111694857
OR BK 50019 Pages 905 - 907
RECORDED 07/26/13 07:55:50 AM
BROWARD COUNTY COMMISSION
DOC-D: \$0.70
DEPUTY CLERK 1926
#2, 3 Pages

Prepared by and Return to:
South Broward Drainage District
6591 Southwest 160 Avenue
Southwest Ranches, Florida 33331

Folio No: 5140 2913 3243

**DRAINAGE EASEMENT
(NORTH 29 ASSOC. PLAT)**

THESE DRAINAGE EASEMENTS granted this 41 day of June, 2013, by THE SHOPPES AT SILVER ISLES, LLC, whose address is 1600 Sawgrass Corporate Parkway Suite 300, Sunrise, Florida 33323, hereinafter referred to as "Grantor" to **SOUTH BROWARD DRAINAGE DISTRICT**, a political subdivision of the State of Florida, located at 6591 S.W. 160th Avenue, Southwest Ranches, Florida 33331, hereinafter referred to as "District".

WITNESSETH:

That the Grantor, for and in consideration of the sum of ten dollars (\$10.00) and other good and valuable consideration, the receipt whereof is hereby acknowledged, does hereby grant and convey:

(1) To District, its successors and assigns, perpetual and non-exclusive drainage easement for the construction and maintenance of drainage facilities, together with any necessary appurtenances incidental and necessary thereto, over, across and through the real properties described in Exhibit "A" attached hereto and made a part hereof ("Drainage Easement"), together with free ingress and egress across said Drainage Easement for the purpose of constructing, maintaining and repairing the drainage system and appurtenances contained therein.

(2) Although the easement granted herein is non-exclusive, should any easements over the same property be granted, subsequent to the date of these easements the holder of any such subsequent easement shall be required to obtain approval from the District for the use of the Drainage Easement. Such approval by the District shall not be unreasonably withheld or denied.

(3) The rights granted herein to the District may be released or modified by a written, recordable release or modification approved by the Grantor and executed by the District.

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3

before incurring any expenses, except in an emergency, District shall provide written notice to Grantor at least five (5) working days prior to performing any work to maintain or repair said drainage facilities. During this period of time, Grantor or Grantor's successors and assigns may perform the work proposed by District or notify District that Grantor will perform said work to District's requirements.

IN WITNESS WHEREOF, the said party of the first part has caused these presents to be signed in its name by its proper officer, the day and year above written.

Signed, sealed and delivered in the presence of:

Karla Blazey
Witness Signature †
Karla Blazey
Witness Printed Name †
Kathy Forman
Witness Signature †
KATHY FORMAN
Witness Printed Name †

"Grantor"
THE SHOPPES AT SILVER ISLES, INC. ^{LLC} ^(MC)
Michael Friedman
Michael Friedman, Authorized Signatory

STATE OF FLORIDA }
COUNTY OF BROWARD } §

The foregoing Drainage Easements are acknowledged before me this 4 day of JUNE, 2013 by Michael Friedman, as Authorized Signatory for The Shoppes at Silver Isles, Inc., LLC (MC), as Grantor, who (is personally known to me) or (has produced _____ as identification).

Witness my hand and official seal in the county and state last aforesaid this 4 day of JUNE, 2013.

[NOTARY SEAL AND STAMP]

Kathy Forman
NOTARY PUBLIC SIGNATURE

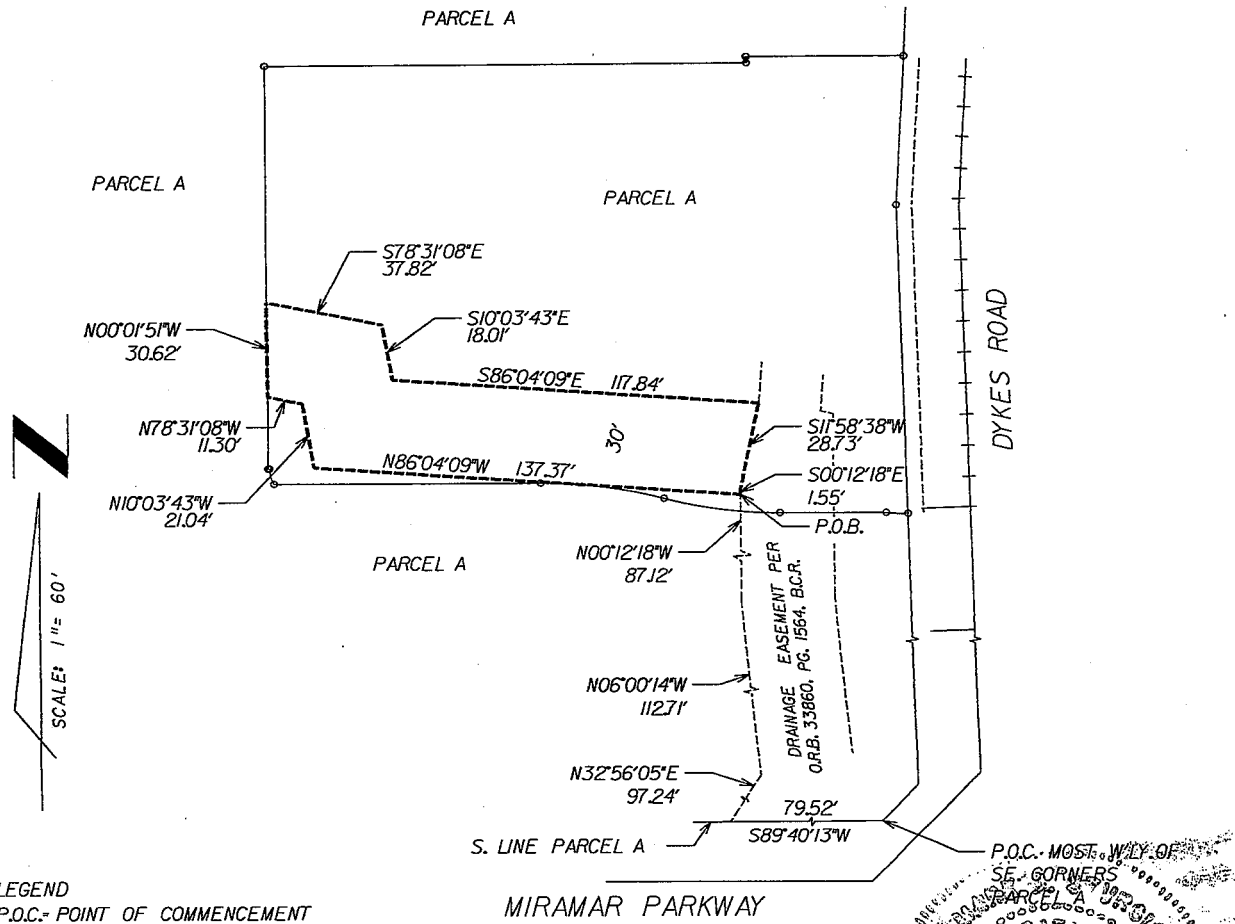


DESCRIPTION

THAT PORTION OF PARCEL A, ACCORDING TO THE PLAT OF NORTH 29 ASSOC., AS RECORDED IN PLAT BOOK 171 AT PAGE 10 OF THE PUBLIC RECORDS OF BROWARD COUNTY, FLORIDA, BEING A PORTION OF THE DRAINAGE EASEMENT AS DESCRIBED IN OFFICIAL RECORDS BOOK 33860 AT PAGE 1564 OF THE PUBLIC RECORDS OF BROWARD COUNTY, FLORIDA DESCRIBED AS FOLLOWS;

COMMENCING AT THE MOST WESTERLY OF THE SOUTHEAST CORNERS OF SAID PARCEL A; THENCE RUN SOUTH 89°40'13" WEST (BASIS OF BEARINGS BEING A GRID BEARING) 79.52 FEET ALONG THE SOUTH LINE OF SAID PARCEL A; THENCE RUN NORTH 32°56'05" EAST 97.24 FEET; THENCE RUN NORTH 06°00'14" WEST 112.71 FEET; THENCE RUN NORTH 00°12'18" WEST 87.12 FEET TO THE POINT OF BEGINNING; THENCE RUN NORTH 86°04'09" WEST 137.37 FEET; THENCE RUN NORTH 10°03'43" WEST 21.04 FEET; THENCE RUN NORTH 78°31'08" WEST 11.30 FEET; THENCE RUN NORTH 00°01'51" WEST 30.62 FEET; THENCE RUN SOUTH 78°31'08" EAST 37.82 FEET; THENCE RUN SOUTH 10°03'43" EAST 18.01 FEET; THENCE RUN SOUTH 86°04'09" EAST 117.84 FEET; THENCE RUN SOUTH 11°58'38" WEST 28.73 FEET; THENCE RUN SOUTH 00°12'18" EAST 1.55 FEET TO THE POINT OF BEGINNING.

SAID LANDS SITUATE IN THE CITY OF MIRAMAR, BROWARD COUNTY, FLORIDA.



LEGEND

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- P.O.B.- POINT OF BEGINNING
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BY: *Mark D. Sturgis* 5-9-13
 MARK D. STURGIS,
 LICENSED SURVEYOR AND MAPPER, NO. 154829
 STATE OF FLORIDA

NORTH 29 ASSOC. PLAT		SKETCH AND DESCRIPTION	
CITY OF MIRAMAR, BROWARD COUNTY, FLORIDA		30' DRAINAGE EASEMENT	
WINNINGHAM & FRADLEY, INC. ENGINEERS - PLANNERS - SURVEYORS		EB-0002995	DATE: 4-17-13
<small>111 N.E. 44th STREET, OAKLAND PARK, FL 33334 954-771-7440 FAX: 954-771-0298 www.winnfrad.com</small>		CHECKED:	PROJECT NUMBER 13007
			SHEET 1 OF 1

MEMORANDUM

DATE: January 23, 2014
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, 2013 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, 2013

D R A F T

1/20/14

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INTRODUCTORY SECTION

SOUTH BROWARD DRAINAGE DISTRICT

Board of Commissioners

September 30, 2013

Scott Hodges	Chairperson
James Ryan	Vice Chairperson
Robert E. Goggin	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, 2013, 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, 2013, 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 33–35 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 December 27, 2013, 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.

December 27, 2013

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 fiscal year ended September 30, 2013. 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. 98-524, 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 240,000 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 District has implemented the requirements of the Government Accounting Standards Board ("GASB") Statement No.63 during the year ended September 30, 2013. As part of the scope of this GASB statement, the change for the District has been changing the name of the "Statement of Net Assets" to the "Statement of Net Position"
- The assets of the District exceeded its liabilities at the end of the fiscal year by \$21,393,685. Pursuant to the GASB Statement No. 54 presentation requirements, \$2,203,623 of this amount may be used to meet the District's ongoing operations and \$4,487,608 has been committed for specific purposes.
- The District's total net position increased by \$133,850, or .6% in 2013.
- The total assets of the District amounted to \$22,098,031 as of September 30, 2013. Of this amount, \$14,653,038 represented the net investment in capital assets. The total liabilities amounted to \$704,346.
- The District's total general revenues (on an accrual basis) were \$3,203,622 for the year ended September 30, 2013.
- The total expenses for all of the District's activities were \$3,069,772 for the year ended September 30, 2013.
- As of September 30, 2013, the District has a total of \$6,691,231 of unrestricted net position, of which \$4,487,608 has been committed for specific purposes; \$443,583 has been appropriated during the preparation of the fiscal year 2014 budget, leaving a remaining balance of \$1,760,040 as unassigned funds.

DISTRICT HIGHLIGHTS

- The District completed the following capital improvement projects during the 2012/2013 fiscal year:
 - Converted two drainage pumps from oil cooled to water cooled pumps; one at the S-1 pump station and the second at the S-7 pump station.
 - Replaced three gear drives at the S-7 pump station.
 - Rebuilt one gear drive each at the S-8 pump station and the S-4/S-5 pump station.
 - Rebuilt one pump at the S-8 pump station.

- Installed one new drive shaft at the S-3 pump station.
 - Installed a manually operated sluice gate at the S-7 pump station.
 - Completed the drainage improvements at the Grand Palms Golf & Resort property in accordance with the Settlement Agreement for an on-going litigation case.
 - Participated in a cost sharing project with the City of Pembroke Pines to repair the drainage outfall culvert serving the Hollybrook community.
 - Participated in a cost sharing project with the Town of Southwest Ranches to replace a 48" diameter culvert on SW 70th Place.
 - Installed a pipe liner in the 48" diameter culvert on SW 68th Court, SW Ranches, FL.
 - Purchased two new, replacement field trucks.
 - Installed three new exhaust mufflers at the S-8 pump station.
 - Installed a new exhaust muffler at the SBDD garage for the emergency generator.
 - Installed new solenoid valves at the S-2 and S-4/S-5 pump stations.
 - Installed new clutches at the S-4/S-5 pump station and the S-1 pump station.
 - Upgraded the control panel at the S-4/S-5 pump station.
 - Installed a new safety railing at the S-3 pump station.
 - Installed new lighting at all District pump stations and control structures.
 - Installed FabricForm stabilization material around headwalls at four lake inter-connect locations.
 - Installed stabilized access areas at the S-3 pump station and the S-8 pump station.
 - Installed fencing and guardrails at miscellaneous locations.
 - Miscellaneous tree removal and trimming.
 - Miscellaneous culvert inspections, culvert cleaning, and swale improvements.
 - Painted the inside of the administrative office building.
 - Purchased a tire changer and tire balancer for the garage area.
- Updated the District's Facilities Report and Water Control Plan in accordance with state statutes.
 - 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 themselves.

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. The District's funds can be divided into two categories: governmental funds and fiduciary funds. These two kinds of funds use different accounting approaches.

The District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are 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.

At September 30, 2013, the District maintained two individual governmental funds: one General and one Capital project fund. In addition, the District establishes other funds to help it control and manage money for particular purposes or to show that it is meeting its legal and fiduciary responsibilities. The fund financial statements provide detailed information about the most significant funds – not the District as a whole. Accordingly, two major funds are reported individually in the governmental funds balance sheet and statement of revenues, expenditures and changes in fund balances.

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 \$21,393,685 at the close of the most recent year. The largest portion of the District's net position (68%) 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 (21%) 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 (\$2,203,623) may be used to meet ongoing operations.

The District adopted the fiscal year 2012-2013 Budget on September 13, 2012. On August 29, 2013 the Board approved certain line item reclassifications to the original budget. Total general fund expenditures budgeted for the fiscal year ended September 30, 2013 were \$3,522,628. Total actual general fund expenditures were \$2,909,276, and the District achieved a favorable budget variance for the year ended September 30, 2013 of \$684,500, as reflected on page 35 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>2013</u>	<u>2012</u>
Current and other assets	\$ 7,444,993	\$ 7,661,073
Capital assets	<u>14,653,038</u>	<u>14,279,928</u>
Total assets	<u>\$ 22,098,031</u>	<u>\$ 21,941,001</u>
Current and other liabilities	<u>\$ 704,346</u>	<u>\$ 681,166</u>
Total liabilities	<u>\$ 704,346</u>	<u>\$ 681,166</u>
Net Position:		
Net investment in capital assets	\$ 14,653,038	\$ 14,279,928
Restricted	49,416	49,363
Unrestricted	<u>6,691,231</u>	<u>6,930,544</u>
Total net position	<u>\$ 21,393,685</u>	<u>\$ 21,259,835</u>

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

	<u>2013</u>	<u>2012</u>
General revenues:		
Maintenance taxes	\$ 3,055,616	\$ 3,054,760
Permits and other income	129,617	525,554
Investment earnings	<u>18,389</u>	<u>37,972</u>
Total revenues	<u>3,203,622</u>	<u>3,618,286</u>
Expenses:		
Operation and maintenance	2,774,578	2,798,748
Depreciation	<u>295,194</u>	<u>402,218</u>
Total expenses	<u>3,069,772</u>	<u>3,200,966</u>
Increase (decrease) in net position	133,850	417,320
Net position – beginning	<u>21,259,835</u>	<u>20,842,515</u>
Net position – ending	<u>\$ 21,393,685</u>	<u>\$ 21,259,835</u>

**BASIC FINANCIAL STATEMENTS –
GOVERNMENT-WIDE**

SOUTH BROWARD DRAINAGE DISTRICT

Statement of Net Position

September 30, 2013

ASSETS

Cash and investments – unrestricted	\$ 1,529,448
Cash and investments – temporarily restricted	5,726,276
Receivables, including interest	9,366
Inventory	157,861
Other assets	22,042
Capital assets:	
Land	349,616
Other capital assets, net of depreciation	<u>14,303,422</u>
Total capital assets	<u>14,653,038</u>
Total assets	<u>22,098,031</u>

LIABILITIES

Accounts payable and accrued expenses	112,233
Compensated absences payable	111,419
Refundable deposits	<u>480,694</u>
Total liabilities	<u>704,346</u>

NET POSITION

Net investment in capital assets	14,653,038
Restricted for Capital project fund	49,416
Unrestricted	<u>6,691,231</u>
Total net position	<u>\$ 21,393,685</u>

See accompanying notes to the financial statements.

SOUTH BROWARD DRAINAGE DISTRICT
Statement of Activities
For the fiscal year ended September 30, 2013

Expenses:	
Personnel services	\$ 1,127,655
Materials and services	1,539,880
Depreciation expense	295,194
Collection discounts	<u>107,043</u>
Total expenses	<u>3,069,772</u>
General revenues:	
Maintenance taxes	3,055,616
Permits and other income	129,617
Investment earnings	<u>18,389</u>
Total general revenues	<u>3,203,622</u>
Changes in net position	133,850
Net position, beginning of year	<u>21,259,835</u>
Net position, end of year	<u>\$ 21,393,685</u>

See accompanying notes to the financial statements.

BASIC FINANCIAL STATEMENTS –

FUND

SOUTH BROWARD DRAINAGE DISTRICT
Balance Sheet – Governmental Funds
September 30, 2013

ASSETS	<u>General</u>	<u>Capital Projects S – 9/10</u>	<u>Total Governmental Funds</u>
Cash	\$ 5,345,837	\$ -	\$ 5,345,837
Investments	1,860,471	49,416	1,909,887
Receivables:			
Delinquent taxes and assessments, including interest	1,309	-	1,309
Other	8,057	-	8,057
Inventory	157,861	-	157,861
Other assets	<u>22,042</u>	<u>-</u>	<u>22,042</u>
 Total assets	 <u>\$ 7,395,577</u>	 <u>\$ 49,416</u>	 <u>\$ 7,444,993</u>
 LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable and accrued expenses	\$ 112,233	\$ -	\$ 112,233
Compensated absences payable	111,419		111,419
Refundable deposits and deferred income	<u>480,694</u>	<u>-</u>	<u>480,694</u>
 Total liabilities	 <u>704,346</u>	 <u>-</u>	 <u>704,346</u>
Fund balances:			
Restricted	-	49,416	49,416
Committed	4,487,608	-	4,487,608
Assigned	443,583	-	443,583
Unassigned	<u>1,760,040</u>	<u>-</u>	<u>1,760,040</u>
 Total fund equity	 <u>6,691,231</u>	 <u>49,416</u>	 <u>6,740,647</u>
 Total liabilities and fund equity	 <u>\$ 7,395,577</u>	 <u>\$ 49,416</u>	 <u>\$ 7,444,993</u>

See accompanying notes to the financial statements.

SOUTH BROWARD DRAINAGE DISTRICT
Reconciliation of Balance Sheet - Governmental Funds
to the Statement of Net Position
September 30, 2013

Total governmental fund balances \$ 6,740,647

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	\$ 21,700,312	
Less accumulated depreciation	<u>(7,047,274)</u>	<u>14,653,038</u>

Total net position \$ 21,393,685

See accompanying notes to the financial statements.

SOUTH BROWARD DRAINAGE DISTRICT
Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
For the fiscal year ended September 30, 2013

	<u>General</u>	<u>Capital Projects S - 9/10</u>	<u>Total Governmental Funds</u>
Revenues:			
Maintenance taxes	\$ 3,055,616	\$ -	\$ 3,055,616
Permits and other income	129,617	-	129,617
Interest	<u>18,336</u>	<u>53</u>	<u>18,389</u>
Total revenues	<u>3,203,569</u>	<u>53</u>	<u>3,203,622</u>
Expenditures:			
Capital outlay	668,304	-	668,304
Operating	2,395,852	-	2,395,852
Administrative	271,683	-	271,683
Discounts	<u>107,043</u>	<u>-</u>	<u>107,043</u>
Total expenditures	<u>3,442,882</u>	<u>-</u>	<u>3,442,882</u>
Excess of revenues over expenditures	<u>(239,313)</u>	<u>53</u>	<u>(239,260)</u>
Fund balances at beginning of year	<u>6,930,544</u>	<u>49,363</u>	<u>6,979,907</u>
Fund balances at end of year	<u>\$ 6,691,231</u>	<u>\$ 49,416</u>	<u>\$ 6,740,647</u>

See accompanying notes to the financial statements.

SOUTH BROWARD DRAINAGE DISTRICT
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances -
Governmental Funds to the Statement of Activities
For the fiscal year ended September 30, 2013

Net change in fund balances – total governmental funds \$ (239,260)

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	\$ 668,304	
Less current year depreciation	<u>(295,194)</u>	<u>373,110</u>

Changes in net position \$ 133,850

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 98-524, 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 has 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, 2013 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 following are the District's governmental fund types:

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.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Fiduciary Fund Types

Agency Funds - Agency funds are used to account for special assessment assets and liabilities to reflect the fact that the District's duties are limited to acting as an agent for the assessed property owners and the certificate of indebtedness holders. This fund was closed as of September 30, 2012.

(Continued)

SOUTH BROWARD DRAINAGE DISTRICT

Notes to Financial Statements (Continued)

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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, 2013, there were \$101,426 of outstanding encumbrances; accordingly, for the year ended September 30, 2013, the "actual budgetary basis" is presented on a basis which is not consistent with GAAP.

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 workshops as required and public hearings 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 2014 budget, the District appropriated unassigned fund balance in the amount of \$443,583 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.

(Continued)

SOUTH BROWARD DRAINAGE DISTRICT

Notes to Financial Statements (Continued)

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

(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, 2013, the liability for accrued compensated absences, to be paid within one year, was \$111,419, an increase of \$7,549.

(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 has investments in the Local Government Surplus Funds Trust Fund, which has been divided by the State Board of Administration into two investment pools: Pool A and Pool B. 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. Pool B is accounted for as a fluctuating net asset value (NAV) pool. Investments in Pool B have been valued at their fair value factor as of the balance sheet date.

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.

(Continued)

SOUTH BROWARD DRAINAGE DISTRICT

Notes to Financial Statements (Continued)

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

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, 2013.

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 and; 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.

(Continued)

SOUTH BROWARD DRAINAGE DISTRICT

Notes to Financial Statements (Continued)

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.
- **Restricted Fund Balance** includes amounts constrained for a specific purpose by external parties. The District’s Capital Project fund (\$49,416) for the S-9/10 basin improvements qualifies as a restricted fund.
- **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 (\$4,487,608).
- **Assigned Fund Balance** includes general fund amounts constrained for a specific purpose by the District’s board (\$443,583). This amount represents the appropriation of fund balance in the 2013-2014 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.

(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

(Continued)

SOUTH BROWARD DRAINAGE DISTRICT

Notes to Financial Statements (Continued)

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

(m) Impact of Recently Issued Accounting Pronouncements

Recently Issued Accounting Pronouncements, Not yet Implemented

The District has not yet determined the impact of the following GASB pronouncements which have been issued but are not yet effective and have not been implemented.

In March 2012, GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The provisions of this Statement are effective for financial statement periods beginning after December 15, 2012. The District is required to implement this Statement in its fiscal year beginning October 1, 2013.

In March 2012, GASB issued Statement No. 66 *Technical Corrections 2012 an - amendment of GASB Statements No. 10 and No. 62*. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* and Statement No. 62 *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The provisions of this Statement are effective for financial statement periods beginning after December 15, 2012. The District is required to implement this Statement in its fiscal year beginning October 1, 2013.

In June 2012, GASB issued Statement No. 67 *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and Statement No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. For defined benefit pension plans, this statement establishes standards of financial reporting for separately issued financial reports and specifies the required approach to measuring the pension liability of employers and nonemployer contributing entities for benefits provided through the pension plan (the net pension liability), about which information is required to be

(Continued)

SOUTH BROWARD DRAINAGE DISTRICT

Notes to Financial Statements (Continued)

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

presented. The provisions of this Statement are effective for financial statement periods beginning after June 15, 2013. The District is required to implement this Statement in its fiscal year beginning October 1, 2013.

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 expense/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 is required to implement this Statement in its fiscal year beginning October 1, 2014.

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 is required to implement this Statement in its fiscal year beginning October 1, 2014.

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. Disclosures related to cumulative amounts paid or received in relation to a nonexchange financial guarantee may be applied prospectively.

(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, 2013, the District had placed approximately 1.2% in the Florida Local Government Surplus Funds Trust Fund (also known as the "Local Government Investment Pool" or "LGIP"), 18.3% in Certificate of Deposits, 52.6% in interest bearing money market accounts and 6.9% in State of Israel Bonds.

The Local Government Investment Pool is an investment pool available for investing temporarily idle cash by Florida governments and is managed by the State Board of Administration (the SBA). On November 29, 2007, the SBA implemented a temporary freeze on the assets in the LGIP due to an unprecedented amount of withdrawals from the LGIP coupled with the absence of market liquidity for certain securities within the Pool. On December 4, 2007, based on recommendations from an outside financial advisor, the SBA restructured the LGIP into two (2) separate pools. Pool A ("Florida PRIME") consisted of all money market appropriate assets, which was approximately 86% of LGIP assets. Pool B consisted of assets that defaulted on a payment, paid more slowly than expected, and/or had any significant credit and liquidity risk, which was approximately 14% of LGIP assets. At that time, all current pool participants had their existing balances proportionately allocated into Pool A and Pool B.

The SBA systematically allows access to funds in Pool A. Participants in Pool B receive periodic distributions to the extent that Pool B receives proceeds from: 1) maturities of securities, coupon interest collections or collateral interest and principal pay downs, or 2) the sale of securities, collateral liquidation or other restructure or workout activities. At such time, the Investment Manager transfers cash or securities to Pool A for the benefit of Pool B shareholders. Such transfers are consistent with the pro rata allocation of Pool B shareholders of record as of the initial segregation of assets in the LGIP. Effective March 2008, the SBA contracted with Federated Investors, Inc. to provide investment advisory services to the investment pool. The SBA has since put into place processes that allow for improved reporting full transparency, conservative investment practices, improved portfolio guidelines and stricter internal controls. According to the SBA, Pool A meets the criteria to be considered as "2a-7 like", as defined by GASB Statement No. 31. Accordingly, it has been reported at the same value as the pool shares allocated to the District. Pool A maintains an AAAM rating by Standard and Poor's Ratings Services.

Pool B is accounted for as a fluctuating net asset value (NAV) pool. The pool is currently not rated by any nationally recognized statistical rating agency. Fund B's primary objective is to maximize the present value of distributions from Fund B. Fund B principally consists of Segregated Securities, which are securities originally purchased for Florida PRIME that (1) defaulted in the payment of principal and interest; (2) were extended; (3) were restructured or otherwise subject to workout; (4) experienced elevated market illiquidity; or (5) did not meet the criteria of the nationally recognized statistical rating organization ("NRSRO") that provides Florida PRIME's AAAM rating. In pursuing Fund B's investment objective, the Investment Manager may, in its sole discretion, sell, exchange, or otherwise

(Continued)

SOUTH BROWARD DRAINAGE DISTRICT

Notes to Financial Statements (Continued)

(3) CASH AND INVESTMENTS (Continued)

dispose of, or agree to the extension, workout or restructuring of, Segregated Securities; provided that the Investment Manager determines, in its sole discretion, that such sale, exchange, disposition, extension, workout or restructuring is in the best interest of participants.

The Investment Manager may invest proceeds received from any sale, exchange or other disposition of Segregated Securities in securities that are eligible under this Policy for Florida PRIME. The Investment Manager, as part of a restructuring, workout, or exchange, also may accept securities that are not eligible under the Policy for Florida PRIME, in its sole discretion. Past performance is no guarantee of future performance. An investment in the Fund B is not a bank deposit and is not insured or guaranteed by the FDIC or any other government entity. Investors may lose money investing in Fund B, and returns may not keep pace with inflation.

Participants in Fund B will receive periodic distributions to the extent that Fund B receives proceeds deemed material by the SBA from (1) the natural maturities of securities, coupon interest collections, or collateral interest and principal paydowns; or (2) the sale of securities, collateral liquidation, or other restructure and workout activities undertaken. To effect the distribution, the Investment Manager will transfer cash or securities to Florida PRIME for the benefit of Fund B shareholders. Such transfers will be consistent with the pro rata allocation of Fund B shareholders of record as of the initial partition of Segregated Securities within Florida PRIME.

The Local Government Investment Pool is governed by the rules of Chapter 19-7 of the Florida Administrative Code. These rules provide guidance and establish the general operating procedures for the Administration of the Pool. Additionally, the Office of the Auditor General performs the operational audit of the activities and investments of the SBA.

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.

(Continued)

SOUTH BROWARD DRAINAGE DISTRICT

Notes to Financial Statements (Continued)

(3) CASH AND INVESTMENTS (Continued)

The District will to the extent practicable make every attempt to match its investments in a manner as to provide sufficient liquidity to pay obligations of the District as they become due with anticipated cash-flow requirements. In order to meet projected cash requirements, the District will invest all surplus District checking account balances into the State of Florida Investment Pool (SBA), and/or other longer-term investments. Unless matched to a specific cash flow requirement, the District will generally not directly invest in securities maturing more than five (5) years from the date of purchase. Pool A is rated AAAM by Standard & Poor's, and investment into the fund by local governments is consistent with SEC rule 2a-7. Pool B is currently not rated by any nationally recognized statistical rating agency.

All of the District's investments in agency securities for fiscal year 2013 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, 2013 is the balance of approximately \$3,243,000 in the general fund emergency accounts.

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.

The District believes it is not exposed to any foreign currency risk as a result of their investment in the State of Israel Bonds.

(Continued)

SOUTH BROWARD DRAINAGE DISTRICT

Notes to Financial Statements (Continued)

(3) CASH AND INVESTMENTS (Continued)

Percentage Allocation by Issuer as of September 30, 2013

<u>Issuer</u>	<u>Percentage of Total</u>
Local Government Surplus Trust Fund – Pool A	.86%
Local Government Surplus Trust Fund – Pool B	.30%
State of Israel Bonds	6.89%
SunTrust Bank	73.68%
Regent Bank CD	3.31%
Bank United CD	1.39%
TD Bank CD	3.41%
Stonegate Bank CD	3.40%
Bank of America CD	3.41%
Landmark Bank CD	3.35%

Cash and investments as of September 30, 2013 are comprised of the following:

Cash deposits:

Money market accounts	\$ 3,816,389
Demand deposits	1,528,648
Petty cash	<u>800</u>
Total cash deposits	<u>\$ 5,345,837</u>

Investments:

Local Government Surplus Trust Fund – Pool A	\$ 62,152
Local Government Surplus Trust Fund – Pool B	21,499
Certificates of deposit	1,326,236
State of Israel Bonds	<u>500,000</u>
Total investments	<u>\$ 1,909,887</u>

Total cash and investments. \$ 7,255,724

(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, 2013 consisted of the following:

Prepaid expenses	<u>\$ 22,042</u>
	<u>\$ 22,042</u>

(6) CAPITAL ASSETS

The following summarizes changes in the capital assets:

	<u>Balance 9/30/12</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 9/30/13</u>
Capital Assets Not Being Depreciated:				
Land	\$ 349,616	\$ -	\$ -	\$ 349,616
Canal Improvements and Lakes	<u>9,993,860</u>		<u>-</u>	<u>9,993,860</u>
Total Capital Assets Not Being Depreciated	<u>10,343,476</u>		<u>-</u>	<u>10,343,476</u>
Capital Assets Being Depreciated:				
Water Control Structures/Culverts	8,829,493	607,157	-	9,436,650
Buildings - District Headquarters	802,551	-	-	802,551
Vehicles	649,046	49,508	-	698,554
Equipment	<u>407,442</u>	<u>11,639</u>	<u>-</u>	<u>419,081</u>
Total Capital Assets Being Depreciated	<u>10,688,532</u>	<u>668,304</u>	<u>-</u>	<u>11,356,836</u>
Less Accumulated Depreciation				
Water Control Structures	5,205,424	200,043	-	5,405,467
Buildings	463,553	20,064	-	483,617
Vehicles	532,811	66,513	-	599,324
Equipment	<u>550,292</u>	<u>8,574</u>	<u>-</u>	<u>558,866</u>
Total Accumulated Depreciation	<u>6,752,080</u>	<u>295,194</u>	<u>-</u>	<u>7,047,274</u>
Capital Assets, Net	<u>\$ 14,279,928</u>	<u>\$ 373,110</u>	<u>\$ -</u>	<u>\$ 14,653,038</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 of

(Continued)

SOUTH BROWARD DRAINAGE DISTRICT

Notes to Financial Statements (Continued)

(7) RETIREMENT PLAN (Continued)

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 actuarially determined required contribution rate, as established by State statute, was 6.95% for covered regular payroll, and 18.31% for senior management payroll (District Director). All employees of the District contribute 3% of their salary to the program. The combined pension contributions approximated \$89,220 (\$62,253 from the District and \$26,967 from employees) for the year ended September 30, 2013, which amounts to 8.82% of current-year covered payrolls. The District's total and current-year covered payroll was approximately \$1,011,749.

(8) PERMITS AND OTHER INCOME

Other income for the year ended September 30, 2013 consisted of the following:

Miscellaneous	\$ 15,366
Permit fees	56,405
Recertification program	<u>57,846</u>
	<u>\$ 129,617</u>

(9) COMMITMENT

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. This Contract shall automatically renew for term of four (4) years unless otherwise terminated in accordance with the provisions contained herein. 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 shall automatically renew for term of four (4) years unless otherwise terminated in accordance with the provisions contained herein. 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 14, 2014, which is the date the financial statements were available to be issued to the District.

**REQUIRED SUPPLEMENTARY
INFORMATION OTHER THAN M,D & A
(unaudited)**

SOUTH BROWARD DRAINAGE DISTRICT
Statement of Revenues, Expenditures and Changes
in Fund Balance – Budget and Actual – General Fund
(Budgetary Basis)
For the fiscal year ended September 30, 2013

	<u>Final Budget **</u>	<u>Actual - Budgetary Basis</u>	<u>Variance – Favorable (Unfavorable)</u>
Revenues:			
Maintenance taxes	\$ 3,056,421	\$ 3,055,616	\$ (805)
Permit fees and other income	51,000	129,617	78,617
Interest	<u>25,000</u>	<u>18,336</u>	<u>(6,664)</u>
	<u>3,132,421</u>	<u>3,203,569</u>	<u>71,148</u>
Expenditures:			
Administrative salaries	304,891	299,866	5,025
Board of Commissioners' salaries	37,800	37,800	-
Field operations' salaries	469,231	447,230	22,001
Inspectors' salaries	228,194	216,954	11,240
Payroll taxes	84,531	78,106	6,425
Pension costs	61,538	62,253	(715)
Other salaries and costs	59,598	47,699	11,899
Accounting fees	25,000	24,000	1,000
Engineering/consulting/special projects	29,100	18,585	10,515
Legal fees	70,200	54,293	15,907
Legal fees – special projects	60,000	26,211	33,789
Other professional fees	1,000	-	1,000
Commercial property package	40,000	38,340	1,660
General liability	45,000	44,737	263
Group health and life insurance	330,100	319,672	10,428
Workers compensation	20,600	20,489	111
Advertising	8,300	7,741	559
Computer supplies and upgrades	10,200	9,997	203
Dues and subscriptions	5,400	3,738	1,662
Electric costs	13,500	12,507	993
Gas (LP) auxiliary power	5,000	308	4,692
Janitorial services	2,000	1,788	212
Licenses and fees	900	898	2

(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 fiscal year ended September 30, 2013

	<u>Final Budget **</u>	<u>Actual - Budgetary Basis</u>	<u>Variance - Favorable (Unfavorable)</u>
Maintenance contracts	\$ 6,000	\$ 5,101	\$ 899
Miscellaneous/uniforms	3,500	3,495	5
Office supplies and postage	23,000	22,812	188
Payroll service	3,200	3,239	(39)
Printing and stationary	1,800	1,574	226
Public records, storage and filing	6,000	4,414	1,586
Telephone and miscellaneous communications	14,000	13,081	919
Water and sewer costs	3,000	1,671	1,329
Buildings and grounds maintenance	33,200	29,214	3,986
Equipment rental	5,000	1,752	3,248
Equipment and vehicles maintenance	29,000	27,190	1,810
Fuel, oil and lubricants -			
Pump stations	90,000	47,003	42,997
Vehicles and equipment	40,000	35,315	4,685
Hazardous materials	2,500	2,069	431
Janitorial supplies	1,000	689	311
Hurricane preparedness supplies	1,500	1,138	362
Landscaping and mowing	27,500	26,905	595
Photography and VCR equipment	350	312	38
Pump station and flood gates maintenance	78,000	77,791	209
Safety and SCUBA equipment	2,500	2,489	11
Sanitation and exterminating services	6,100	5,735	365
Small tools and shop supplies	9,000	8,794	206
Water recorder/elevation gauge/telemetry	8,000	7,625	375
Canal and swale renovations	21,000	21,000	-
Culvert cleaning	56,500	41,892	14,608
Culvert and flapper gate repairs	25,000	23,272	1,728
Endwall repairs and replacements	5,000	3,100	1,900
Erosion control	65,000	65,000	-
Gates, fences and ramp upgrades	5,500	5,342	158
Outfall structures	2,500	1,396	1,104
Trash rack, piling and tank upgrades	5,000	1,150	3,850
Tree removal	30,000	27,910	2,090

(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 fiscal year ended September 30, 2013

	<u>Final Budget **</u>	<u>Actual - Budgetary Basis</u>	<u>Variance - Favorable (Unfavorable)</u>
Herbicides	\$ 360,000	\$ 359,698	\$ 302
Triploid carp	30,000	20,045	9,955
Water testing	8,000	5,206	2,794
Seminars, meetings and conferences	12,900	7,924	4,976
Bank charges	-	371	(371)
Equipment and vehicles purchases	51,300	50,956	344
Pump station and drainage improvements	357,531	2,872	354,659
Contingency	10,000	3,523	6,477
Billing and collection costs	61,128	58,956	2,172
Discounts and commissions	<u>110,036</u>	<u>107,043</u>	<u>2,993</u>
 Total expenditures	 <u>3,522,628</u>	 <u>2,909,276</u>	 <u>613,352</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (390,207)*</u>	<u>294,293</u>	<u>\$ 684,500</u>
 Fund balance at beginning of year		 6,930,544	
Adjustment ***		<u>(533,606)</u>	
 Fund balance at end of year		 <u>\$ 6,691,231</u>	

* Appropriation of Fund Balance

** The District amended certain line items of the original budget on August 30, 2013. The changes were immaterial and only the final 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 2013 and 2012 reserve for encumbrances and reserve fund adjustments, which amount to a total of (\$533,606), 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 fiscal year ended September 30, 2013**

**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, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 27, 2013.

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.

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.

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

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.

December 27, 2013

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 fiscal year ended September 30, 2013**

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

December 27, 2013

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

We have audited the financial statements of the South Broward Drainage District, whose headquarters is located in Southwest Ranches, Florida, as of and for the fiscal year ended September 30, 2013, and have issued our report thereon dated December 27, 2013.

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 December 27, 2013, 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 our audit to include a review of the provisions of Section 218.415, Florida Statutes, regarding the investment of public funds. In connection with our audit, we determined that the South Broward Drainage District complied with Section 218.415, Florida Statutes.
- Section 10.554(1)(i)3., 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)4., 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)5., 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 2012. 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)6.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)6.b., Rules of the Auditor General, requires that we determine whether the annual financial report for the South Broward Drainage District for the fiscal year ended September 30, 2012, 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 fiscal year ended September 30, 2012. In connection with our audit, we determined that these two reports were in agreement.
- Pursuant to Sections 10.554(1)(i)6.c, and 10.556(7), 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, 2013, and through the date of our audit report, December 27, 2013.
- Pursuant to Section 215.985(11), Florida Statutes and Section 10.554(1)(i)8, 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 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 fiscal year ended September 30, 2013.

PART II - STATUS OF PRIOR YEAR COMMENTS AND RECOMMENDATIONS

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

SOUTH BROWARD DRAINAGE DISTRICT

**STATEMENT OF EXPLANATION OR REBUTTAL TO
MANAGEMENT LETTER COMMENTS AND RECOMMENDATIONS
For the fiscal year ended September 30, 2013**

There is no response required for the current year.

*****MEMORANDUM*****

DATE: January 23, 2014
TO: South Broward Drainage District Commissioners
FROM: Kevin M. Hart, P.E.
District Director
Subject: SBDD Undesignated Funds

Comments:

Based on the draft Annual Financial Statements for the fiscal year ending September 30, 2013, SBDD has a total of \$1,760,040 in unassigned or undesignated funds. These funds are available to the District as revenues for future year budgets as an Appropriation of Fund Balance, or for designated purposes as approved and directed by the Board. For example, a portion of the undesignated fund balance could be designated for future Capital Improvement Projects (CIP) and transferred to the District's Capital Improvements Fund.

District staff recommends that a minimum balance of cash-on-hand equal to 3 months of projected expenses or \$750,000 remain in the General Operating account at the beginning of each fiscal year. This will allow the District to operate on a loan free basis during the first three months of each fiscal year (October – December), which is the time period when cash reserves are typically at their lowest and projected tax revenues have not yet been received.

With this recommended value in mind, a remaining balance of \$1,010,040 of undesignated funds would be available to designate for specific purposes.

The total budget for the District's 5-year CIP is \$2,697,500. The current balance in the SBDD CIP Account is \$759,785, which will fund the CIP through a portion of fiscal year 2014-2015. If designated and approved by the Board, these undesignated funds could help fund the CIP through a portion of fiscal year 2016-2017. A copy of the District's current 5-Year CIP and Summary of Accounts is attached.

For future years, the Board may want to consider the following guidelines as part of the District's annual budgeting process:

- The Appropriation of Fund balance shall not exceed 10% of the total budget, unless otherwise approved by the Board.
- The District will strive to maintain a minimum cash-on-hand balance of \$750,000 at the beginning of each fiscal year.
- During the first quarter of each calendar year, the District Director will make recommendations to the Board on designating and transferring undesignated funds for specific purposes, based on the on-going needs of the District.

KH
Attachment

SOUTH BROWARD DRAINAGE DISTRICT
CAPITAL IMPROVEMENT PROJECTS
January 22, 2014

2013/2014	1	Upgrade 2 Pumps to Water Cooled & Rebuild 1 Gear Head	\$45,000	Under Construction
	2	Replace 3 Gear Heads at S-2 Pump Station	\$55,000	Under Construction
	3	Install Sluice Gate at S-2 Pump Station	\$50,000	Under Construction
	4	Drainage Improvements in SWR - Dykes Rd Outfall and SW 205th Avenue	\$65,000	Pending/Design & Permitting
	5	Rebuild 1 Motor at S-1 Pump Station	\$17,500	Pending/Obtaining Pricing
	6	Install Pipe Liner at Johnson St & Palm Ave Culvert (84" CMP)	\$65,000	Pending/Cost Share with City of PP
	7	Upgrade Telemetry System & Install Cameras at Pump Stations	\$60,000	
	8	Upgrades to SBDD Board Room	\$30,000	Pending
	9	Culvert Replacements in Basin 8 - SW 54th Place/SW 164th Terr	\$85,000	
	10	Excavate Primary/Secondary Canals in Basin 1	\$100,000	Taft Street Canal Under Construction/C-1 Canal Pending
		Total	\$572,500	
2014/2015	1	Upgrade 2 Pumps to Water Cooled/Rebuild Gear Heads.	\$60,000	S-4/S-5 Pump Station
	2	Replace 2 Gear Heads at S-8 Pump Station	\$45,000	
	3	Install Motor and Telemetry at Inter-Connect for S-9/S-10 & S-4/S-5 Basin	\$60,000	Pines Boulevard
	4	Install New Roof at Maintenance Bldg	\$80,000	
	5	Rebuild 2 Motors	\$35,000	
	6	Excavate Primary/Secondary Canals in Basin 1	\$100,000	C-1 Canal
	7	Excavate Primary/Secondary Canals in Basin 8	\$100,000	
	8	Upgrade B-1 & B-2 Pump Stations	\$80,000	
		Total	\$560,000	
2015/2016	1	Upgrade 1 Pump to Water Cooled and Rebuild Gear Head	\$30,000	S-4/S-5 Pump Station (Last Pump Conversion)
	2	Replace 4 Gear Heads at S-1 Pump station	\$75,000	
	3	Rebuild 2 Motors	\$65,000	
	4	Rebuild 2 Pumps	\$65,000	
	5	Install New Roof at Office Building	\$50,000	
	6	Culvert Replacements in Basin 3 - Country Club Ranches	\$125,000	(Possible Slip Line)
	7	Excavate Primary/Secondary Canals in Basin 8	\$100,000	
		Total	\$510,000	
2016/2017	1	Rebuild 2 Motors	\$65,000	
	2	Rebuild 2 Pumps	\$65,000	
	3	Basin Inter-Connect Between Basin 3 & Basin 7 (Century Village)	\$60,000	
	4	Replace Generator at S-1 and S-7 Pump Stations	\$50,000	
	5	Excavate Primary/Secondary Canals in Basins 1 and 8	\$200,000	
	6	Culvert Replacement in Basin 10 - Rose Price Park Culvert	\$125,000	
		Total	\$565,000	
2017/2018	1	Rebuild 2 Motors	\$65,000	
	2	Rebuild 2 Pumps	\$65,000	
	3	Excavate Primary/Secondary Canals in Basins 1 and 8	\$200,000	
	4	Install Sluice Gates in Basin 5 (4 Locations)	\$160,000	
		Total	\$490,000	
Grand Total			\$2,697,500	

SOUTH BROWARD DRAINAGE DISTRICT
SUMMARY OF DISTRICT FUNDS

January 22, 2014

SBDD ASSET ACCOUNTS

FUND	Bank and LGIP Accounts			Investment Accounts	Fund Totals	
	Cash on Hand	Subtotals	Institution			
RESTRICTED						
S-9/10	\$49,431	\$49,431	LGIP		\$49,431	
UNASSIGNED						
* General	\$3,023,012	\$2,988,663	Suntrust Muni Now	\$247,500	CD-Bank of America	\$3,760,396
		\$34,349	LGIP	\$184,500	CD-Br Bank of Commerce	
				\$147,613	CD-Landmark	
				\$157,771	CD-Regent Bank	
Payroll	\$45,994	\$45,994				\$45,994
COMMITTED						
Capital Improvements	\$412,398	\$412,304	Suntrust Reserve	\$247,000	CD-Stonegate	\$759,785
				\$95,387	CD-Landmark	
		\$94	LGIP	\$5,000	Israel Bond	
Emergency	\$3,243,751	\$2,243,627	Suntrust Reserve-Interest			\$3,243,751
		\$1,000,040	Suntrust Reserve-Credit			
		\$84	LGIP			
Separation	\$160,542	\$160,451	Suntrust Reserve	\$50,000	CD-Bank United	\$273,542
		\$91	LGIP	\$63,000	CD-Br Bank of Commerce	
Totals	\$6,935,128	\$6,935,128		\$1,197,771		\$8,132,899

SBDD LIABILITY ACCOUNT

Fund	Bank and LGIP Accounts			Investment Accounts	Fund Totals	
	Cash on Hand	Subtotals	Institution			
As-Built	\$60,905	\$60,887	Suntrust Paying	\$84,292	CD-Regent Bank	\$691,410
				\$51,213	CD-Bank United	
		\$18	LGIP	\$495,000	Israel Bond	
Total	\$60,905	\$60,905		\$630,505		\$691,410

FUND TOTALS	\$60,905			\$1,828,276		\$8,824,309
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SBDD INVESTMENT SUMMARY

Investment	Recommendation	Investment Amount	Interest Rate	Issue Date	Maturity Date
Bank of America CD	<i>Rollover</i>	\$247,500	0.60%	8/8/2012	2/8/2014
Br Bnk of Commerce		\$247,500	0.56%	6/19/2013	6/19/2014
Stonegate Bank CD		\$247,000	0.40%	8/8/2013	8/8/2014
Landmark CD		\$243,000	0.90%	8/14/2012	8/14/2014
Bank United CD		\$101,213	1.05%	7/26/2013	8/26/2014
Regent Bank CD		\$242,063	0.70%	1/10/2014	1/10/2015
Israeli Bond		\$500,000	1.31%	8/1/2012	8/1/2015
TOTAL OF INVESTMENTS		\$1,828,276			

Feb-14	Jun-14	Aug-14	Jan-15	Aug-15
\$247,500	\$247,500	\$591,213	\$242,063	\$500,000

* General Fund includes \$443,583 of Assigned Funds as part of the 2013/2014 Budget (Appropriation of Fund Balance)