

**SOUTH BROWARD DRAINAGE DISTRICT
GOVERNING BOARD MEETING MINUTES
JANUARY 19, 2012**

Present:

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

Kevin M. Hart, District Director
Douglas R. Bell, Legal Counsel
Barry Fink, C.P.A., SBDD Accountant
Katherine Milam, Court Reporter
Reina Muniz, Recording Secretary
General Public: See Attached List

Absent:

Mercedes Santana-Woodall, Commissioner

01. CALL TO ORDER/PLEDGE OF ALLEGIANCE

Meeting called to order at 8:05 A.M., followed by the Pledge of Allegiance.

02. PUBLIC COMMENT

None.

03. APPROVAL OF MINUTES

Commissioner Goggin moved for approval of the minutes of the December 15, 2011, South Broward Drainage District Board meeting. Motion was seconded by Commissioner Minnaugh and was carried unanimously.

04. DISTRICT DIRECTOR'S REPORT

A. PRESENTATION BY BARRY FINK, CPA ON DRAFT COPY OF SBDD FINANCIAL STATEMENT FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2011

Mr. Barry Fink, SBDD Accountant, presented the Board with a draft copy of SBDD Financial Statement for the Fiscal year ending September 30, 2011. He said that on his comments, as in prior years, is a clean opinion. The District has a strong financial position and during this past year the final payment was made on the S-9/S-10 Certificate of Indebtness which means that it is totally paid off. He said that he advised the District last year on the requirements they would have to implement for GASB-54 during this Fiscal year. That information is all reflected and on page 11 in the

Governmental Fund Balance Sheet. The fund balance terminology has changed to show four (4) different types of funds. They are: Restricted, Committed, Assigned and Unassigned; which are different terms than in prior years when they were called "Reserved and Unreserved" balances. He thanked Susan Iratzoqui and District Director Hart for doing a good job on the financials. He said that during this past year Susan continued to take on more responsibilities and is doing a really good job; and thanks to District Director Hart they were able to implement GASB-54 without any problems.

Commissioner Mersinger commented that she was thrilled to see that our administration has done such a good job.

District Director Hart added that in response to the State incorporating some new reporting requirements, the District is now including their Annual Budget and Monthly Financial Statements on the District's webpage. He said that he will have the final report of the 2010/2011 Annual Financial Statements at the next Board meeting in February.

05. CONVENED CLOSED DOOR SESSION AT 8:15 A.M.

At this time, a Closed Session was called to order with the following in attendance: Chair Scott Hodges, Vice Chair James Ryan, Commissioner Vicki Minnaugh, Commissioner Rob Goggin IV, Commissioner Alanna Mersinger, Commissioner Thomas Good, District Director Kevin Hart, Attorney Douglas Bell and Court Reporter Katherine Milam.

06. RECONVENED REGULAR BOARD MEETING AT 9:30 A.M.

B. DRAFT AGREEMENT WITH AD PEMBROKE LAND COMPANY, LLC (AKA: DUKE REALTY CORPORATION) FOR SBDD S-3 DRAINAGE BASIN IMPROVEMENTS

District Director Hart made a presentation to the Board on the status of the proposed draft Agreement with AD Pembroke Land Company, LLC (a/k/a Duke Realty Corp.) for improvements to the SBDD S-3 Drainage Basin in lieu of providing the required 20% stormwater management area (SWMA) on their property.

District Director Hart reiterated that in the last Board meeting a draft Agreement was presented to the Board to allow Duke Realty to pay the District for drainage improvements to the SBDD S-3 Drainage Basin in lieu of providing the required 20% stormwater management area on their property. He said that the Board had raised some very important questions and concerns and that those concerns have been addressed as follows:

1. The existing drainage in Pembroke Gardens:

District Director Hart said that he met onsite with representatives of Duke Realty and their onsite maintenance team. Proposed improvements to help improve the drainage were discussed. Bob Close from Duke Realty will discuss specific aspects of the improvements during his presentation.

2. Phasing of the Improvements and Impacts to Monarch Lakes or Downstream Properties:

Previously, the Board raised concerns about the impacts to downstream properties including Monarch Lakes. Previously a 60" inter-connect was being considered to be installed in two phases, where Duke would be responsible for the 1st segment and the District for the balance. A proposal to reduce the size of the inter-connect pipe to a 48" diameter is now being considered, which would limit and minimize any impact to the downstream properties because it significantly reduces the volume and the flow, etc. He also mentioned that the new proposal includes placing the entire improvement in at the front end in a single phase. He said that Duke's Engineers provided additional information to the District that illustrates and verifies that the impact downstream of this connection are negligible and the District would still get benefits upstream. He said the District will get a stage reduction, and more importantly, a reduction in the duration of those stages.

3. Question of water quality:

District Director Hart said that a clause has been added into the Agreement that states that the property owner is responsible to comply with all regulatory criteria for water quality, not only what is in place today, but what will be in place in the future. He said nutrient discharge, BMPs and NPDES Stormwater Programs were included specifically in the Agreement on page 3. Also, if the Board wishes, a third party independent review of the calculations can be added.

He said that with the single phase construction, the cost has gone up. The estimate of the improvements, including a contingency, is \$350,231.25. He said as mentioned previously, the District has already received \$86,000 for this improvement from a previous development. He said that after subtracting the \$86,000 from the \$350,231.25, the total payment by Duke Realty would be \$264,231.25. District Director Hart said that this amount would be available to the District to use for improvements to the S-3 drainage basin. He said the District would be responsible to obtain the easements south of Pembroke Road, and that according to Attorney Bell there is an easement already in place which is good news. He then gave the floor to Mr. Bob Close to answer any questions that the Board may have.

Mr. Close commented that he met with District Director Hart and Matt Harold from Bohler Engineering on-site at Pembroke Gardens to review the situation and he thinks that they identified some baffles that can be removed. He said that District Director Hart has already checked with SFWMD about three (3) control structures and lowering the weir elevation, which they believe will improve the situation and address those concerns, and that SFWMD should be agreeable to these changes.

District Director Hart stated, for the record, that the Nursery site will function completely independent from Pembroke Gardens so the reduction of retention will not impact what's going on in Pembroke Gardens. The drainage system is a function of the onsite retention and the control structures. He said that the system is controlled before

discharging into the lake and that any impact from the Nursery site will not, in his opinion, impact Pembroke Gardens one way or the other. He said that in fact, the stages will actually get better with the proposed inter-connect pipe.

Chair Hodges asked District Director Hart to clarify to the Board what the drainage calculations for the streets actually provide, and if they are suppose to be 100% dry. District Director Hart explained that the pipes themselves are designed for a 3-yr. storm; that's the level of standard that all developments are required to meet in Broward County; and the elevations are set at a 10-yr. stage. He said that when running calculations to size the pipe itself, a 3-yr. design storm is used. Whenever a higher volume or a more intense storm hits, just by the nature of the calculations, those pipes may not have the capacity to handle that storm. He said the idea is that it recedes very quickly. He also mentioned that another thing that is happening in Pembroke Gardens is that they have a weir at the end of the system that holds back the water up to a certain elevation, and that's for water quality. This also impacts the capacity of the system.

Commissioner Mersinger said that Broward College is planning to construct a school south of this area. She commented that because they are lower, this should not affect them, but that they would have to pull a permit with the District. District Director Hart said that it is further south and that this improvement will help them because they will have the ability to connect into it and he confirmed that yes, they would have to pull a permit with the District. Chair Hodges said that the only reason he brought that issue up is because one of the benefits that the District will see from this improvement is that the durations will be shorter so that they will dry up quicker.

Commissioner Minnaugh thanked Mr. Close for coming back to the District to discuss this further, and for accommodating what was requested by the Board and said that the Agreement looked good to her. She asked District Director Hart and Attorney Bell, that if Duke Realty is willing to go ahead with the Pembroke Gardens improvements, would the District need to put this in writing or are they going to go ahead and perform the work? District Director Hart replied that they are going ahead with it, and the control the District has is with their 5-year recertification, and that from the District's standpoint, those will be monitored and regulated properly. She asked Mr. Close if the construction to this project will begin soon before the prices continue to rise. Mr. Close replied that they will be making their contribution within the next two or three months towards this. District Director Hart said that they will begin as soon as this Agreement is finalized. Attorney Bell said the Finalized Agreement will be brought back at the next Board meeting for approval by Resolution.

C. RESOLUTION 2012-01; APPROVAL AND ADOPTION OF AN UPDATE TO THE SBDD EMPLOYEE POLICY HANDBOOK

At the previous Board meeting of December 15, 2011, District Director Hart presented an update to the SBDD Employee Policy Handbook and was directed by the Board to bring it back for formal approval under a Resolution.

The proposed update to the SBDD Employee Policy Handbook is attached as Exhibit "A" to Resolution 2012-01, which is presented to the Board for approval.

Commissioner Minnaugh made a motion to approve Resolution 2012-01; Approving and Adopting an updated/revised SBDD Employee Policy Handbook. Motion was seconded by Commissioner Mersinger and was carried unanimously.

D. OTHER

District Director Hart gave the Board an update on what is going on with the trailer next door. He said that the Town of SWR finally received their permanent CO for the new town hall and they held their first public meeting last week. They will now be moving forward with the removal of the trailers. They have a bid to do this and they have yet to sign the contract, but if they do sign it, the Contractor will have 45 days to remove the trailer.

District Director Hart shared an article with the Board in regard to an executive order issued by the Governor's office on "Review of Special Districts". He said that the Florida Association of Special Districts is taking a pro-active stance in working with the Governor's office in providing information. He said they have a public relations firm that is very effective in responding and presenting Special District's position on the purpose, usefulness, effectiveness, transparency and all things that SBDD does for their taxpayers and residents. He said he has not received any correspondence from the Governor's office or the Budget Committee. He will continue updating the Board on any correspondence in this regard, and the District will continue to operate in the manner that it has been operating. He is confident that the District will meet all of the standards that the Governor has laid out as far as the purpose of the study.

Finally, on Numeric Nutrient Criteria, he said that they're just waiting on Legislative action by the state to adopt the new FDEP Criteria. He said that everything he's seen has this moving in the direction and on the track that the Board had recommended in their Resolution of last year.

07. ATTORNEY'S REPORT:

UPDATE ON GRAND PALMS LAWSUIT

Attorney Bell stated that a closed door session was held earlier regarding the Grand Palms law suit. He indicated that he has been in contact with Mr. Wyn Geyer, attorney for 15500 Pines Blvd Corp. and he will be contacting Mr. Geyer after today's Board meeting. Although Attorney Bell has not yet received the draft settlement agreement, he is not aware of any issues on behalf of 15500 Pines Blvd Corp. He then deferred to District Director Hart to update the Board on the presentation made during the closed door session.

District Director Hart reiterated that recent discussions that have taken place between the three parties involved in the Grand Palms' lawsuit; and as a result of those discussions the terms of an updated settlement proposal have been presented to SBDD for further discussion among the Board members.

Under the proposed settlement agreement, the existing 48" diameter outfall culvert leading from the 15500 Pines Blvd property will be blocked, and a new 48" diameter culvert (or smaller size) will be installed at a location west of the current location. The other two parties involved in the litigation, 15500 Pines Blvd Corp. and Grand Palms, are in agreement with this proposed solution.

District Director Hart indicated that the estimated cost for the improvements is \$60,000, plus \$9,000 for engineering and construction management services costs. Under the proposed settlement agreement, SBDD would pay for 50% of the improvements less credit for 50% of the engineering cost and construction services. District Director Hart said that the estimated cost to the District would be \$25,500.00, and that the owner of 15500 Pines Boulevard property would pay for the balance which is estimated to be \$34,500.00. Under the agreement, SBDD would prepare the engineering plans and bid the work. SBDD would also contract for the work and oversee the construction. 15500 Pines Boulevard Corp. would pay SBDD for their share of the cost. In addition, 15500 Pines Boulevard Corp. would dedicate a new drainage easement over the new outfall pipe on their property, Grand Palms would grant permission to allow the work to be performed on the golf course property, and the pending litigation will be dismissed with prejudice.

Chair Hodges then opened the floor for further discussion among the Board members. He indicated that he believes SBDD should try and limit their exposure and financial commitment to the tax payers regarding this issue; and that previously SBDD had committed to 1/3 of the construction costs or \$20,000.

Commissioner Goggin opened the discussion by stating that he was in agreement with comments made by Commissioner Minnaugh in the closed door session to cap the District's cost under the proposal to \$20,000. He is unable to agree to anything definitive at this point, and will need more time to evaluate the details of the proposal. At this point Commissioner Goggin excused himself from the Board meeting.

Commissioner Minnaugh stated that she is still in favor of settling, but also feels that a 3-way split is more appropriate. She indicated that she can live with the settlement proposal provided that the exposure to the District is capped.

Commissioner Mersinger stated her concern that if the case continues to drag on, that the costs to the District could be much higher than \$20,000 and if the case goes to court, the costs could exceed \$100,000. She also indicated that she would like to see the costs capped at \$25,000.

Attorney Bell then stated that the draft agreement will include an estimated cost of \$25,500 attributed to SBDD and suggested that the cap be set at \$25,500 rather than \$25,000. Commissioner Mersinger did not have a problem with a cap of \$25,500. She realizes that this is a moral issue, but feels that the District needs to cut their losses.

Chair Hodges asked Attorney Bell for an estimate of SBDD's legal fees if this case was to go to trial. Attorney Bell estimated that the legal fees and costs could run from \$200,000 to

\$500,000 when you take into account expert witnesses and outside attorneys. Commissioner Minnaugh commented that the other two parties would be exposed to the same amounts for their legal fees.

Vice Chair Ryan asked if the prevailing party would be reimbursed for legal fees and Attorney Bell answered “not necessarily”.

Vice Chair Ryan then indicated that he has a real problem with settling this case. He believes that the existing drainage system is sound and he has a problem replacing a sound system. He also feels that Grand Palms has broken inter-connecting pipes that could be causing their problems and that this is a self inflicted hardship. He’s also concerned that other issues could be raised by Grand Palms in the future. When you add up the \$25,000 in construction costs, plus \$9,000 in management costs, plus legal fees, SBDD’s costs are closer to \$60,000 and therefore, Vice Chair Ryan cannot agree with the proposal.

Commissioner Good stated that after being presented with the details during the closed door session he is in support of moving forward with a settlement agreement. He also restated his interest in having an escape clause added to the agreement in the event that the construction costs come in above the \$60,000 estimate. Commissioner Good suggested that the District Attorney come back to the Board with a settlement agreement for the Board to review and take action on. At this point, he’s in favor of continuing to move forward and in having a settlement agreement presented to the Board.

Commissioner Minnaugh made a motion for SBDD to settle the lawsuit with Grand Palms provided that the total expense that the District will outlay is \$25,500.00. Any expenses above this cost shall be borne by someone else, not the District; and finally, with an escape clause added to the agreement, if necessary. The motion was seconded by Commissioner Mersinger.

Upon further discussion, Commissioner Minnaugh clarified that the \$25,500 cost figure included all costs, and that would include attorney fees. Commissioner Mersinger then withdrew her second as she did not understand that the cost figure was to include legal costs as well.

Commissioner Minnaugh further clarified her motion to indicate that the engineering and management costs would be spilt; and that the District would be reimbursed for any costs over \$25,500 by someone else. Vice Chair Ryan then seconded the motion.

Commissioner Good suggested that it might be easier to have the District Attorney bring back a settlement agreement to the Board for consideration. He did not agree with the attorney fees portion of the motion since there were no details on attorney fees presented during the closed door session.

Attorney Bell stated his belief that if attorney fees were included in the costs that it would be a deal breaker.

Commissioner Mersinger agreed with Attorney Bell and stated that her understanding is that each party is responsible for their own attorney's fees. Commissioner Minnaugh indicated that another option would be to lower the construction costs.

Additional discussion ensued on the topic of attorney fees.

Attorney Bell stated that a motion was not necessary at this time in order to move forward with a settlement agreement. He felt that he had enough direction from the Board in order to work out a draft agreement for their future consideration. Attorney Bell explained to the Board that he and District Director Hart need to first see the proposed settlement agreement from 15500 Pines Blvd. Corp.; review it and modify it; and then have another closed door session to discuss it with the Board; and have a vote on the Agreement in an open session. Chair Hodges agreed that proper guidance and direction had been given to the District Attorney.

At this time, Commissioner Minnaugh withdrew her motion, and Vice Chair Ryan withdrew his second to the motion.

At the request of Attorney Bell, Commissioner Minnaugh made a motion to hold a Special Closed Door session on February 23rd at 8:15 a.m. for further discussion on the Grand Palms litigation. Motion was seconded by Vice Chair Ryan and was carried unanimously.

NOTE: Throughout the presentation and in these minutes, 15500 Pines Blvd Corp. is identified as the owner of the property involved in the litigation (Homeland Security site) and in the settlement negotiations. In actuality, 15500 Pines Blvd Corp is the owner of property adjacent to and west of the property involved in the litigation and the settlement negotiations. Pembroke Plaza Partners, LLC is the party involved in the settlement negotiations, is the party that owned the Homeland Security property during construction of the existing outfall culvert, is the party represented by Wyn Geyer, Esquire, and is the party that will be paying for a portion of the costs of the Improvements.

UPDATE ON REVISION TO DISTRICT ZONE BOUNDARIES BASED ON 2010 CENSUS

At the December Board meeting, Attorney Bell presented the Board with the Commission Zone Boundaries. He was directed to make the necessary revisions, and return with revised Zoning Boundaries for further discussion.

Since the Commissioner for Zone 4 was absent, it was recommended by the Board that this issue be discussed in more detail at the next Board meeting on February 23, 2012; and then schedule a public hearing in March, 2012.

08. APPROVAL OF LEGAL FEES

Commissioner Minnaugh moved for approval of the legal bills, motion was seconded by Commissioner Good, and it was carried unanimously.

09. BOARD MEMBER'S QUESTIONS/COMMENTS

None.

10. MEETING DATE

- A. Next Regular Board Meeting will be held on **Thursday, February 23rd at 8:00 A.M.**
with a **Closed Session at 8:15 A.M.**

Adjournment at 10:35 A.M.

Respectfully submitted,

Robert E. Goggin IV, Secretary
South Broward Drainage District

/rim

****MEMORANDUM****

DATE: February 16, 2012
TO: South Broward Drainage District Commissioners
FROM: Kevin M. Hart, P.E.
District Director
Subject: SBDD Annual Financial Statements – Final Report

Comments:

Attached for your review and acceptance is the final SBDD Financial Statement for the Fiscal Year Ending September 30, 2011 as 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 February Board meeting to present the final audit report and to answer any questions.

KH
Attachment

SOUTH BROWARD DRAINAGE DISTRICT

ANNUAL FINANCIAL STATEMENTS

September 30, 2011

FINAL

2/6/12

TABLE OF CONTENTS

	<u>Pages</u>
INTRODUCTORY SECTION	
Board of Commissioners	1
FINANCIAL SECTION	
Independent Auditors' Report	2
Management's Discussion and Analysis (unaudited)	4
Basic Financial Statements:	
Government-Wide Financial Statements	
Statement of Net Assets	9
Statement of Activities	10
Fund Financial Statements	
Governmental Funds	
Balance Sheet	11
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Assets	12
Statement of Revenues, Expenditures and Changes in Fund Balances	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	14
Fiduciary Fund - Agency Fund	
Statement of Fiduciary Net Assets	15
Notes to Financial Statements	16
Required Supplementary Information other than M,D&A (unaudited):	
Budgetary Comparison Statement - General Fund	31
OTHER REPORTS SECTION	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	34

TABLE OF CONTENTS (Continued)

MANAGEMENT LETTER SECTION

Independent Auditors' Management Letter Required by Chapter 10.550, Rules of the State of Florida Office of the Auditor General	36
Response to the Management letter	40

INTRODUCTORY SECTION

SOUTH BROWARD DRAINAGE DISTRICT

Board of Commissioners

September 30, 2011

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 AUDITORS' REPORT

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

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, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 South Broward Drainage District as of September 30, 2011, and the respective changes in financial position, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated January 14, 2012, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations and contracts 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and budgetary comparison information on pages 4 through 8 and 31 through 33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the South Broward Drainage District's financial statements as a whole. The introductory section and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section has 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 it.

January 14, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

The management of South Broward Drainage 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, 2011. 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 9.

Prior to discussing the financial position of the District, the following information is offered to the readers. 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 assets of the District exceeded its liabilities at the end of the fiscal year by \$20,842,515. Pursuant to the new GASB Statement No. 54 presentation requirements, \$1,273,315 of this amount may be used to meet the government's ongoing operations and \$5,384,630 has been committed for specific purposes.
- The District's total net assets decreased by \$271,643 or 1.3% in 2011, primarily as a result of the final payment on the S-9/10 certificate of indebtedness.
- The total assets of the District amounted to \$21,664,245 as of September 30, 2011. Of this amount, \$14,138,498 represented the net capital assets. The total liabilities amounted to \$821,730.
- The District's total general revenues (on an accrual basis) were \$3,354,601 for the year ended September 30, 2011
- The total expenses for all of the District's activities were \$3,626,244 for the year end September 30, 2011.
- The District transferred \$398,448 from the General Fund to the S-9/10 fund for the final loan payment and the S-8 fund transferred \$20,247 to the General Fund to close the S-8 fund.

DISTRICT HIGHLIGHTS

- Completed the following capital improvement projects:
 - Converted two drainage pumps from oil cooled to water cooled pumps.
 - Swapped out two pump motors from the S-4/S-5 pump station to the S-2 pump station to take advantage of lower run times on the S-4/S-5 motors.
 - Rebuilt three original pump motors from the S-2 pump station to increase the longevity of the motors.
 - Installed emergency generator receptacles at six (6) pump station locations; the SBDD maintenance building; and SBDD office building.
 - Complete the upgrade to the control panels at the S-2 and S-4/S-5 pump stations.
 - Installed hurricane resistant garage doors at eleven (11) locations, thereby completing the upgrade at all SBDD building locations.
 - Purchased a new grapple truck to assist in field operations and maintenance activities. Delivery of the grapple truck is pending.
 - Participated in a cost sharing project with the Town of Southwest Ranches on the installation of three (3) intermediate control structures in the S-9/S-10 drainage basin.
 - Excavated and improved a portion of the Taft Street Canal in the City of Pembroke Pines.

- Participated in a cost sharing project with the Town of Southwest Ranches to replace a 48" culvert at SW 172nd Avenue and SW 66th Street.
- Contracted for the installation of pipe liners at two (2) locations.
- Purchased one new replacement vehicle.
- Installed fuel spill containment barriers at the S-3, S-4/S-5, S-7 & S-8 pump stations.
- Installed FabricForm stabilization material around headwalls at three (3) lake inter-connect locations.
- Installed fencing and guardrails at miscellaneous locations.
- Installed safety cages around the roof ladders at all pump station locations.
- Miscellaneous tree trimming.
- Miscellaneous culvert inspections, culvert cleaning, and swale improvements.
- Completed an update to the District Charter.
- Updated Section 9 of the District Criteria Manual.
- Began the effort to update the District's Facilities Report.
- 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, and 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 Assets 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 assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, an increase or decrease in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 9 and 10.

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. The 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 Assets and the Statement of Activities) and the basic governmental fund statements in a reconciliation schedule supporting the Fund Financial Statements.

At September 30, 2011, the District maintained two individual governmental funds: one General and one Capital project fund. Some funds are required by State law. However, 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, three major funds are reported individually in the governmental funds balance sheet and statement of revenues, expenditures and changes in fund balances.

The District uses a fiduciary fund to account for repayments due on a certificate of indebtedness. This fund is purely custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

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, specifically, information regarding repayment of special assessment debt. 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 assets 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 \$20,842,515 at the close of the most recent year. The largest portion of the District's net assets (68%) reflects its investments 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 assets (26%) represents resources that have been committed as to how they may be used. These resources can be used only for their designated intended. The remaining unrestricted net assets (\$1,273,315) may be used to meet ongoing operations.

The District adopted the fiscal year 2010-2011 Budget on September 30, 2010. On August 25, 2011 the Board approved certain line-item reclassifications to the original budget. Total general fund expenditures budgeted for the fiscal year ended September 30, 2011 were \$3,574,025. Total actual general fund expenditures were \$2,889,918, and the District achieved a favorable budget variance for the year ended September 30, 2011 of \$860,095.

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 Assets
As of September 30,

	<u>2011</u>	<u>2010</u>
Current and other assets	\$ 7,525,747	\$ 7,926,758
Capital assets	<u>14,138,498</u>	<u>14,016,018</u>
Total assets	<u>\$ 21,664,245</u>	<u>\$ 21,942,776</u>
Current and other liabilities	<u>\$ 821,730</u>	<u>\$ 828,618</u>
Total liabilities	<u>\$ 821,730</u>	<u>\$ 828,618</u>
Net Assets:		
Invested in capital assets	\$ 14,138,498	\$ 14,016,018
Restricted	46,072	5,819,361
Unrestricted	<u>6,657,945</u>	<u>1,278,779</u>
Total net assets	<u>\$ 20,842,515</u>	<u>\$ 21,114,158</u>

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

	<u>2011</u>	<u>2010</u>
General revenues:		
Maintenance taxes	\$ 3,063,942	\$ 3,063,190
Permits and other income	218,977	99,068
Investment earnings	<u>71,682</u>	<u>91,672</u>
Total revenues	<u>3,354,601</u>	<u>3,253,930</u>
Capital grants and other adjustments	<u>-</u>	<u>49,853</u>
Expenses:		
Operation and maintenance	3,258,287	3,410,026
Depreciation	<u>367,957</u>	<u>346,573</u>
Total expenses	<u>3,626,244</u>	<u>3,756,599</u>
Increase (decrease) in net assets	(271,643)	(452,816)
Net assets – beginning	<u>21,114,158</u>	<u>21,566,974</u>
Net assets – ending	<u>\$ 20,842,515</u>	<u>\$ 21,114,158</u>

**BASIC FINANCIAL STATEMENTS –
GOVERNMENT-WIDE**

SOUTH BROWARD DRAINAGE DISTRICT
Statement of Net Assets
September 30, 2011

ASSETS

Cash and investments – unrestricted	\$ 837,608
Cash and investments – temporarily restricted	6,482,162
Receivables, including interest	56,200
Inventory	126,950
Other assets	22,827
Capital assets:	
Land	349,616
Other capital assets, net of depreciation	<u>13,788,882</u>
 Total assets	 <u>21,664,245</u>

LIABILITIES

Accounts payable and accrued expenses	178,439
Refundable deposits	498,135
Due to fiduciary fund, net	<u>145,156</u>
 Total liabilities	 <u>821,730</u>
 Total net assets	 <u>\$ 20,842,515</u>

NET ASSETS

Invested in capital assets	\$ 14,138,498
Restricted for Capital project fund	46,072
Unrestricted	<u>6,657,945</u>
 Total net assets	 <u>\$ 20,842,515</u>

See accompanying notes to the financial statements.

SOUTH BROWARD DRAINAGE DISTRICT
Statement of Activities
For the fiscal year ended September 30, 2011

Expenses:	
Personal services	\$ 1,135,376
Materials and services	2,017,622
Depreciation expense	367,957
Collection discounts	<u>105,289</u>
Total expenses	<u>3,626,244</u>
General revenues:	
Maintenance taxes	3,063,942
Permits and other income	218,977
Investment earnings	<u>71,682</u>
Total general revenues	<u>3,354,601</u>
Changes in net assets	(271,643)
Net assets, beginning of year	<u>21,114,158</u>
Net assets, end of year	<u>\$ 20,842,515</u>

See accompanying notes to the financial statements.

**BASIC FINANCIAL STATEMENTS –
FUND**

SOUTH BROWARD DRAINAGE DISTRICT
Balance Sheet – Governmental Funds
September 30, 2011

ASSETS	General	Capital Projects S – 9/10	Total Governmental Funds
Cash	\$ 4,730,168	-	\$ 4,730,168
Investments	2,540,280	49,322	2,589,602
Receivables:			
Delinquent taxes and assessments, including interest	10,786	-	10,786
Other	45,414	-	45,414
Due from other funds	2,000	-	2,000
Inventory	126,950	-	126,950
Other assets	<u>22,827</u>	<u>-</u>	<u>22,827</u>
Total assets	<u>\$ 7,478,425</u>	<u>\$ 49,322</u>	<u>\$ 7,527,747</u>

LIABILITIES AND FUND EQUITY

Liabilities:			
Accounts payable and accrued expenses	\$ 177,189	\$ 1,250	\$ 178,439
Refundable deposits and deferred income	498,135	-	498,135
Due to other funds	<u>145,156</u>	<u>2,000</u>	<u>147,156</u>
Total liabilities	<u>820,480</u>	<u>3,250</u>	<u>823,730</u>
Fund balances:			
Restricted	-	46,072	46,072
Committed	5,384,630	-	5,384,630
Assigned	127,325	-	127,325
Unassigned	<u>1,145,990</u>	<u>-</u>	<u>1,145,990</u>
Total fund equity	<u>6,657,945</u>	<u>46,072</u>	<u>6,704,017</u>
Total liabilities and fund equity	<u>\$ 7,478,425</u>	<u>\$ 49,322</u>	<u>\$ 7,527,747</u>

See accompanying notes to the financial statements.

SOUTH BROWARD DRAINAGE DISTRICT
Reconciliation of Governmental Funds Balance Sheet
to the Statement of Net Assets
September 30, 2011

Total governmental fund balances \$ 6,704,017

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

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

Capital assets	\$ 20,488,360	
Less accumulated depreciation	<u>(6,349,862)</u>	<u>14,138,498</u>

Total net assets \$ 20,842,515

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, 2011

	<u>General</u>	<u>Capital Projects S - 8</u>	<u>Capital Projects S - 9/10</u>	<u>Total Governmental Funds</u>
Revenues:				
Maintenance taxes	\$ 3,063,942	\$ -	\$ -	\$ 3,063,942
Permits and other income	218,977	-	-	218,977
Interest	<u>71,665</u>	-	<u>17</u>	<u>71,682</u>
Total revenues	<u>3,354,584</u>	-	<u>17</u>	<u>3,354,601</u>
Expenditures:				
Capital outlay	490,437	-	-	490,437
Engineering fees	1,290	-	19,428	20,718
Operating	2,406,827	-	-	2,406,827
Administrative	313,533	13,355	398,565	725,453
Discounts	<u>105,289</u>	-	-	<u>105,289</u>
Total expenditures	<u>3,317,376</u>	<u>13,355</u>	<u>417,993</u>	<u>3,748,724</u>
Excess (deficiency) of revenues over expenditures	<u>37,208</u>	<u>(13,355)</u>	<u>(417,976)</u>	<u>(394,123)</u>
Other financing sources:				
Transfers in	20,247	-	398,448	418,695
Transfers out	<u>(398,448)</u>	<u>(20,247)</u>	-	<u>(418,695)</u>
Fund balances at beginning of year	<u>6,998,938</u>	<u>33,602</u>	<u>65,600</u>	<u>7,098,140</u>
Fund balances at end of year	<u>\$ 6,657,945</u>	<u>\$ -</u>	<u>\$ 46,072</u>	<u>\$ 6,704,017</u>

See accompanying notes to the financial statements.

SOUTH BROWARD DRAINAGE DISTRICT
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the year ended September 30, 2011

Net change in fund balances – total governmental funds \$ (394,123)

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	\$ 490,437	
Less current year depreciation	<u>(367,957)</u>	<u>122,480</u>
Changes in net assets		<u>\$ (271,643)</u>

See accompanying notes to the financial statements.

FIDUCIARY FUND – AGENCY FUNDS

SOUTH BROWARD DRAINAGE DISTRICT
Statement of Fiduciary Net Assets –
Agency Funds
For the fiscal year ended September 30, 2011

ASSETS	Agency Fund S – 9/10	Total Agency Funds
Assessment Receivables	\$ 2,850	\$ 2,850
Due from General Fund	<u>145,156</u>	<u>145,156</u>
Total assets	<u>\$ 148,006</u>	<u>\$ 148,006</u>
LIABILITIES		
Assets in excess of liabilities	<u>\$ 148,006</u>	<u>\$ 148,006</u>
Total liabilities	<u>\$ 148,006</u>	<u>\$ 148,006</u>

See accompanying notes to the financial statements.

NOTES TO FINANCIAL STATEMENTS

SOUTH BROWARD DRAINAGE DISTRICT

Notes to Financial Statements

(1) DESCRIPTION OF THE SOUTH BROWARD DRAINAGE DISTRICT

The South Broward Drainage District ("District") exists pursuant to the provisions of Chapter 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*, 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.

(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.

(Continued)

SOUTH BROWARD DRAINAGE DISTRICT

Notes to Financial Statements (Continued)

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The government-wide financial statements include a statement of net assets 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.

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.

(Continued)

SOUTH BROWARD DRAINAGE DISTRICT

Notes to Financial Statements (Continued)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 due.

(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 with resources contributed by the property owners receiving such benefits.

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.

(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, 2011, there were \$120,182 of outstanding encumbrances; accordingly, for the year ended September 30, 2011, 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.

(Continued)

SOUTH BROWARD DRAINAGE DISTRICT

Notes to Financial Statements (Continued)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 2011 budget, the District appropriated unassigned fund balance in the amount of \$127,325 for General Fund operations.

(f) Encumbrances

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

(g) Inventory

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

(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. At September 30, 2011, the liability for accrued compensated absences, to be paid within one year, was \$116,859.

(Continued)

SOUTH BROWARD DRAINAGE DISTRICT

Notes to Financial Statements (Continued)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 at 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.

(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, 2011.

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

(Continued)

SOUTH BROWARD DRAINAGE DISTRICT

Notes to Financial Statements (Continued)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

<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 new Statement is intended to improve the usefulness of the amount reported in fund balance by providing more structured classification. This Statement applies to fund balance reported in the General Fund, Special Revenue Fund, Debt Service Fund, Capital Projects Fund and Permanent Fund. This Statement does not apply to Enterprise Funds, Internal Service Funds, and extremely restricted reserves.

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

- **Non-spendable Fund balance** includes amounts not in spendable form, such as inventory, or amounts required to be maintained intact legally or contractually. The District uses the consumption method of reporting inventory; therefore it is not reported as a non-spendable fund balance.
- **Restricted Fund Balance** includes amounts constrained for a specific purpose by external parties. The District's Capital Project fund 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.

(Continued)

SOUTH BROWARD DRAINAGE DISTRICT

Notes to Financial Statements (Continued)

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- **Assigned Fund Balance** includes general fund amounts constrained for a specific purpose by the District's board.
- **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 revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

(2) 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.

(Continued)

SOUTH BROWARD DRAINAGE DISTRICT

Notes to Financial Statements (Continued)

(2) CASH AND INVESTMENTS (Continued)

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.

As of September 30, 2011, 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"), 6.6% in Certificate of Deposits, 53% in interest bearing money market accounts, 13.5% in State of Israel Bonds and 14% in other US notes.

(Continued)

SOUTH BROWARD DRAINAGE DISTRICT

Notes to Financial Statements (Continued)

(2) CASH AND INVESTMENTS (Continued)

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 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 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.

(Continued)

SOUTH BROWARD DRAINAGE DISTRICT

Notes to Financial Statements (Continued)

(2) CASH AND INVESTMENTS (Continued)

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.

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

(Continued)

SOUTH BROWARD DRAINAGE DISTRICT

Notes to Financial Statements (Continued)

(2) CASH AND INVESTMENTS (Continued)

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 2011 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, 2011 is the balance of approximately \$3,239,000 in the general fund emergency account.

Custodial Credit Risk - Investments

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

Concentration of Credit Risk

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

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)

(2) CASH AND INVESTMENTS (Continued)

Percentage Allocation by Issuer as of September 30, 2011

<u>Issuer</u>	<u>Percentage of Total</u>
Local Government Surplus Trust Fund – Pool A	.37%
Local Government Surplus Trust Fund – Pool B	.78%
State of Israel Bonds	13.53%
Wedbush Bank CD	3.25%
TriState Capital Bank CD	3.35%
Federal Home Loan Bank	14.11%
Suntrust Bank	64.61%

Cash and investments as of September 30, 2011 are comprised of the following:

Cash deposits:

Money market accounts	\$ 3,892,560
Demand deposits	836,608
Petty cash	<u>1,000</u>

Total cash deposits \$ 4,730,168

Investments:

Local Government Surplus Trust Fund – Pool A	\$ 26,772
Local Government Surplus Trust Fund – Pool B	57,065
Certificates of deposit	483,000
State of Israel Bonds	990,000
Federal Home Loan Bank	<u>1,032,765</u>

Total investments \$ 2,589,602

Total cash and investments \$ 7,319,770

(3) 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)

(4) OTHER ASSETS

Other assets as of September 30, 2011 consisted of the following:

Prepaid expenses	<u>\$ 22,827</u>
	<u>\$ 22,827</u>

(5) CAPITAL ASSETS

The following summarizes changes in the capital assets:

	<u>Balance 9/30/10</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 9/30/11</u>
Capital Assets Not Being Depreciated:				
Land	\$ 349,616	\$ -	\$ -	\$ 349,616
Canal Improvements and Lakes	<u>9,508,706</u>	<u>248,936</u>	<u>-</u>	<u>9,757,642</u>
Total Capital Assets Not Being Depreciated	<u>9,858,322</u>	<u>248,936</u>	<u>-</u>	<u>10,107,258</u>
Capital Assets Being Depreciated:				
Water Control Structures	8,555,581	202,580	-	8,758,161
Buildings - District Headquarters	802,551	-	-	802,551
Vehicles	414,924	5,749	-	420,673
Equipment	<u>366,546</u>	<u>33,172</u>	<u>-</u>	<u>399,718</u>
Total Capital Assets Being Depreciated	<u>10,139,602</u>	<u>241,501</u>	<u>-</u>	<u>10,381,103</u>
Less Accumulated Depreciation				
Water Control Structures	4,735,853	231,214	-	4,967,067
Buildings	423,425	20,064	-	443,489
Vehicles	401,559	65,626	-	467,185
Equipment	<u>421,069</u>	<u>51,053</u>	<u>-</u>	<u>472,122</u>
Total Accumulated Depreciation	<u>5,981,906</u>	<u>367,957</u>	<u>-</u>	<u>6,349,863</u>
Capital Assets, Net	<u>\$ 14,016,018</u>	<u>\$ 122,480</u>	<u>\$ -</u>	<u>\$ 14,138,498</u>

(6) 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 non-contributory by the employee and is totally

(Continued)

SOUTH BROWARD DRAINAGE DISTRICT

Notes to Financial Statements (Continued)

(6) RETIREMENT PLAN (Continued)

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

Funding Policy -

The system is non-contributory for employees; and the District's actuarially determined required contribution rate, as established by State statute, was 7.91% for covered regular payroll, and 9.27% for senior management payroll (District Director). The combined pension contributions approximated \$95,587 for the year ended September 30, 2011, which amounts to 9.43% of current-year covered payrolls. The District's total and current-year covered payroll was approximately \$1,013,869.

(7) SPECIAL ASSESSMENT SUPPLEMENTARY INFORMATION

The District was in no way liable for repayment of special assessment debt but acted only as agent for the property owners in remitting the assessments collected by the County, forwarding the collections to the trustees for the certificate of indebtedness holders and initiating foreclosure proceedings, as required. The Unit District No. 9/10 certificate of indebtedness was paid off on July 19, 2011.

(8) PERMITS AND OTHER INCOME

Other income for the year ended September 30, 2011 consisted of the following:

Rental income	\$ 33,483
Permit fees	58,436
As-built income	42,708
Erosion control reimbursement	44,892
Recertification program	23,439
Miscellaneous	<u>16,019</u>
	<u>\$ 218,977</u>

(Continued)

SOUTH BROWARD DRAINAGE DISTRICT

Notes to Financial Statements (Continued)

(9) LEASE AGREEMENT

On June 28, 2004 the District entered into a lease agreement with the Town of Southwest Ranches. The District is leasing to the Town space on the District's property to maintain seven modular facilities for use as a temporary Town Hall.

The District has recently agreed with the Town on a five year extension until June 27, 2014, effective June 28, 2011. Total rent to be paid during the term of this extension amounts to \$166,667, to be paid in quarterly installments of \$8,333.35. The District agreed to reduce the original security deposit from \$50,000 to \$25,000, with the balance of \$25,000 being utilized to pay the first three quarterly payments to the District.

(10) COMMITMENT

The District entered into a contract with the new District Director effective May 17, 2011. The Board shall employ the director as the Chief Administrator/Director of the District for a term of four (4) years commencing June 1, 2011 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.

The District also entered into contracts with the Assistant District Director and the Project Manager effective April 22, 2011. These contracts are for a term of four years commencing on the effective date of April 22, 2011 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.

(11) 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.

(12) SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 19, 2012, 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, 2011

	<u>Final Budget **</u>	<u>Actual - Budgetary Basis</u>	<u>Variance – Favorable (Unfavorable)</u>
Revenues:			
Maintenance taxes	\$ 3,042,866	\$ 3,063,942	\$ 21,076
Permit fees and other income	55,400	192,647	137,247
Interest	<u>54,000</u>	<u>71,665</u>	<u>17,665</u>
	<u>3,152,266</u>	<u>3,328,254</u>	<u>175,988</u>
Expenditures:			
Administrative salaries	287,000	287,557	(557)
Board of supervisors fees	37,800	37,800	-
Field operations salaries	448,500	450,131	(1,631)
Inspectors	216,022	216,717	(695)
Payroll taxes	85,295	83,708	1,587
Pension costs	97,400	95,587	1,813
Other salaries and costs	54,728	59,463	(4,735)
Accounting fees	32,000	29,975	2,025
Consulting – general	46,300	10,797	35,503
Engineering fee – special projects	10,000	1,290	8,710
Legal fees	60,200	55,582	4,618
Legal fees – special projects	80,000	92,368	(12,368)
Other professional fees	1,000	-	1,000
Commercial property package	36,000	33,290	2,710
General liability	41,200	39,515	1,685
Group health and life insurance	333,400	307,386	26,014
Workers compensation	20,000	19,594	406
Advertising	6,000	6,636	(636)
Computer supplies and upgrades	19,000	18,691	309
Dues and subscriptions	5,500	4,542	958
Flight service	2,500	-	2,500
Electric costs	14,960	12,587	2,373
Gas(LP) auxiliary power	8,000	474	7,526
Janitorial services	2,200	1,452	748
Licenses and fees	800	675	125

(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, 2011

	<u>Final</u> <u>Budget **</u>	<u>Actual -</u> <u>Budgetary</u> <u>Basis</u>	<u>Variance -</u> <u>Favorable</u> <u>(Unfavorable)</u>
Maintenance contracts	\$ 12,700	\$ 5,370	\$ 7,330
Miscellaneous/uniforms	2,500	2,595	(95)
Office supplies and postage	4,300	3,181	1,119
Payroll service	2,600	2,605	(5)
Printing and stationary	1,500	1,013	487
Public records, storage and filing	2,400	284	2,116
Telephone and miscellaneous communications	16,000	11,603	4,397
Water and sewer costs	2,850	2,272	578
Buildings and grounds maintenance	33,000	26,261	6,739
Equipment rental	20,000	18,162	1,838
Equipment and vehicles maintenance	20,650	19,869	781
Fuel, oil and lubricants -			
Pump stations	86,900	8,138	78,762
Vehicles and equipment	38,800	40,769	(1,969)
Hazardous materials	7,000	1,469	5,531
Janitorial supplies	1,000	576	424
Hurricane preparedness supplies	1,500	714	786
Landscaping and mowing	26,000	12,495	13,505
Photography and VCR equipment	325	319	6
Pump station and flood gates maintenance	52,800	45,486	7,314
Safety and SCUBA equipment	3,000	2,213	787
Sanitation and exterminating services	500	326	174
Small tools and shop supplies	8,700	8,755	(55)
Telemetry and pump stations	12,072	5,215	6,857
Water recorders and elevation gauges	8,100	8,412	(312)
Canal and swale renovations	30,000	10,220	19,780
Culvert cleaning	65,000	49,841	15,159
Culvert and flapper gate repairs	25,000	8,112	16,888
Endwall repairs and replacements	5,000	3,035	1,965
Erosion control	60,000	59,644	356
Gates, fences and ramp upgrades	15,000	10,238	4,762
Outfall structures	7,000	2,128	1,757
Trash rack, piling and tank upgrades	3,000	1,105	1,895
Tree removal	55,000	54,151	849

(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, 2011

	<u>Final Budget **</u>	<u>Actual - Budgetary Basis</u>	<u>Variance - Favorable (Unfavorable)</u>
Herbicides	\$ 359,000	\$ 354,525	\$ 4,475
Triploid carp	30,000	29,508	492
Water testing	8,000	5,616	595
Seminars, meetings and conferences	18,400	5,596	2,384
Bank charges	-	334	12,804
Special projects	397,760	-	397,760
Equipment and vehicles purchases	35,000	34,155	845
Pump station and drainage improvements	-	3,245	(3,245)
Contingency	10,000	157	9,843
Billing and collection costs	60,810	59,100	1,710
Discounts and commissions	<u>79,053</u>	<u>105,289</u>	<u>(26,236)</u>
 Total expenditures	 <u>3,574,025</u>	 <u>2,889,918</u>	 <u>684,107</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (421,759)*</u>	<u>438,336</u>	<u>\$ 860,095</u>
 Fund balance at beginning of year		 6,998,938	
Adjustment **		(401,128)	
Other financing sources:			
Transfers in		20,247	
Transfers out		<u>(398,448)</u>	
 Fund balance at end of year		 <u>\$ 6,657,945</u>	

* Appropriation of Fund Balance

** In order to reconcile the excess of revenues over expenditures for budgetary purposes to GAAP, the adjusted difference between the 2011 and 2010 reserve for encumbrances and reserve fund adjustments, which amount to a total of \$(401,128), would be included as the reconciling item. (See Note 2)

*** The District amended certain line items of the original budget on August 25, 2011. The changes were immaterial and only the final budget has been presented for purposes of this statement.

See accompanying notes to the financial statements.

OTHER REPORTS SECTION

**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 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, 2011, which collectively comprise the District’s basic financial statements and have issued our report thereon dated January 14, 2012. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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 of 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*.

We noted certain other matters that we reported to management of the District in a separate letter dated January 14, 2012.

This report is intended solely for the information and use of the District's management, the Board of Commissioners, others within the entity, the Auditor General of the State of Florida, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

January 14, 2012

SOUTH BROWARD DRAINAGE DISTRICT

**INDEPENDENT AUDITORS' 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, 2011**

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

January 14, 2012

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, 2011, and have issued our report thereon dated January 14, 2012.

We have issued our Independent Auditors' 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 State of Florida Office of the Auditor General, dated January 14, 2012. Disclosures in those reports, if any, should be considered in conjunction with this management letter.

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. 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:

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

January 14, 2012

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, 2011, and have issued our report thereon dated January 14, 2012.

We have issued our Independent Auditors' 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 State of Florida Office of the Auditor General, dated January 14, 2012. Disclosures in those reports, if any, should be considered in conjunction with this management letter.

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. 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. Corrective actions have been taken to address findings and recommendations made in the preceding annual financial report.
- 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 violations of laws, regulations, contracts or grant agreements, or abuse that have occurred, or are likely to have occurred, that have an effect on the determination of financial statement amounts that is less than material but more than inconsequential. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)5., Rules of the Auditor General, provides that the auditor may, based on professional judgment, report the following matters that are inconsequential to the determination of financial statement amounts, considering both quantitative and qualitative factors: (1) violations of contracts or grant agreements, fraud, illegal acts, or abuse that have occurred, or are likely to have occurred, and (2) control deficiencies that are not significant deficiencies, including, but not limited to: (a) improper or inadequate accounting procedures (e.g., the omission of required disclosures from the annual financial statements); (b) failures to properly record financial transactions; and (c) inaccuracies, shortages, defalcations, and instances of fraud discovered by, or that come to the attention of, the auditor. In connection with our audit, we did not have any such findings.
- Section 10.554(1)(i)6., 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 established pursuant to the provisions of Chapter 98-524, a Special Act of the Florida Legislature in 1927. 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)7.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)7.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, 2010, 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, 2010. In connection with our audit, we determined that these two reports were in agreement.
- Pursuant to Sections 10.554(1)(i)7.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, 2011, and through the date of our audit report, January 14, 2012.
- Section 10.554(1)(i)9, Rules of the Auditor General, requires a statement to be included as to whether or not the local government provides monthly financial statements to its governing board and has made these financial statements available for public access on the District's website. The District is complying with this requirement.

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, 2011.

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, 2011**

There is no response required for the current year.

MEMORANDUM

DATE: February 16, 2012

TO: South Broward Drainage District Commissioners

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

Subject: Implementation of Additional Fraud Protection for SBDD Bank Accounts

Comments:

In response to a check fraud incident that occurred at the end of last year, District staff has researched additional protections that can be implemented to further reduce the risk of future fraud occurring on the District's bank accounts, which are held with SunTrust Bank. Currently, the District utilizes SunTrust's "Fraud Inspector" service which is available at no charge through their "On-Line Cash Manager Premium" service. This level of fraud protection is very effective and in fact, resulted in a 100% refund of the District funds that were fraudulently cashed last year.

After meeting with SunTrust representatives, I am recommending that the District upgrade our service with SunTrust to their "On-Line Treasury Manager" and utilize their highest level of check fraud protection known as "Positive Pay". Unlike the "Fraud Inspector", "Positive Pay" will help prevent fraudulent checks from actually being cashed by having the bank tellers cross reference a list of issued checks that SBDD will transmit to SunTrust on a weekly basis.

In addition, I am recommending implementing two additional fraud protection services as follows:

- "UPIC" – protects the District's account information on electronic payment transactions by assigning a negotiable substitute number in place of the District's actual account information that can be used to collect incoming payments.
- "ACH Fraud Control" – sets filters, limits and single item authorization capability for electronic debit transactions coming through the ACH network to the District's account.

The upgrade to "On-Line Treasury Manager", "Positive Pay", "UPIC" and "ACH Fraud Control" will result in an additional monthly service charge of \$226.68 on SBDD's SunTrust accounts. In addition, SBDD will need to purchase a "Positive Pay" software program called "SecurePay" to allow the proper transfer of the issued checks from SBDD to SunTrust. The cost of this software is \$795.00, which can be funded under the current budget.

It is possible to off-set this additional monthly service charge by splitting a portion of the District's Emergency Reserve Account into an "Earnings Credit" Account as opposed to having

100% of the Emergency Reserve Account deposited in an "Interest Income" Account (as is the current practice).

SunTrust provides the option of setting up accounts that will earn either "Earnings Credits" or "Interest Income" as follows:

- "Earnings Credit" – Current rate is 0.3% and credits can offset bank fees and service charges. For example, an account with \$1,000,000 will generate \$3,000 in earnings credits in a 12 month period. Currently, the District's General Operating Account is an "Earnings Credit" account, which allows SBDD to offset most of its bank fees during the year.
- "Interest Income" – Current Rate is 0.1%; an account with the same \$1,000,000 will generate \$1,000 in interest income in a 12 month period. All other SBDD accounts are "Interest Income" accounts.

To offset the additional service charges for the upgrade in fraud protection, I am recommending that the District's Emergency Reserve Account be split as follows:

- \$2,239,691 – Interest Income account
- \$1,000,000 – Earnings Credit account

This change will not affect the Board's oversight of the Emergency Reserve Account in any way. In addition all of the District's bank accounts will continue to be fully protected and insured through the State of Florida and the FDIC.

This is to request approval to implement a higher level of fraud protection with SunTrust Bank as described above; and to split the District's Emergency Reserve Account into an Interest Income Account (\$2,239,691) and an Earnings Credit Account (\$1,000,000) in order to off-set the additional monthly service fees from SunTrust.

KH

Attachments

MEMORANDUM

DATE: February 16, 2012
TO: South Broward Drainage District Commissioners
FROM: Kevin M. Hart, P.E.
District Director
Subject: Agreement with Duke Realty Corporation

Comments:

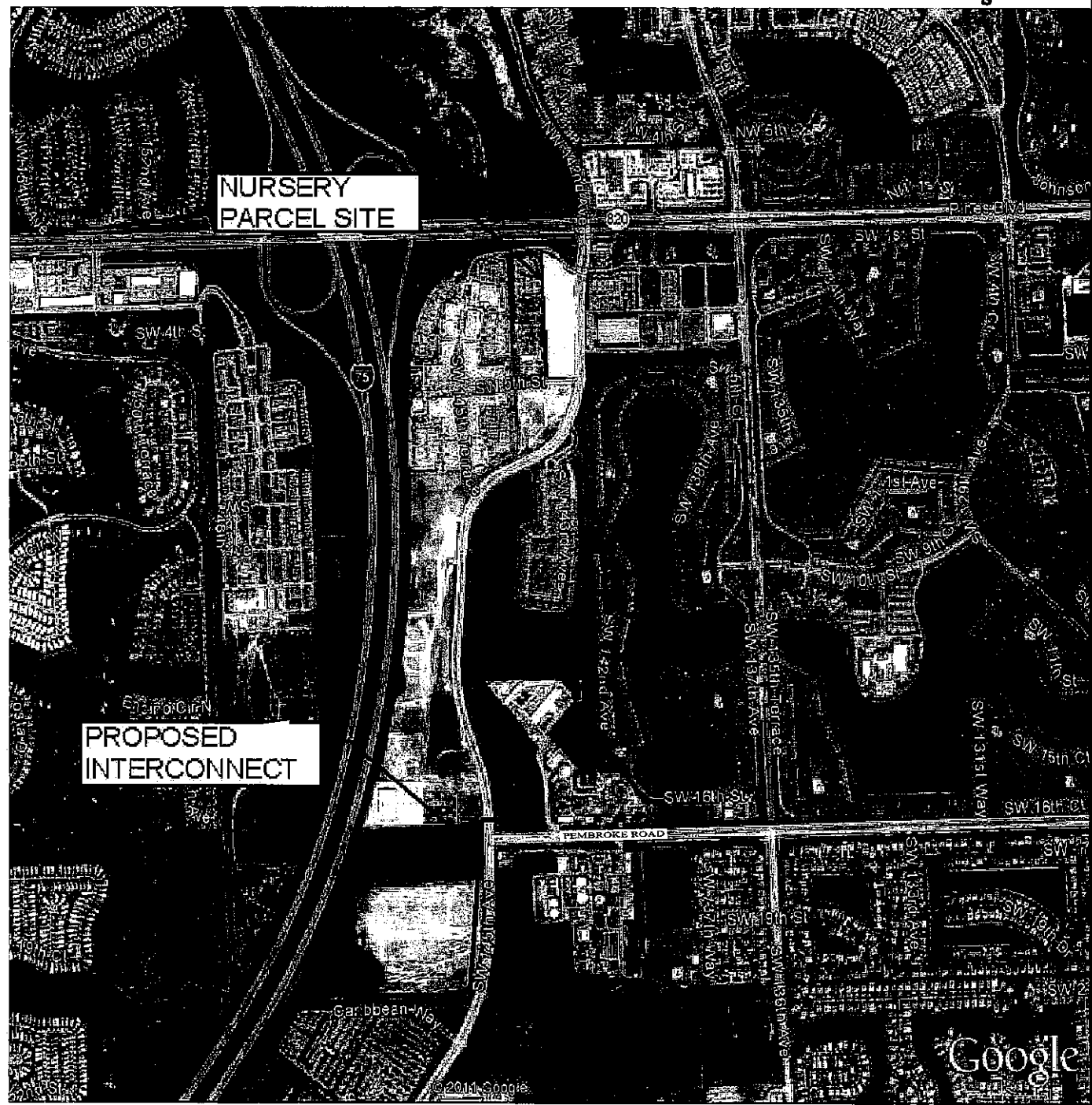
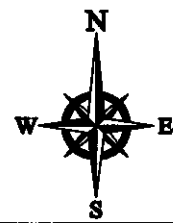
Attached for the Board's review and discussion is the final, proposed Agreement between the South Broward Drainage District and AD Pembroke Land Company, LLC (a/k/a Duke Realty Corporation) for the Construction of Drainage Improvements in the SBDD S-3 Drainage Basin. The framework of the Agreement is to allow Duke Realty Corp. to pay the District's for S-3 Drainage Basin improvements in lieu of providing the required 20% minimum water management area for a 6.63-acre parcel of land known as the Nursery Parcel. The location of the Nursery Parcel is shown on the attached Location Map.

The S-3 Drainage Basin improvement that has been identified in the Agreement is the extension of a 48" Diameter Reinforced Concrete Pipe (60" RCP) from the Pembroke Center site to the Monarch Lakes outfall canal (see Exhibit "B" of the Agreement). This improvement will benefit the S-3 Drainage Basin by lowering stages in the NE quadrant of the basin (Century Village area) and reducing the duration of peak stages within the same quadrant. This improvement also satisfactorily replaces a similar improvement recommended in the 2005 SBDD Facilities Report.

The Agreement stipulates that Duke Realty Corp. will pay the District a total of \$269,931.25 towards the above mentioned drainage improvement, plus update the ICPR stormwater model for the District's S-3 Drainage Basin. The District previously received a payment of \$86,000 towards the construction of these improvements.

This is to request approval of the Agreement with AD Pembroke Land Company, LLC for the Construction of Drainage Improvements in the SBDD S-3 Drainage Basin; and approval of South Broward Drainage District Resolution No. 2012-02 authorizing SBDD to enter into the Agreement with AD Pembroke Land Company, LLC for the Construction of Drainage Improvements in the SBDD S-3 Drainage Basin.

KH
Attachments



NURSERY
PARCEL SITE

PROPOSED
INTERCONNECT

Location Map

SBD N° 11-3095
February 15, 2012

Prepared by: DOUGLAS R. BELL, ESQUIRE
RETURN TO: CUMBERLAND BUILDING, SUITE 505
800 EAST BROWARD BOULEVARD
FORT LAUDERDALE, FLORIDA 33301

Agreement
(S-3 Drainage Basin Drainage Improvements)

THIS AGREEMENT for construction of Drainage Improvements in the South Broward Drainage District S-3 Drainage Basin is made this ____ day of _____, 2011, by and between SOUTH BROWARD DRAINAGE DISTRICT, a political subdivision of the State of Florida, whose address is 6591 S.W. 160th Avenue, Southwest Ranches, Florida 33331, hereinafter referred to as "District" and AD PEMBROKE LAND COMPANY, LLC, an Indiana limited liability company, whose address is 2400 N. Commerce Parkway, Suite 405, Weston, FL 33326 (hereinafter referred to as "Developer").

WITNESSETH:

WHEREAS, District is a political subdivision of the State of Florida charged with the responsibility of effecting drainage and water management within its geographical boundaries and approving all development plans affecting lands and drainage within its geographical boundaries; and

WHEREAS, Developer is the owner of property located within the boundaries of the South Broward Drainage District and also located within the S-3 Drainage Basin, said property, hereinafter referred to as "Subject Property" is described as follows:

SEE EXHIBIT "A" ATTACHED HERETO; and

WHEREAS, Developer is proposing to develop Subject Property in accordance with federal, state , local and District criteria; and

WHEREAS, District criteria and the District's April 2005 Facilities Report requires that undeveloped parcels within the S-3 Drainage Basin provide a minimum of 20% water management area; and

WHEREAS, the District's April 2005 Facilities Report lists certain drainage improvements for the S-3 Drainage basin, including drainage improvements associated with the Subject Property and the properties surrounding the Subject Property which is known as Pembroke Center (f/k/a: Weiss Property); and

WHEREAS, District has agreed to allow the Developer to pay for drainage improvements to the S-3 Drainage Basin in lieu of providing a minimum of 20% water management area for the Subject Property; and

WHEREAS, Developer has demonstrated through stormwater modeling and engineering calculations that the installation of a 48" diameter Reinforced Concrete Culvert (RCP) from the south end of the canal located on Parcel "B" of Pembroke Harbor Plat, according to the Plat thereof recorded at Plat Book 176, Page 111 of the Broward County Public Records to the District's Monarch Lakes outfall canal, located approximately 1/4 mile south of Pembroke Road, will have a beneficial impact to the S-3 Drainage Basin (see attached Exhibit "B" for depiction and approximate location of said RCP and appurtenances thereto); and

WHEREAS, Developer has also demonstrated through stormwater modeling and engineering calculations that there is adequate storage within the S-3 Drainage Basin for the Subject Property and that there will be no adverse impacts to the S-3 Drainage Basin as a result of the Subject Property not providing a minimum of 20% water management area; and

WHEREAS, Developer has also demonstrated through stormwater modeling and engineering calculations that there will be no adverse impacts to any downstream property as a result of the S-3 Drainage Basin improvement depicted in Exhibit "B" ; and

WHEREAS, Developer has provided an Engineer's Estimate of the cost to install the RCP and associated appurtenances extending from the west side of SW 145th Avenue right-of-way to the District's Monarch Lakes outfall canal, hereinafter referred to as "Drainage Improvements"; and

WHEREAS, the estimated cost of the Drainage Improvements, based on the Engineer's Estimate attached hereto as Exhibit "C" is \$355,931.25; and

WHEREAS, District has \$86,000.00 available from funds previously received from others for construction of S-3 Drainage Basin improvements which are depicted in the 2005 Facilities Report; and

WHEREAS, Developer has agreed to deliver to the District a total of \$269,931.25 which can be used towards the cost of constructing S-3 Drainage Basin Improvements, and

WHEREAS, District has agreed to design and construct the Drainage Improvements so long as Developer provides certain items more fully stated herein; and

NOW, THEREFORE, in consideration of the premises and Ten and No/100 (\$10.00) Dollars and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, District and Developer hereby agree upon the following terms and conditions:

(1) The foregoing statements are true and correct and are incorporated herein by reference as though set forth verbatim.

(2) As part of this Agreement, the Developer agrees to the following items:

(a) Provide engineering calculations and stormwater modeling results that confirm that the drainage improvements depicted on Exhibit "B" will have a beneficial impact on the S-3 Drainage Basin and will result in lower stages for the 10-year, 3-day design storm and the 100-year, 3-day design storm, as well as lowering the duration of peak stages during those same design storms. In addition, the engineering calculations must demonstrate that the 48" diameter RCP will satisfactorily take the place of the drainage improvements depicted in the 2005 Facilities Report without having a negative impact on stormwater drainage and water management within the S-3 Drainage Basin based on the developments and improvements which have been constructed and which are proposed to be constructed since the 2005 Facilities Report was prepared.

(b) Deliver to the District, within ten (10) calendar days after this Agreement is fully

executed, a lump sum amount of \$269,931.25 which will be applied towards the cost of the Drainage Improvements, based on the Exhibit "C" estimate, and as stated herein.

(c) Have its engineers update the District's S-3 Drainage Basin ICPR stormwater model and confirm that there is no adverse impact to drainage and stormwater management within the S-3 Drainage Basin due to the Developer not providing a minimum of 20% water management area on Subject Property and that adequate stormwater storage is available within the S-3 Drainage Basin for stormwater drainage from the Subject Property. Developer's engineer shall provide the District with both hard copies and electronic copies of the S-3 Drainage Basin ICPR model update for incorporation into any future updates to the District's Facilities Report.

(d) Developer shall reimburse the District for the cost of updating the S-3 Drainage Basin ICPR model update to include the Grand Palms internal drainage system lakes, lake inter-connecting culverts, existing land uses, and all off-site drainage connections which convey stormwater drainage into the Grand Palms property. Said reimbursement cost is included in the lump sum amount to be paid to the District.

(e) Developer shall reimburse the District for the cost of having an independent, third party engineering firm review and confirm all results from the engineering calculations and stormwater modeling data provided by Developer's engineers and described in Paragraphs 2(a), 2(c) and 2(d) above. Said reimbursement cost is included in the lump sum amount to be paid to the District.

(f) Developer will design the Subject Property to provide for one half ($\frac{1}{2}$) inch of dry pretreatment for stormwater runoff from Subject Property or in the alternative, provide documentation that property adjacent to Subject Property which is owned or controlled by Developer is available to satisfy said dry pretreatment requirement prior to discharge into the District's S-3 Drainage Basin lake/water management system.

(g) Developer shall obtain permits from the South Florida Water Management District (SFWMD) and the South Broward Drainage District for the proposed drainage improvements to Subject Property and said permits shall include the proposed S-3 Drainage Basin improvements which are depicted on Exhibit "B".

(h) Developer shall dedicate to District a 30-foot Drainage Easement for that portion of the RCP and appurtenances thereto located on Developer's property where an adequate drainage easement does not currently exist.

(i) Developer shall be responsible to comply with all local, state and federal regulatory requirements for water quality associated with the development of the Subject Property, including those regulatory requirements that are in place now or that are instituted in the future. Specifically, but not exclusively, Developer shall meet all regulatory requirements for nutrient discharge, Best Management

Practices (BMPs), and for the National Pollutant Discharge Elimination System (NPDES) Stormwater Program.

(j) Pay for all costs of providing the foregoing items.

(k) Allow the District to utilize any engineering document, report, calculation, modeling data, etc. prepared as part of this Agreement for any purpose as deemed appropriate by the District, and at no cost to the District.

(3) In return for the foregoing, the District agrees as follows:

(a) That the District will issue a Paving and Drainage Permit to Developer for construction of the Developer's drainage improvements on Subject Property without Developer having to comply with the District's 20% minimum water management area requirements, provided that all other District criteria for development of Subject Property has been met.

(b) The District will design and construct the Drainage Improvements or require others to design and construct the Drainage Improvements, at no additional cost to Developer.

(c) The District will provide and pay for all contract administration associated with construction of the Drainage Improvements.

(d) The District shall obtain the necessary drainage easements required to construct the Drainage Improvements on those properties that are not currently owned by Developer.

(4) The District and Developer agree that the \$269,931.25 contribution shall be retained by the District and will be used by the District for payment towards the cost of the Drainage Improvements and for any other S-3 Drainage Basin improvements deemed necessary or appropriate by the District in the District's sole discretion.

(5) This Agreement is between the District and the Developer only and there are no Third Party Beneficiaries not specifically named herein that have or are intended to have any enforceable rights under this Agreement.

(6) Nothing contained herein shall be deemed to constitute a waiver by District of any limitations of its liability that that may be accorded District by virtue of Section 768.28 Florida Statutes or any subsequently enacted similar law.

(7) All notices of request, demand and other communications hereunder shall be addressed to the parties as follows:

As to District:

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

with copy to:

Douglas R. Bell, Esquire
800 East Broward Boulevard, Suite 505

Fort Lauderdale, Florida 33301

As to Developer:
AD PEMBROKE LAND COMPANY, LLC
DUKE REALTY, INC.
2400 N. Commerce Parkway, Suite 405
Weston, FL 33326

with a copy to:
Robert W. Close
Director, Design and Construction
DUKE REALTY, INC.
2400 N. Commerce Parkway, Suite 405
Weston, FL 33326

unless the address is changed by a party by notice given to the other party, notice shall be in writing, mailed certified mail, return receipt requested, postage prepaid and shall be deemed delivered or upon hand delivery to the address indicated. Notwithstanding the foregoing, in the event of any stoppage of mail service performed by the United States Postal Service due to strike or labor difficulty, notice request or demands or other communications referred to in this Agreement may be sent by email, facsimile or private courier, but shall be deemed to have been given when received.

(8) In the event of any litigation under this Agreement or litigation with respect to the enforcement of any liens of the District, the prevailing party shall be entitled to an award of its court costs and reasonable attorney's fees at trial and all appellate levels of judicial proceedings.

(9) No waiver of any provision of this Agreement shall be effective unless it is in writing, signed by the party against whom it is asserted and any such written waiver shall only be applicable to the specific instance to which it relates and shall not be deemed to be a continuing or future waiver.

(10) This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which will constitute one and the same Agreement.

(11) This Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective heirs, personal representatives, successors, assigns, grantees and to those persons who are specifically assigned in writing any rights or obligations hereunder. Further, this Agreement shall be a covenant running with Subject Property and binding upon all owners of Subject Property. The Developer shall disclose this Agreement in writing to all persons acquiring any portion of Subject Property subsequent to the date of this Agreement and any declaration of covenants, conditions or restrictions recorded with respect to Subject Property subsequent to the date of this Agreement shall specially refer to this Agreement.

(12) This Agreement shall be construed and interpreted according to the laws of the State of

Florida and the venue with respect to any litigation with respect to this Agreement shall be Broward County, Florida.

(13) All terms and words used in this Agreement, regardless of the number and gender in which used, shall be deemed to include any other gender or number as the context or the use thereof may require.

(14) This Agreement shall not be modified (and no purported modification thereof shall be effective) unless in writing and signed by the party to be charged.

(15) The Exhibits hereto contain additional terms of this Agreement. Typewritten or handwritten provisions inserted in this agreement or exhibit (and initialed by the parties) shall control all printed provisions in conflict therewith.

(16) Whenever approvals of any nature are required by any party to this agreement, it is agreed that same shall not be unreasonably withheld.

(17) This Agreement shall be severable and if any part or portion of this Agreement shall be found to be invalid or unenforceable, such findings shall not affect the remainder of this Agreement.

(18) This Agreement merges and supersedes any and all previous agreements on this subject matter between the parties, whether oral or written, and constitutes the entire agreement between the parties.

(19) The Developer agrees to reimburse District and pay for all reasonable attorneys' fees and costs incurred by District in negotiating and preparing this Agreement and the cost of recording this Agreement in the Public Records of Broward County, Florida.

(20) This Agreement shall be recorded in the public records of Broward County, Florida.

DISTRICT

Signed, sealed and delivered
in the presence of:

SOUTH BROWARD DRAINAGE DISTRICT

Witness Signature

By: Scott Hodges, Chairperson

Witness Printed Name

Attest:

Witness Signature

By: Robert E. Goggin, IV, Secretary

Witness Printed Name

STATE OF FLORIDA)
)§
COUNTY OF BROWARD)

The foregoing Agreement [S-3 Drainage Basin Improvements] was acknowledged before me this ____ day of _____, 2012 by SCOTT HODGES and ROBERT E. GOGGIN, IV as Chairperson and Secretary, respectively of the SOUTH BROWARD DRAINAGE DISTRICT, a political subdivision of the State of Florida, on behalf of SOUTH BROWARD DRAINAGE DISTRICT. They are personally known to me.

WITNESS my hand and official seal in the county and state last aforesaid this ____ day of _____, 2012.

NOTARY SEAL OR STAMP

NOTARY PUBLIC

DEVELOPER

Signed, sealed and delivered
in the presence of:

AD PEMBROKE LAND COMPANY, LLC, an Indiana
limited liability company

Witness Signature

By: AD Pembroke Gardens, LLC, an Indiana
limited liability company, its sole member

Witness Printed Name

By: Duke Realty Limited Partnership, an
Indiana limited partnership, Managing Member

Witness Signature

By: Duke Realty Corporation, an Indiana
corporation, its general partner

Witness Printed Name

By: _____

Print Name: _____

Title: _____

STATE OF _____)
)§
COUNTY OF _____)

The foregoing Agreement [S-3 Drainage Basin Improvements] was acknowledged before me this ____ day of _____, 2012 by _____ as _____ of Duke Realty Corporation, an Indiana Corporation, general partner of Duke Realty Limited Partnership, an Indiana limited partnership, managing member of AD Pembroke Gardens, LLC, an Indiana limited liability company, sole member of AD PEMBROKE LAND COMPANY, LLC, an Indiana limited liability company, as Developer, who is personally known to me or who produced _____ as identification.

WITNESS my hand and official seal in the county and state last aforesaid this ____ day of _____, 2012.

NOTARY SEAL OR STAMP

NOTARY PUBLIC:

**SOUTH BROWARD DRAINAGE DISTRICT
RESOLUTION No. 2012-02**

RESOLUTION OF THE SOUTH BROWARD DRAINAGE DISTRICT AUTHORIZING THE SOUTH BROWARD DRAINAGE DISTRICT TO ENTER INTO AN AGREEMENT WITH AD PEMBROKE LAND COMPANY, LLC, AN INDIANA LIMITED LIABILITY COMPANY, FOR THE CONSTRUCTION OF DRAINAGE IMPROVEMENTS IN THE SOUTH BROWARD DRAINAGE DISTRICT S-3 DRAINAGE BASIN; PROVIDING FOR SEVERABILITY AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, The South Broward Drainage District, hereinafter referred to as "District", is a political subdivision of the State of Florida charged with the responsibility of effecting drainage and water management within its geographical boundaries and approving all development plans affecting lands and drainage within its geographical boundaries; and

WHEREAS, AD Pembroke Land Company, LLC, an Indiana Limited Liability Company, hereinafter referred to as "Developer", is the owner of property located within the boundaries of the South Broward Drainage District and also located within the S-3 Drainage Basin, said property, hereinafter referred to as "Subject Property" is described as follows:

**SEE EXHIBIT "A" TO THE AGREEMENT
ATTACHED HERETO AS EXHIBIT "1"**

; and

WHEREAS, Subject Property lies completely within the geographical boundaries of the District; and

WHEREAS, Developer is proposing to develop Subject Property in accordance with federal, state, local and District criteria; and

WHEREAS, District criteria and the District's April 2005 Facilities Report requires that undeveloped parcels within the S-3 Drainage Basin provide a minimum of 20% water management area; and

WHEREAS, the District's April 2005 Facilities Report lists certain drainage improvements for the S-3 Drainage basin, including drainage improvements associated with the Subject Property and the properties surrounding the Subject Property which is

known as Pembroke Center (f/k/a: Weiss Property); and

WHEREAS, District has agreed to allow the Developer to pay for drainage improvements to the S-3 Drainage Basin in lieu of providing a minimum of 20% water management area for the Subject Property; and

WHEREAS, Developer has demonstrated through stormwater modeling and engineering calculations that the installation of a 48" diameter Reinforced Concrete Culvert (RCP) from the south end of the canal located on Parcel "B" of Pembroke Harbor Plat, according to the Plat thereof recorded at Plat Book 176, Page 111 of the Broward County Public Records to the District's Monarch Lakes outfall canal, located approximately 1/4 mile south of Pembroke Road (hereinafter referred to as "Drainage Improvement), will have a beneficial impact to the S-3 Drainage Basin; and

WHEREAS, Developer has also demonstrated through stormwater modeling and engineering calculations that there is adequate storage within the S-3 Drainage Basin for the Subject Property and that there will be no adverse impacts to the S-3 Drainage Basin as a result of the Subject Property not providing a minimum of 20% water management area; and

WHEREAS, Developer has also demonstrated through stormwater modeling and engineering calculations that there will be no adverse impacts to any downstream property as a result of the Drainage Improvement depicted on Exhibit "B" to the Agreement attached hereto as Exhibit "1"; and

WHEREAS, Developer has provided an Engineer's Estimate of the cost to install the Drainage Improvement; and

WHEREAS, the estimated cost of the Drainage Improvement, based on the Engineer's Estimate is \$355,931.25; and

WHEREAS, District has \$86,000.00 available from funds previously received from others for construction of S-3 Drainage Basin improvements which are depicted in the 2005 Facilities Report; and

WHEREAS, Developer has agreed to deliver to the District a total of \$269,931.25 which can be used towards the cost of constructing S-3 Drainage Basin Improvements; and

WHEREAS, District has agreed to design and construct the Drainage Improvement so long as Developer provides certain items; and

WHEREAS, the District has prepared an Agreement to provide for the construction of the Drainage Improvement, for construction of other S-3 Drainage Basin Improvements, for payment by Developer to District for said Improvement/Improvements and for other covenants between District and Developer. The Agreement is attached to this Resolution No. 2012-02 as Exhibit "1" and is herein referred to as the "Agreement"; and

WHEREAS, the District and Developer are desirous of entering into the Agreement; and

WHEREAS, a public meeting was held on the 23rd day of February, 2012 at 8:00 AM at the offices of the South Broward Drainage District located at 6591 SW 160th Avenue, Southwest Ranches, Florida 33331 for the purpose of approving the proposed Agreement and authorizing the District to enter into the proposed Agreement;

NOW, THEREFORE, be it resolved by the Board of Commissioners of the South Broward Drainage District in meeting assembled that:

1. The foregoing statements are true and correct and are incorporated herein by reference as if fully stated herein.
2. The Agreement between the District and Developer is approved.
3. The District's attorney and District Director are authorized and directed to submit the Agreement to Developer for approval and execution.
4. The Agreement shall be executed in the name of the District by the Chairperson or Vice Chairperson of the District and countersigned and attested by the Secretary of the District and its corporate seal or facsimile thereof shall be affixed thereto and reproduced thereof.
5. Upon execution of the Agreement, the District's attorney and District Director are authorized and directed to record the Agreement in the Broward County Public Records.
6. If any one or more of the covenants, agreements or provisions of this Resolution, the Agreement or the exhibits attached to the Agreement shall be held contrary to any express provision of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be separate from the remaining covenants, agreements or provisions and shall in no way affect the validity of all other provisions of this Resolution, the Agreement or the exhibits attached to the Agreement.

7. This Resolution shall take effect immediately upon its adoption and shall be effective until revised or changed by the District Board of Commissioners by subsequent Resolution.

IN WITNESS WHEREOF, the Chairperson of the Board of Commissioners of the SOUTH BROWARD DRAINAGE DISTRICT has hereunto set his hand and the Secretary of the Board of Commissioners of the SOUTH BROWARD DRAINAGE DISTRICT has caused to be set its seal.

ADOPTED AND DATED the _____ day of _____, 2012.

SOUTH BROWARD DRAINAGE DISTRICT

(SEAL)

By: _____

Scott Hodges, Chairperson

Attest:

Robert E. Goggin, IV, Secretary

STATE OF FLORIDA)

)§

COUNTY OF BROWARD) The foregoing Resolution No. 2012-02 was acknowledged before me this ____ day of _____, 2012 by SCOTT HODGES and ROBERT E. GOGGIN, IV, as Chairperson and Secretary, respectively of the SOUTH BROWARD DRAINAGE DISTRICT, a political subdivision of the State of Florida, on behalf of SOUTH BROWARD DRAINAGE DISTRICT. They are personally known to me.

WITNESS my hand and official seal in the county and state last aforesaid this _____ day of February, 2012.

(NOTARY SEAL OR STAMP)

↓

Notary Public - State of Florida at Large

LAND DESCRIPTION:

TRACT 38, SECTION 15, TOWNSHIP 51 SOUTH, RANGE 40 EAST, EVERGLADES SUGAR AND LAND COMPANY SUBDIVISION, ACCORDING TO THE PLAT BOOK 2, PAGE 39, OF THE PUBLIC RECORDS OF DADE COUNTY, FLORIDA, LESS THE NORTH 228.88 FEET FOR ROAD RIGHT-OF-WAY.

LESS AND EXCEPT PARCEL 1:

A portion of Tract 38, THE EVERGLADES SUGAR AND LAND CO. SUBDIVISION, according to the Plat thereof as recorded in Plat Book 2, Page 39, of the Public Records of Dade County, Florida, as described in Official Record Book 42392, Page 1729 of the Public Records of Broward County, Florida and being more particularly described as follows:

COMMENCING at the Northwest corner of the Southeast one-quarter (S.E. ¼) of Section 15, Township 51 South, Range 40 East;
THENCE North 89°42'20" East on the North line of said Southeast one-quarter (S.E. ¼), a distance of 988.33 feet to a point on the Northerly projection of the East line of Tract 38, THE EVERGLADES SUGAR AND LAND CO. SUBDIVISION, as recorded in Plat Book 2, Page 39, of the Public Records of Dade County, Florida;
THENCE South 01°45'07" East on said Northerly projection and on the East line of Tract 38, a distance of 388.70 feet to the POINT OF BEGINNING;
THENCE continue South 01°45'07" East on said East line of Tract 38, a distance of 933.02 feet to the Southeast corner of said Tract 38;
THENCE South 89°41'43" West on the South line of said Tract 38, a distance of 61.62 feet;
THENCE North 03°24'34" East, a distance of 77.37 feet to the beginning of a tangent curve concave to the West;
THENCE Northerly on the arc of said curve having a radius of 660.00 feet, through a central angle of 05°10'28", an arc distance of 59.61 feet to a point of tangency;
THENCE North 01°45'54" West, a distance of 65.54 feet;
THENCE North 05°05'59" East, a distance of 88.71 feet;
THENCE North 01°13'50" West, a distance of 323.18 feet to the beginning of a tangent curve concave to the East;
THENCE Northerly on the arc of said curve having a radius of 250.00 feet, through a central angle of 05°21'59", an arc distance of 23.42 feet to a point of reverse curve with a curve concave to the West;
THENCE Northerly on the arc of said curve having a radius of 2,219.32 feet, through a central angle of 04°17'13", an arc distance of 166.05 feet;
THENCE North 09°45'55" East, a distance of 131.72 feet to the POINT OF BEGINNING;

LESS AND EXCEPT PARCEL 2:

COMMENCING at the Northwest corner of the Southeast one-quarter (S.E. 1/4) of said Section 15, Township 51 South, Range 40 East;
THENCE North 89°42'20" East, on the North line of said Southeast one-quarter (S.E. 1/4), a distance of 988.33 feet to a point on the Northerly projection of the East line of said Tract 38;
THENCE South 01°45'07" East, on said Northerly projection and on the East line of said Tract 38, a distance of 228.96 feet to the POINT OF BEGINNING;
THENCE continue South 01°45'07" East, on said East line of Tract 38, a distance of 159.74 feet;
THENCE South 09°45'55" West, on a portion of the West line of that certain tract of land as described in the Right-Of-Way Deed recorded in Official Records Book 42392, Page 1729 of the Public Records of Broward County, Florida, a distance of 57.28 feet to the intersection with a non-tangent curve concave to the Southwest;
THENCE Northwesterly on the arc of said curve, having a radius of 40.00 feet, through a central angle of 65°21'24", and an arc distance of 45.63 feet to a point of reverse curvature of a curve concave to the Northeast;
THENCE Northwesterly on the arc of said curve, having a radius of 200.00 feet, through a central angle of 42°35'36", and an arc distance of 148.68 feet to a point of tangency;
THENCE North 30°23'10" West, a distance of 34.40 feet to the beginning of a tangent curve, concave to the Southwest;
THENCE Northwesterly on the arc of said curve, having a radius of 138.00 feet, through a central angle of 14°26'19", and an arc distance of 34.78 feet to a point of compound curvature of a curve concave to the Southwest;
THENCE Northwesterly on the arc of said curve, having a radius of 175.00 feet, through a central angle of 20°08'42", and an arc distance of 61.53 feet to a point of non-tangency, said point also being on the South line of that certain tract of land described in Official Records Book 10128, Page 25 of said Public Records of Broward County, Florida;
THENCE North 89°42'21" East, on said South line of that certain tract of land, a distance of 235.81 feet to the POINT OF BEGINNING;

Said lands lying and being in the city of Pembroke Pines, Broward County, Florida, containing 297,662 square feet (6.833 acres) more or less.

EXHIBIT 'A'





North

Existing Canal Located on Parcel
"B" of Pembroke Harbor Plat

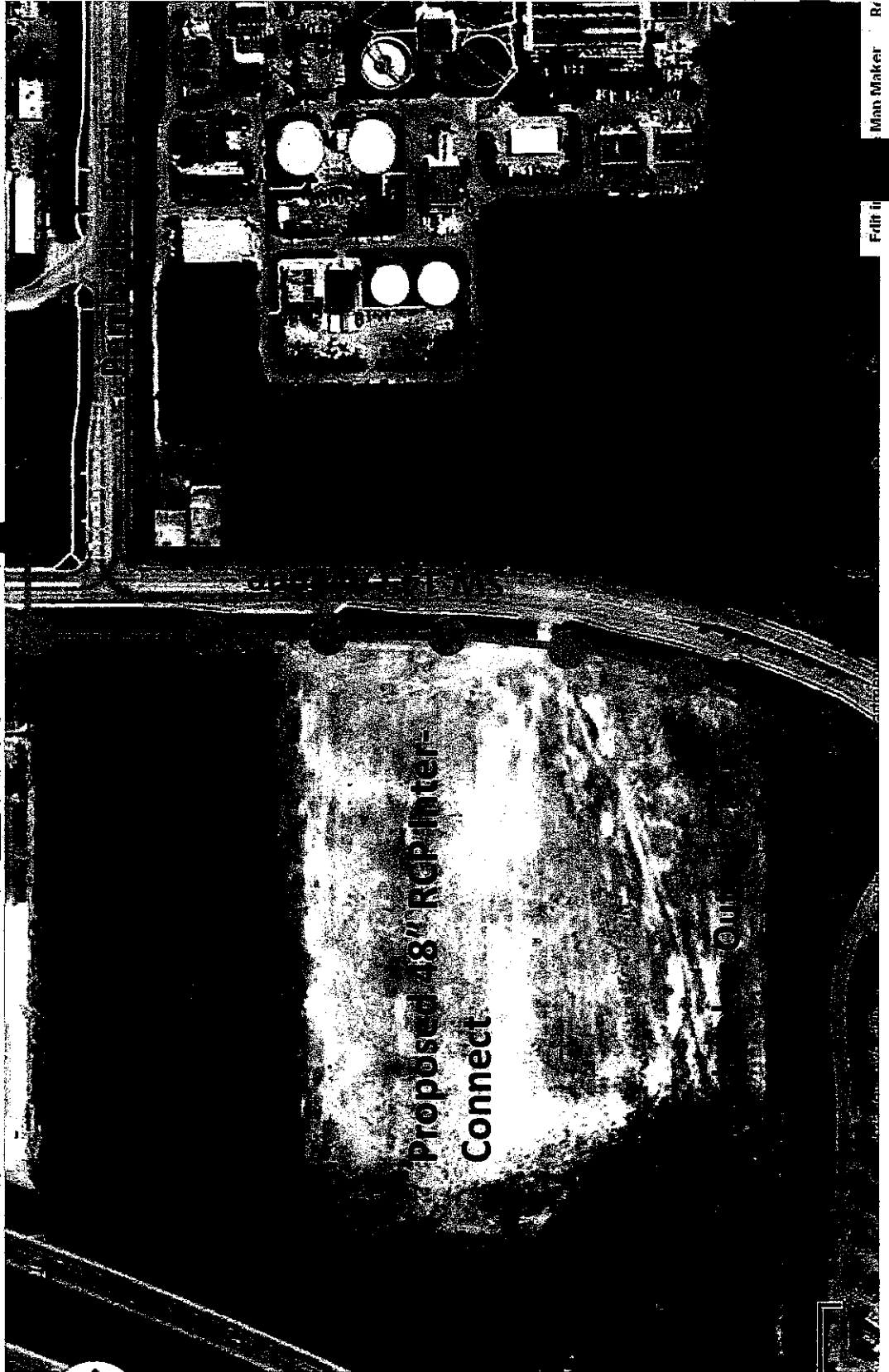


EXHIBIT "B"

EXHIBIT "C"

PRELIMINARY COST ESTIMATE
S-3 DRAINAGE BASIN IMPROVEMENT
SOUTH BROWARD DRAINAGE DISTRICT
2/16/2012

<u>DESCRIPTION</u>	<u>QTY</u>	<u>UNIT</u>	<u>UNIT PRICE</u>	<u>TOTAL COST</u>
Mobilization	1	LS	\$8,000.00	\$8,000.00
Site Preparation/Clearing	1	LS	\$3,500.00	\$3,500.00
MOT	1	LS	\$1,500.00	\$1,500.00
Install 48" RCP	1,655	LF	\$125.00	\$206,875.00
Install 48" Headwall	1	EA	\$6,500.00	\$6,500.00
Install 5' Dia Manhole	5	EA	\$4,500.00	\$22,500.00
Restoration - Easement Areas	1	LS	\$5,000.00	\$5,000.00
Sub-Total				\$253,875.00
Design @ 15%				\$38,081.25
Utility Locations				\$1,500.00
Permitting				\$2,500.00
Testing				\$1,500.00
As-Builts				\$2,000.00
Construction Administration @ 5%				\$12,693.75
Outside Review of ICPR Model				\$700.00
Future Update to ICPR Model				\$5,000.00
Contingency @15%				\$38,081.25
Total				\$355,931.25
Less Previous Payment to SBDD				\$86,000.00
Balance				\$269,931.25

MEMORANDUM

DATE: February 16, 2012
TO: South Broward Drainage District Commissioners
FROM: Kevin M. Hart, P.E.
District Director
Subject: Request to Vacate Easement in Montessori Academy Phase II

Comments:

South Broward Drainage District received a request to vacate the existing "Drainage Easement #2" previously dedicated by separate instrument at the Montessori Academy Phase II in the City of Pembroke Pines. A copy of the sketch & legal description of the easement area to be vacated is attached.

The reason for the request is to accommodate an expansion of the school building. The property owner has dedicated (and recorded) a new "Retention Area Drainage Easement" to SBDD to replace the easement area to be vacated.

SBDD staff has no objection to this vacation request.

The request is for SBDD to vacate and release its interest in the property described in the attached Exhibit "A".

KH
Attachments

MEMORANDUM

DATE: February 16, 2012
TO: South Broward Drainage District Commissioners
FROM: Kevin M. Hart, P.E.
District Director
Subject: Request to Vacate Easements in "Sheridan Village" Plat

Comments:

South Broward Drainage District received a request to vacate the existing "Drainage" easements and "Stormwater Drainage, Flowage and Storage" easements previously dedicated by plat on the "Sheridan Village" plat (P.B. 179, PG. 155, B.C.R.). A copy of the Sheridan Village plat and the sketch & legal descriptions for the easements to be vacated are attached.

Because these easements were dedicated by plat, the proposed vacations will need to be processed through Broward County and approved by the Broward County Board of County Commissioners. The County will require a "Letter of No Objection" from SBDD as part their approval process (see attached sample form).

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

Prior to the recordation of the easement vacations, the applicant will be required dedicate easements to SBDD and record these new easements. This should be a condition of the vacation approval and so indicated on the "Letter of No Objection". In addition, SBDD will require verification from Broward County that the property has accounted for the drainage of the adjacent Sheridan Street right-of-way.

SBDD staff has no objection to this vacation request, subject to the conditions stated above.

The request is for SBDD to issue a "Letter of No Objection" to Broward County for the release of the easements described in the attached Exhibit "A". It is recommend that approval be subject to new easements being dedicated to SBDD (and recorded) prior to the recordation of the proposed vacation, including any easements required by Broward County for drainage of the adjacent Sheridan Street right-of-way.

KH
Attachments

MEMORANDUM

DATE: February 16, 2012
TO: South Broward Drainage District Commissioners
FROM: Kevin M. Hart, P.E.
District Director
Subject: Contract Award for SBDD Tree Removal and Trimming in Miramar

Comments:

SBDD advertised for bids for Tree Removal and Trimming in Miramar at thirteen (13) locations. We received a total of eleven (11) bids. The bids ranged in price from \$5,490.00 to \$57,600.00. Each bidder was required to visit all site locations with a SBDD representative as a prerequisite to submitting a bid. A copy of the Bid Summary is attached.

The lowest bid received was submitted by Pan American Landscaping LLC (Pan American) in the amount of \$5,490.00. SBDD has reviewed the bid submitted by Pan American and has determined that the Contractor is qualified to perform the work and that the bid meets all requirements. Pan American has performed work for the District in the past and the District has been satisfied with their work.

I am recommending that the District award the contract for the SBDD Tree Removal and Trimming in Miramar to Pan American Landscaping LLC in the amount of \$5,490.00 as the lowest responsive, responsible bidder.

This is to request approval to award the contract for the SBDD Tree Removal and Trimming in Miramar to Pan American Landscaping LLC in the amount of \$5,490.00. Funding for this project will come from the SBDD General Operating account.

KH
Attachments

FINAL BID TABULATION

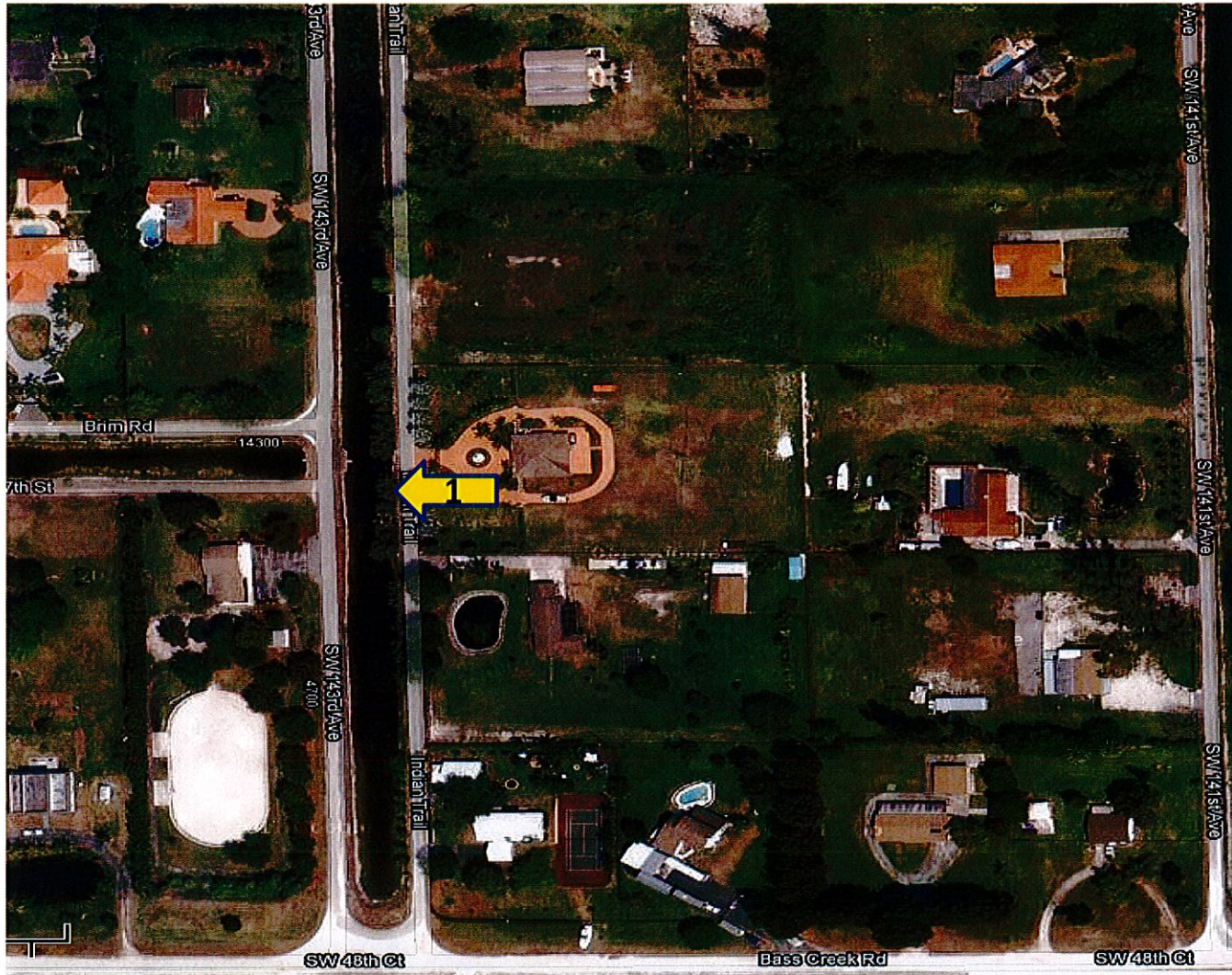
SOUTH BROWARD DRAINAGE DISTRICT

TREE REMOVAL IN MIRAMAR

Thursday, February 09, 2012

(BID RESULTS HAVE NOT BEEN FULLY EVALUATED)

<u>COMPANY NAME</u>	<i>TOTAL BID AMOUNT</i>	COMMENTS
PAN AMERICAN LANDSCAPING	<i>\$5,490.00</i>	
EDJ SERVICE INC.	<i>\$9,489.00</i>	
FLORIDA TURF & LANDSCAPING HORTICULTURE, INC.	<i>\$9,900.00</i>	
ELAN Lawn & Landscaping	<i>\$14,925.00</i>	
Real Tree Trimming & Landscaping, Inc.	<i>\$15,499.00</i>	
R&M Underground Contractors Inc.	<i>\$21,000.00</i>	
Florida Coast Services, Inc.	<i>\$22,950.00</i>	
RKC Land Development, Inc.	<i>\$24,150.00</i>	
THE BANNERMAN GROUP (BG GROUP, INC.)	<i>\$28,500.00</i>	
ALL FLORIDA TREE	<i>\$35,158.00</i>	
ValleyCrest Tree Care	<i>\$57,600.00</i>	



Location 1

1. 4701 S.W. 143rd Avenue



Location 2

2. 11201 S.W. 55th Street

Locations 3-8

- 3. 2600 Buttonwood Ave.
- 4. 2601 Buttonwood Ave.
- 5. 2711 Buttonwood Ave.
- 6. 9030 Andora Drive
- 7. 9200 Andora Drive
- 8. 9031 Bermuda Drive



Locations 9-13

- 9. 3021 Dolphin Drive
- 10. 3013 Dolphin Drive
- 11. 2601 Dolphin Drive
- 12. 2600 Canal Road
- 13. 2604 Canal Road



MEMORANDUM

DATE: February 16, 2012
TO: South Broward Drainage District Commissioners
FROM: Kevin M. Hart, P.E.
District Director
Subject: Contract Award for Fabric Formed Endwall Construction Project

Comments:

SBDD advertised for bids for the installation of Fabric Formed endwalls at three (3) locations. We received a total of four (4) bids. The bid included a Base Bid amount for two (2) locations and one Alternate Bid amount for a third location. The Base Bid amounts ranged in price from \$24,000.00 to \$45,700.00; and the Alternate Bid amounts ranged in price from 22,000.00 to 30,000.00. Each bidder was required to visit each job site location with a SBDD representative as a prerequisite to submitting a bid. A copy of the Bid Summary is attached.

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

The lowest base bid was submitted by LCCI Construction LLC in the amount of \$24,000.00. SBDD has reviewed the bid submitted by LCCI Construction LLC and has determined that the Contractor is qualified to perform the work and that the bid meets all requirements. SBDD is familiar with this Contractor and has been satisfied with their past work on similar type projects. I am recommending that the District award the contract for the Base Bid for the Fabric Formed Endwall Construction Project to LCCI Construction LLC in the amount of \$24,000.00 as the lowest responsive, responsible bidder.

The lowest alternate bid was submitted by Underwater Engineering Services, Inc. in the amount of \$22,000.00. SBDD has reviewed the bid submitted by Underwater Engineering Services, Inc. and has determined that the Contractor is qualified to perform the work and that the bid meets all requirements. SBDD is familiar with this Contractor and has been satisfied with their past work on similar type projects. I am recommending that the District award the contract for the Alternate Bid for the Fabric Formed Endwall Construction Project to LCCI Underwater Engineering Services, Inc. in the amount of \$22,000.00 as the lowest responsive, responsible bidder.

This is to request approval to award the base bid contract for the Fabric Formed Endwall Construction Project to LCCI Construction LLC in the amount of \$24,000.00; and the alternate bid for the Fabric Formed Endwall Construction Project to Underwater Engineering Services, Inc. in the amount of \$22,000.00. Funding for this project will come from the SBDD General Operating Account as part of the 2011-2012 Budget.

KH
Attachment

FINAL BID TABULATION

SOUTH BROWARD DRAINAGE DISTRICT

Thursday, February 9, 2012

FABRIC FORMED ENDWALL CONSTRUCTION PROJECT PEMBROKE PINES/MIRAMAR

(BID RESULTS HAVE NOT BEEN FULLY EVALUATED)

<u>COMPANY NAME</u>	BID AMOUNT					COMMENTS
	BASE BID LOCATION # 1	BASE BID LOCATION # 2	TOTAL BASE BID FOR BOTH LOCATIONS	ALT. BID LOCATION # 3	GRAND TOTAL FOR ALL 3 LOC.	
LCCI	\$14,000.00	\$10,000.00	\$24,000.00	\$30,000.00	\$54,000.00	
JMS Construction Svcs., Inc	\$19,837.41	\$20,272.58	\$40,125.46	\$23,852.88	\$63,978.34	
Underwater Engineering Services, Inc.	\$23,700.00	\$22,000.00	\$45,700.00	\$22,000.00	\$67,700.00	
Solo Construction & Engineering	\$21,000.00	\$20,000.00	\$41,000.00	\$28,000.00	\$69,000.00	

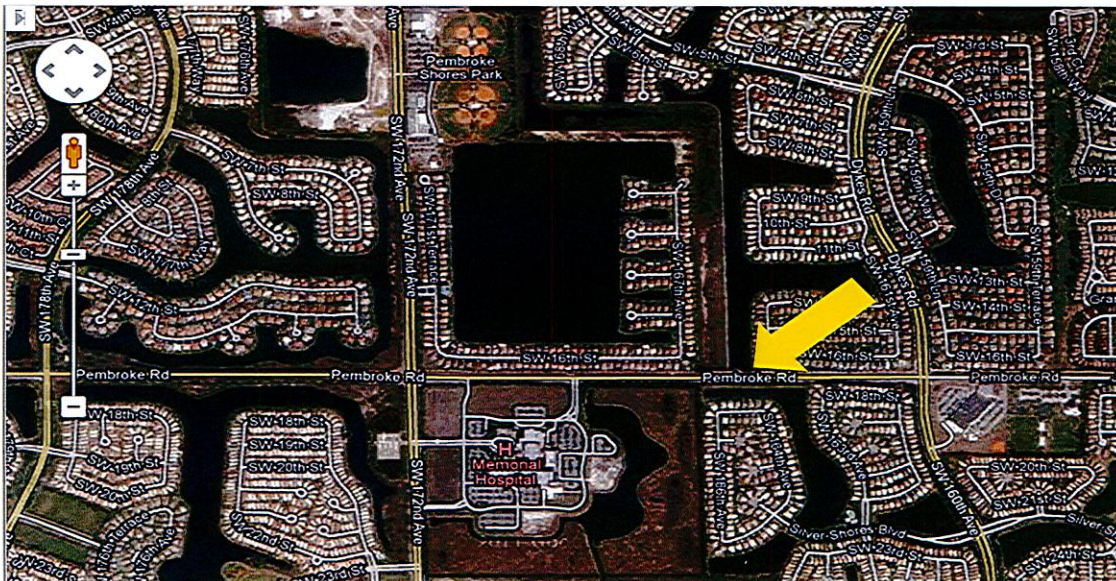
Location #1



Location #2



Location #3



MEMORANDUM

DATE: February 16, 2012
TO: South Broward Drainage District Commissioners
FROM: Kevin M. Hart, P.E.
District Director
Subject: Contract Awards for SBDD Modification to Stormwater Pumps

Comments:

SBDD advertised for bids to Modify Stormwater Pumps to Water Lubrication. This bid includes the modification of two pumps from oil lubrication to water lubrication. One pump is located at the S-1 Pump Station (#4 Pump) and the second pump is located at the S-7 Pump Station (#1 Pump). We received a total of two (2) bids. The bid included a base bid and three Alternate Bid Items. The base bids ranged in price from \$26,296.00 to \$32,570.00. Each bidder was required to visit the two site locations with a SBDD representative as a prerequisite to submitting a bid. A copy of the Bid Summary is attached.

The lowest base bid received was submitted by FPI Pumps, Inc. (FPI) in the amount of \$26,296.00. SBDD has reviewed the bid submitted by FPI and has determined that the Contractor is qualified to perform the work and that the bid meets all requirements. FPI has performed work for the District in the past and the District has been satisfied with their work.

I am recommending that the District award the contract for the SBDD Modify Stormwater Pumps to Water Lubrication to FPI Pumps, Inc. in the amount of \$26,296.00 as the lowest responsive, responsible bidder. In addition, I am requesting the award of Bid Alternates 1, 2 and 3 in the combined amount of \$6,296.00 to FPI Pumps, Inc. as the lowest responsive, responsible bidder. The total amount of the contract will be \$32,592.00.

This is to request approval to award the contract for the SBDD Modify Stormwater Pumps to Water Lubrication to FPI Pumps, Inc. in the amount of \$32,592.00. Funding for this project will come from the SBDD Capital Improvement Committed Account.

KH
Attachments

FINAL BID TABULATION
SOUTH BROWARD DRAINAGE DISTRICT

**CONVERSION OF STORMWATER PUMPS FROM OIL TO WATER
LUBRICATION AT THE S-1 & S-7 PUMP STATIONS IN MIRAMAR**

Thursday, February 09, 2012

(BID RESULTS HAVE NOT BEEN FULLY EVALUATED)

<u>COMPANY NAME</u>	BASE BID AMOUNTS			COMMENTS
	BASE BID LOC. 1	BASE BID LOC. 2	TOTAL BASE BID FOR BOTH LOCATIONS	
FPI Pumps, Inc.	\$13,148.00	\$13,148.00	\$26,296.00	
Moving Water Industries (MWI Corporation)	\$16,285.00	\$16,285.00	\$32,570.00	

	ALTERNATE BID AMOUNTS		
	ALT. BID # 1	ALT. BID # 2	ALT. BID # 3
FPI Pumps, Inc.	\$600.00	\$600.00	\$2,548.00 PER PUMP
Moving Water Industries (MWI Corporation)	\$600.00	\$600.00	\$2,875.00 PER PUMP

MEMORANDUM

DATE: February 16, 2012

TO: South Broward Drainage District Commissioners

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

Subject: Contract Award for Control Panel Replacement and Upgrades to the S-3 and S-8 Pump Stations in Miramar and SWR

Comments:

SBDD advertised for bids for the Replacement of Control Panels for the S-3 and S-8 Pump Stations in Miramar and SWR. The Bid amounts ranged in price from \$115,986.00 to \$333,132.00. Each bidder was required to visit each job site location with a SBDD representative as a prerequisite to submitting a bid. A copy of the Bid Summary is attached.

The lowest bid received was submitted by TAW Custom Equipment, Inc. in the amount of \$115,986.00. SBDD has reviewed the bid submitted by TAW Custom Equipment, Inc. and has determined that the Contractor is qualified to perform the work and that the bid meets all requirements. SBDD is familiar with this Contractor and has been satisfied with their past work on similar type projects. I am recommending that the District award the contract for the Replacement of Control Panels for the S-3 and S-8 Pump Stations in Miramar and SWR to TAW Custom Equipment, Inc. in the amount of \$115,986.00 as the lowest responsive, responsible bidder.

This is to request approval to award the contract for the Replacement of Control Panels for the S-3 and S-8 Pump Stations in Miramar and SWR Project to TAW Custom Equipment, Inc. in the amount of \$115,986.00. Funding for this project will come from the SBDD Capital Improvement Committed Account.

KH
Attachment

FINAL BID TABULATION
SOUTH BROWARD DRAINAGE DISTRICT
REPLACEMENT OF CONTROL PANELS FOR THE
S3 & S8 PUMP STATIONS IN MIRAMAR & SWR

(BID RESULTS HAVE NOT BEEN FULLY EVALUATED)

<u>COMPANY NAME</u>	BID AMOUNTS			COMMENTS
	LOC. 1	LOC. 2	TOTAL	
TAW Custom Equipment	\$57,093.00	\$58,893.00	\$115,986.00	
FRANCIS URIEL ELECTRIC ADT, INC.	\$166,566.00	\$166,566.00	\$333,132.00	

MEMORANDUM

DATE: February 16, 2012
TO: South Broward Drainage District Commissioners
FROM: Kevin M. Hart, P.E.
District Director
Subject: Request to Transfer Funds from SBDD Capital Improvements Committed Account to the SBDD General Operating Account

Comments:

SBDD recently completed the Culvert Replacement Project in the Town of Southwest Ranches. The total cost of the project was \$71,840.82 and the Town of Southwest Ranches is reimbursing SBDD \$10,000.00 as part of a cost sharing initiative. Funding for the project is through the Capital Improvement Committed Account as previously approved by the Board.

This is to request approval to transfer \$61,840.82 from the SBDD Capital Improvement Committed Account to the SBDD General Operating Account to fund the Culvert Replacement Project in the Town of Southwest Ranches.

KH
Attachments

SOUTH BROWARD DRAINAGE DISTRICT
SAFETY INSPECTION



Preferred[®]
PGIT GOVERNMENTAL
INSURANCE TRUST

Completed by: Chris Kittleson, ARM

Date: 01/10/2012

GARAGE/MECHANICS AREA



-Chemicals stored on spill skids to reduce the potential for uncontrolled spills of garage area.



-Housekeeping practices were observed to be consistently good at the time of this inspection.

-Walking/working surfaces appeared to be in excellent condition at the time of this survey to reduce the potential for "Trip & Fall" type claims.



-Parts Cleaner contained Fusible Link to reduce the potential for fire.

-Vehicle lift inspected annually to reduce the potential for crushing type injury/fatality.



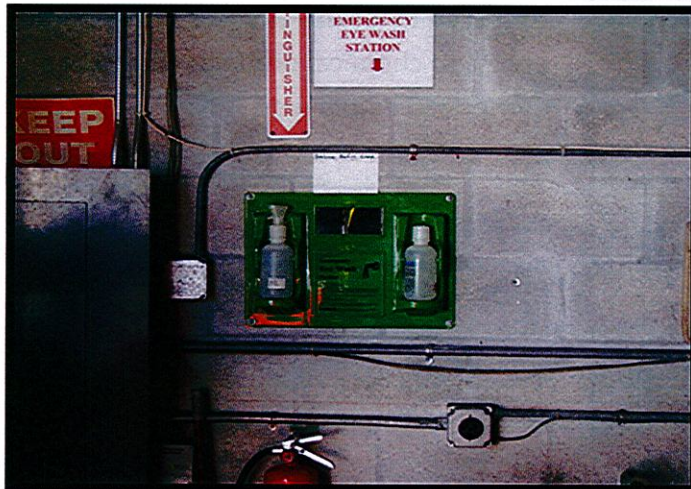
-Signage was located throughout the area to indicate "No Smoking", "Fire Extinguisher", "Personal Protective Equipment Required", etc.

-A physical review of this area indicated that no cigarette butts were observed on the floors and that fuel/oil soaked rags were properly stored in fire proof containers to reduce the potential for fire.

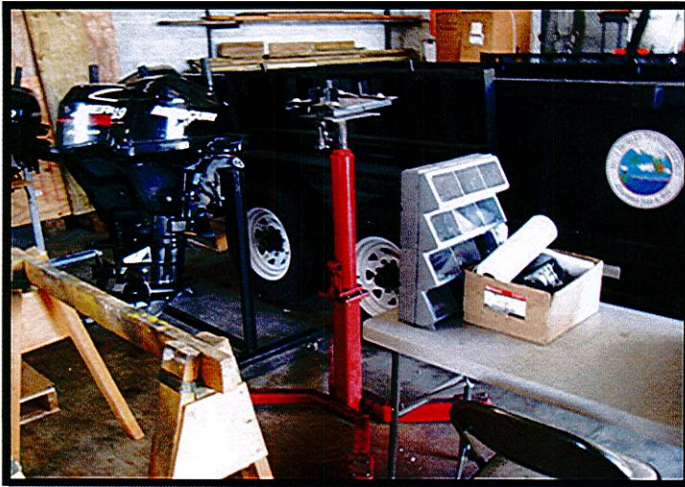


-Equipment was properly stored to reduce the potential for "Stuck By/ Against" type injuries.

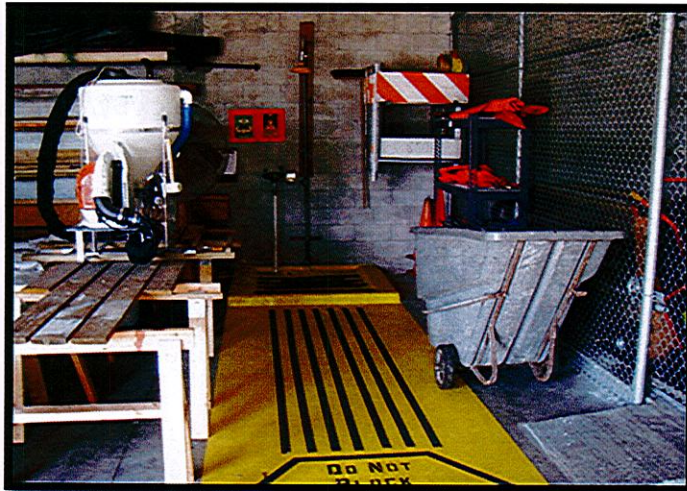
-Chemical containers were observed to be properly labeled to assist in reducing the potential for a chemical type injury or accident.



-Eye Wash Stations were located throughout the area surveyed to assist with "Foreign Material in Eye" type injuries/accidents.



-Transmission Stands were available to assist Mechanic with removable of heavy vehicle components during repair actions to reduce the potential for sprains & strains type injuries or accidents.



-Emergency Shower/Eye Wash Station was appropriately marked and was observed to be unobstructed for use in the event of a chemical accident.



-Excellent storage of chemicals was observed to isolate and prevent general access to chemical products utilized by authorized employees.



-Excellent and consistent housekeeping practices observed in the chemical storage bin. Aisleways clear to reduce the potential for "Struck By or Against" type claims.

-Step ladders available to provide access to shelving area to assist with proper retrieval of stored products.

BOAT BAY AREA



-Shelving systems are bolted against the walls throughout the facility to reduce the potential for injury/accident caused by tipping over.

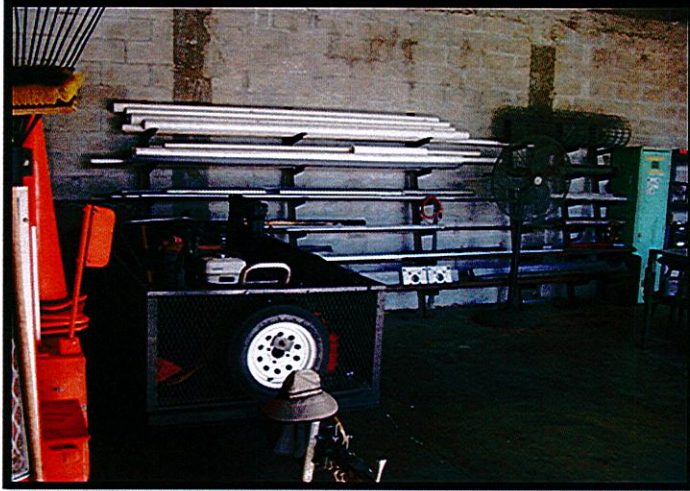
-Walking/working surfaces appeared to be in excellent condition at the time of this survey to reduce the potential for "Trip & Fall" type claims.



-Excellent and consistent use of safety signage utilized throughout this area to remind employees about safety in an effort to reduce the potential for an accident or injury.



-Compressed air lines were constructed of galvanize piping to eliminate the unsafe practice of using PVC piping which has been known to create the potential for unsafe conditions in work areas that utilize compressed air.



-Storage of metal stock was observed to be excellent to assist in reducing the potential for "Struck By or Against" type injuries.



-First Aid Kits were observed to be fully stocked and within proximity to the work areas at the time of this survey.

EAST SIDE MAINTENANCE SHOP



-MSDS Information Station and Hearing Protection Station were available in immediate area of facilities to assist with chemical injuries as well as reducing the potential for hearing loss associated with working with noise generating tools/equipment, i.e. air compressor.



-Excellent and consistent use of spill skids observed in this area of the facility to reduce the potential for hazards associated with chemical spills.



-Consistent storage of materials observed throughout the facility which assists in reducing the potential for "Struck By/Against" type claims associated with improperly stored or stacked materials.

-Use of material handling aid, appliance cart, observed to reduce the potential for manual materials handling injuries when moving heavy items/equipment.



-Emergency Shut Off Button for Fuel Bay to reduce the potential for fire or explosion from unattended fuel spills.



-Fire Extinguishers were located at fuel bay to reduce the potential for fires or explosions caused by fuel spills.

PUMP STATION S8

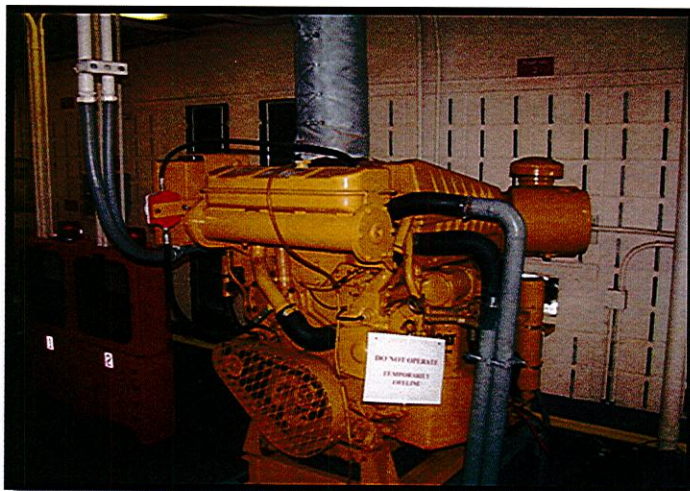


-Traffic barricades have recently been installed at pump stations to reduce potential for vehicles to accidentally roll into the adjacent canal.



-Excellent housekeeping was observed at this location to assist in reducing the potential for "Trip & Fall" type claims.

-Trip hazard, i.e. curbing, has been properly identified to enhance awareness for change in elevation on walking surfaces.



-Heat shields have been provided on engine exhaust to reduce the potential for burns.

-Machine guarding has been installed on all rotational equipment to reduce the potential for a serious accident or fatality.



-MSDS Center has been provided at pump stations to assist with reducing the potential for the severity of chemical injuries or accidents.



-Continued use of signage, i.e. Tagout, was observed to reduce the potential for injury or accident when working with equipment in pump stations.



-Access ladders have been installed with fall protection cages to reduce the potential for falls while accessing pump station roof area.

INFORMATION FOR REVISING COMMISSION ZONE BOUNDARIES PER DISTRICT CHARTER

Criteria: The boundaries on the 7 zones shall be reviewed and revised upon the occurrence of any of the following events:

- 1) District population changes by 10% or more.
- 2) Population of any one or more zones increases or decreases by more than 10% since previous boundary change.

Revisions shall result in the population of each zone being no less than 13.58% of the total population of the District and no greater than 15% of the total population of the District according to the latest census or official population determination.

Based on a population of 255,029, the population of each zone should be from 34,633 to 38,254

Zone Number--- 2010 census population	Percent of total population	Proposal No. 1 2010 census population	Proposal No. 1 Percent of total population	Proposal No. 2 2010 census population	Proposal No. 2 Percent of total population	
1---34,820	13.65%	34,820	13.65%	34,820	13.65%	
2---37,461	14.69%	37,461	14.69%	37,602	14.74%	
3---34,632	13.58%	37,602	14.74%	37,565	14.73%	
4---43,871	17.20%	35,850	14.06%	37,306	14.63%	
5---32,555	12.77%	37,075	14.54%	36,046	14.13%	
6---35,621	13.97%	36,152	14.08%	35,621	13.97%	
7---36,069	14.14%	36,069	14.14%	36,069	14.14%	
2010 Total census population 255,029	100%	Pro. No. 1 census population 255,029	100%	Pro. No. 2 census population 255,029	99.99%	

Based on the above population information, Current Zones 1,2,6 and 7 populations are within the range parameters,

Zone 3 is 1 person less than required,

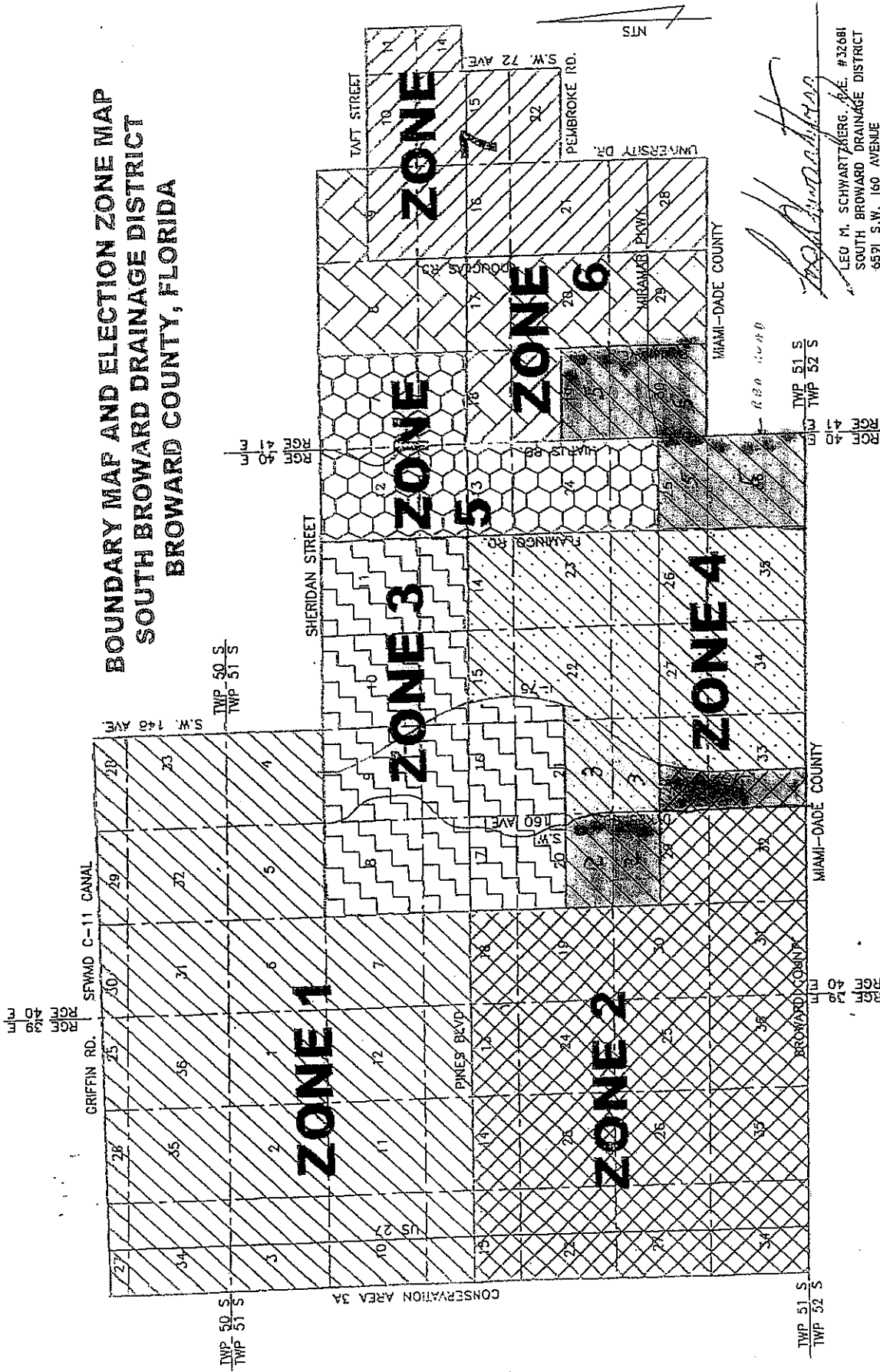
Zone 4 is 5,617 more than allowed and

Zone 5 is 2,078 less than required

Proposal No. 1: No change in Zone 1, 2 and 7 boundary

Proposal No. 2: No change in Zone 1, 6 and 7 boundary

BOUNDARY MAP AND ELECTION ZONE MAP SOUTH BROWARD DRAINAGE DISTRICT BROWARD COUNTY, FLORIDA



HEREBY CERTIFY THAT THIS MAP IS A TRUE AND CORRECT REPRESENTATION OF THE BOUNDARIES OF THE SOUTH BROWARD DRAINAGE DISTRICT AND THE SINGLE NUMBER ZONES AS DESCRIBED IN THE PROPOSED CHARTER REVISIONS FOR APPROVAL DURING THE 2004 FLORIDA LEGISLATIVE SESSION.

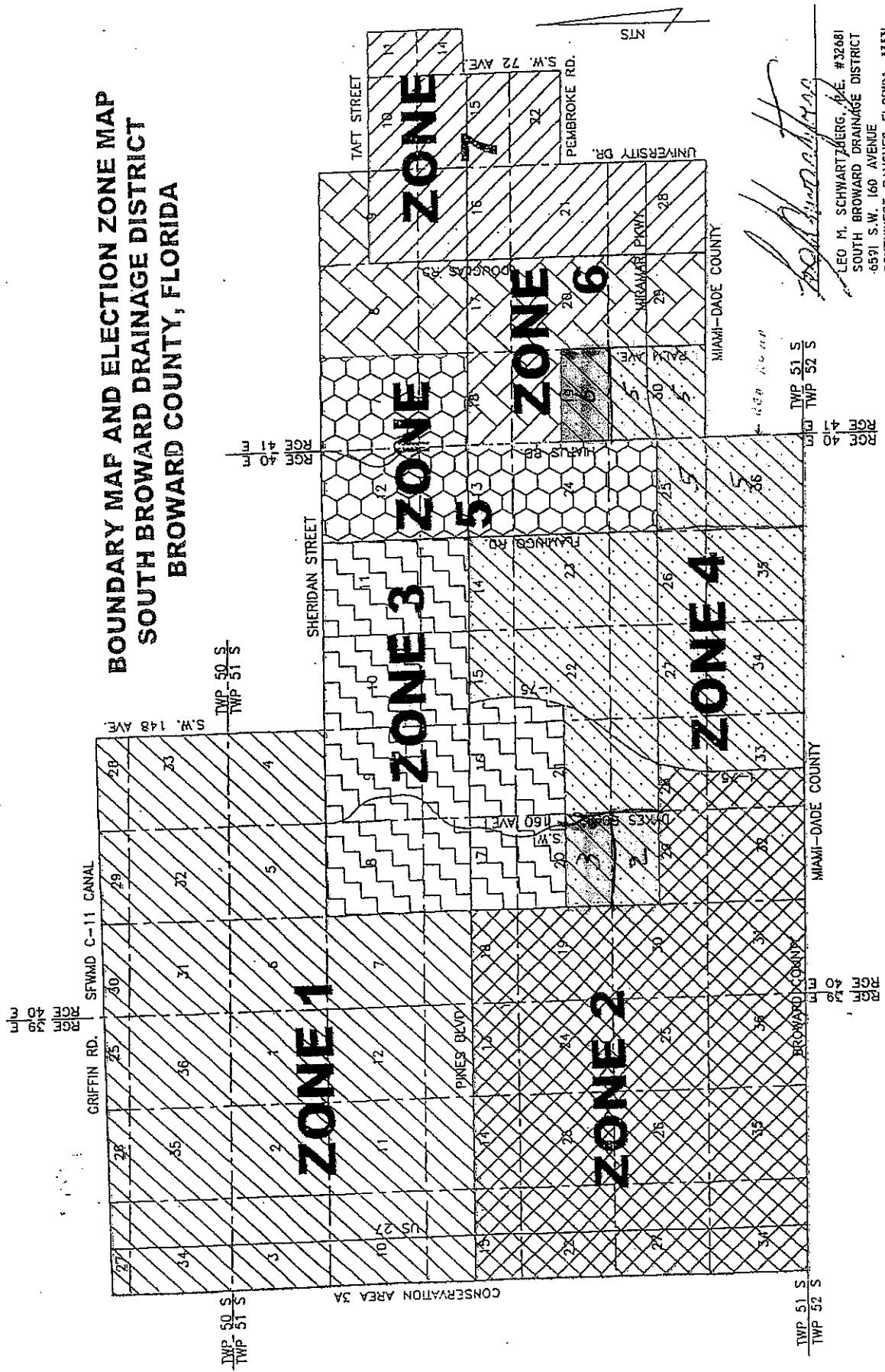
LEO M. SCHWARTZBERG, P.E. #32681
SOUTH BROWARD DRAINAGE DISTRICT
6591 S.W. 160 AVENUE
SOUTHWEST RANCHES FLORIDA, 33531

[Signature]

DATE 12/23/03

MORE W/LS FROM 4 TO 5 (003, 040)
 MORE W/LS FROM 5 TO 6 (001)
 MORE W/LS FROM 6 TO 7 (002, 003, 004, 005, 006, 007, 008, 009, 010)
 MORE W/LS FROM 7 TO 8 (011, 012, 013, 014, 015, 016, 017, 018, 019, 020)

**BOUNDARY MAP AND ELECTION ZONE MAP
SOUTH BROWARD DRAINAGE DISTRICT
BROWARD COUNTY, FLORIDA**



HEREBY CERTIFY THAT THIS MAP IS A TRUE AND CORRECT REPRESENTATION OF THE BOUNDARIES OF THE SOUTH BROWARD DRAINAGE DISTRICT AND THE SINGLE MEMBER ZONES AS DESCRIBED IN THE PROPOSED QUARTER REVISIONS FOR APPROVAL DURING THE 2004 FLORIDA LEGISLATIVE SESSION.

MADE BY 6/3 2003 PLAN 4 TO 3
 MADE BY 6/3 2003 PLAN 4 TO 2
 MADE BY 6/3 2003 PLAN 4 TO 1
 MADE BY 6/3 2003 PLAN 4 TO 0 (-2,642)

LEO M. SCHWARTZBERG, P.E. #32681
 SOUTH BROWARD DRAINAGE DISTRICT
 6591 S.W. 160 AVENUE
 SOUTHWEST RANCHES FLORIDA, 33531
 DATE 12/6/03

MORE PLAN 4 TO 3 (CONV. - No Revision)
 MORE PLAN 4 TO 2
 MORE PLAN 4 TO 1
 MORE PLAN 4 TO 0 (-2,642)