

Loxahatchee River District

Water Reclamation | Environmental Education | River Restoration

2500 Jupiter Park Drive, Jupiter, Florida 33458

Telephone (561) 747-5700 • Fax (561) 747-9929 • www.loxahatcheeriver.org



D. Albrey Arrington, Ph.D., Executive Director

AGENDA
REGULAR MEETING #5-2017
MARCH 16, 2017 – 7:00 PM AT DISTRICT OFFICES
ALL MEETINGS ARE OPEN TO THE PUBLIC

1. Call to Order & Pledge of Allegiance
2. Administrative Matters
 - A. Roll Call
 - B. Previous Meeting Minutes **Page 4**
 - C. Additions and Deletions to the Agenda
3. Comments from the Public
4. Status Updates
 - A. Loxahatchee River Watershed **Page 11**
 - B. Loxahatchee River District Dashboard **Page 12**
5. Consent Agenda (see next page) **Page 13**
6. Regular Agenda
 - A. Consent Agenda Items Pulled for Discussion
 - B. Final Audit Fiscal Years 2016 and 2015 **Page 22**
 - C. Liability and Workers' Compensation Insurance **Page 60**
 - D. Construction Standards and Technical Specifications Update **Page 61**
 - E. Chapter 31-10, Rates, Fees and Charges **Page 64**
7. Reports (see next page) Pulled for Discussion
8. Future Business **Page 133**
9. Board Comments
10. Adjournment

"...if a person decides to appeal any decision made by the Board, with respect to any matter considered at such meeting or hearing, he will need a record of the proceedings, and that, for such purpose, he may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based."

Submitted by:
Date: March 6, 2017

Stephen B. Rockoff
Board Member

Dr. Matt H. Rostock
Board Member

Harvey M. Silverman
Chairman

Gordon M. Boggie
Board Member

James D. Snyder
Board Member

5. CONSENT AGENDA

All items listed in this portion of the agenda are considered routine and will be enacted by one motion. There will be no separate discussion of these items unless requested by a Board member or citizen; in which event, the item will be removed and considered under the regular agenda.

- A. Disposal of Fixed Assets – to approve disposal **Page 14**
- B. Audit Committee – to establish committee **Page 16**
- C. Change Orders to Current Contracts – to approve modifications **Page 20**

7. REPORTS

- A. Neighborhood Sewering **Page 96**
- B. Legal Counsel's Report **Page 99**
- C. Engineer's Report **Page 100**
- D. Busch Wildlife Sanctuary **Page 106**
- E. Friends of the Loxahatchee River **Page 107**
- F. Director's Report **Page 111**

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D. Albrey Arrington, Ph.D., Executive Director

AGENDA
PUBLIC HEARINGS #4-2017
MARCH 16, 2017 - 6:55 P.M. AT DISTRICT OFFICES
ALL MEETINGS ARE OPEN TO THE PUBLIC

1. Call to Order and Pledge of Allegiance
2. Roll Call
3. To receive public comments pertaining to Rules Chapter 31-10, Rates, Fees and Charges.
4. Comments from the Board
5. Adjournment

".... if a person decides to appeal any decision made by the Board, with respect to any matter considered at such meeting or hearing, he will need a record of the proceedings, and that, for such purpose, he may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based."

A handwritten signature in blue ink, appearing to be "D. Albrey Arrington".

Submitted by:
Date: March 6, 2017

data:\admin\board\agendaPH

Stephen B. Rockoff
Board Member

Dr. Matt H. Rostock
Board Member

Harvey M. Silverman
Chairman

Gordon M. Boggie
Board Member

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Board Member

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D. Albrey Arrington, Ph.D., Executive Director



MEMORANDUM

TO: Governing Board

FROM: Recording Secretary

DATE: March 6, 2017

RE: Approval of Meeting Minutes

Attached herewith are the minutes of the Public Hearings and Regular Meeting of February 16, 2017. As such, the following motion is presented for your consideration.

“THAT THE GOVERNING BOARD approve the minutes of the February 16, 2017 Public Hearings and Regular Meeting as submitted.”

J:\BOARD\MinutesSamples\MinutesMemo.docx

Stephen B. Rockoff
Board Member

Dr. Matt H. Rostock
Board Member

Harvey M. Silverman
Chairman

Gordon M. Boggie
Board Member

James D. Snyder
Board Member

LOXAHATCHEE RIVER ENVIRONMENTAL CONTROL DISTRICT
PUBLIC HEARING – MINUTES
FEBRUARY 16, 2017

1. CALL TO ORDER AND PLEDGE OF ALLEGIANCE

Chairman Silverman called the Public Hearings of February 16, 2017 to order at 6:58 P.M.

2. ROLL CALL

The following Board Members were in attendance:

Mr. Rockoff (via telephone)
Dr. Rostock
Mr. Silverman
Mr. Snyder
Mr. Boggie (via telephone)

3. TO RECEIVE PUBLIC COMMENTS PERTAINING TO FINAL ASSESSMENT ROLL FOR THE FOLLOWING HYLAND TERRACE AREAS:

10828 Whispering Pines Trail
SE Harken Terr. PH I
Hyland Terr. Properties
Hyland Terr. PH II
SE Linden St.
SE Pine Grove St.

No comments were received.

4. COMMENTS FROM THE BOARD

No comments from the Board were received.

5. ADJOURNMENT

Chairman Silverman adjourned the Public Hearing at 7:00 P.M.

BOARD CHAIRMAN

BOARD SECRETARY

RECORDING SECRETARY

Ref: #3-2017

LOXAHATCHEE RIVER ENVIRONMENTAL CONTROL DISTRICT
REGULAR MEETING - MINUTES
FEBRUARY 16, 2017

1. CALL TO ORDER

Chairman Silverman called the Regular Meeting of February 16, 2017 to order at 7:00 pm.

2. ADMINISTRATIVE MATTERS

A. ROLL CALL

The following Board Members were in attendance.

Mr. Silverman
Mr. Snyder
Dr. Rostock
Mr. Rockoff (via telephone through 7:40 pm)
Mr. Boggie (via telephone through 7:55 pm)

Staff Members in attendance were Dr. Arrington, Mr. Yerkes, Mr. Dean, Ms. Peterson, Mr. Howard and Mr. Cruz.

Consultants in attendance were Mr. Muniz and Mr. Koroshec from Hazen and Sawyer, Ms. Miranda from Holtz Consulting, Ms. Marshall and Mr. Pugsley from Mathews, Mr. Prinyavivatkul from Arcadis, Ms. Diaz from Morrison, Brown et al and Mr. Shenkman with DeSantis, Gaskill.

B. PREVIOUS MEETING MINUTES

The minutes of the Regular Meeting of January 19, 2017 were presented for approval and the following motion was made.

MOTION: Made by Mr. Rockoff, Seconded by Dr. Rostock,
Passed Unanimously.

“THAT THE GOVERNING BOARD approve the minutes of the January 19, 2017 Regular Meeting as revised.”

C. ADDITIONS & DELETIONS TO THE AGENDA

No additions or deletions were made.

3. COMMENTS FROM THE PUBLIC

No comments were received.

4. STATUS UPDATES

A. LOXAHATCHEE WATERSHED STATUS

Mr. Howard discussed the SFWMD project to repair the Lainhart and Masten Dams in the Northwest Fork of the Loxahatchee River.

B. LOXAHATCHEE RIVER DISTRICT DASHBOARD

Dr. Arrington reviewed the District Dashboard.

5. CONSENT AGENDA

MOTION: Made by Dr. Rostock, Seconded by Mr. Snyder,
Passed unanimously.

“THAT THE GOVERNING BOARD approve the Consent Agenda of February 16, 2017.”

The following motions were approved as a result of the Board’s adoption of the Consent Agenda:

A. 10828 Whispering Pines Trail – Final Assessment (Resolution 2017-08)

“THAT THE GOVERNING BOARD approve Resolution 2017-08 adopting the 10828 Whispering Pines Trail Final Assessment Roll and Exhibits.”

B. SE Harken Terr Ph I – Final Assessment (Resolution 2017-09)

“THAT THE GOVERNING BOARD approve Resolution 2017-09 adopting the SE Harken Terr Ph I Final Assessment Roll and Exhibits.”

C. Hyland Terr Properties – Final Assessment (Resolution 2017-10)

“THAT THE GOVERNING BOARD approve Resolution 2017-10 adopting the Hyland Terr Properties Final Assessment Roll and Exhibits.”

D. Hyland Terr Ph II – Final Assessment (Resolution 2017-11)

“THAT THE GOVERNING BOARD approve Resolution 2017-11 adopting the Hyland Terr Ph II Final Assessment Roll and Exhibits.”

E. SE Linden St. – Final Assessment (Resolution 2017-12)

“THAT THE GOVERNING BOARD approve Resolution 2017-12 adopting the SE Linden St. Final Assessment Roll and Exhibits.”

F. SE Pine Grove St. – Final Assessment (Resolution 2017-13)

“THAT THE GOVERNING BOARD approve Resolution 2017-13 adopting the SE Pine Grove St. Final Assessment Roll and Exhibits.”

G. Notice of Intent – 356 and 360 Tequesta Dr. (Resolution 2017-14)

“THAT THE GOVERNING BOARD approve Resolution 2017-14 the Notice of Intent to Assess, the Pending Lien Notice, and Exhibits for the 356 - 360 Tequesta Dr. Assessment Area.”

H. Turtle Creek Subsystem 4 Construction Contract – to award contract

“THAT THE DISTRICT GOVERNING BOARD authorize award of contract to The Lazarus Group for the Turtle Creek Subsystem 4 Low Pressure Force Main System in an amount not to exceed \$181,577.00.

and

THAT THE DISTRICT GOVERNING BOARD authorize a Contingency Amount of \$9,000.00.”

I. Evoqua (Odor Control) contract – to approve contract

THAT THE DISTRICT GOVERNING BOARD authorize the Executive Director to execute a purchase order piggybacking the Sarasota County odor and corrosion control services with Evoqua Water Technologies, Inc. for the period February 16, 2017 to December 31, 2017, and in an amount not to exceed \$750,000.”

J. Change Orders to Current Contracts – to approve modifications

No change orders were presented.

6. REGULAR AGENDA

A. Consent Agenda Items Pulled for Discussion.

No items were pulled for discussion.

B. Draft Audit

Ms. Diaz presented the draft audit to the Board for review. Ms. Diaz noted that the audit showed the highest level of assurance that an auditor can assign. Ms. Diaz attributed this to

an increased focus on procedure, controls and compliance from staff.

No action was taken.

C. Rate Study

Dr. Arrington reviewed the rate study with the Board. No action was taken.

D. Alternate A1A bridge force main Joint Project Agreement

Mr. Yerkes reviewed the Joint Project Agreement.

MOTION: Made by Mr. Snyder, Seconded by Dr. Rostock,
Passed unanimously.

“THAT THE DISTRICT GOVERNING BOARD authorize the Executive Director to execute the Interlocal Agreement with the Town of Jupiter for the Alternate A1A-Damon Bridge Water Main and Force Main Project in the amount of \$781,866.00.”

E. Liability and Workers' Compensation Insurance

Dr. Arrington stated that staff expects to have renewal rates for the March Board Meeting. No action was taken.

7. REPORTS

The following reports stood as written:

- A. NEIGHBORHOOD SEWERING
- B. LEGAL COUNSEL'S REPORT
- C. ENGINEER'S REPORTS
- D. BUSCH WILDLIFE SANCTUARY
- E. FRIENDS OF THE LOXAHATCHEE RIVER
- F. DIRECTOR'S REPORT

8. FUTURE BUSINESS

The Future Business Report stood as written.

9. COMMENTS FROM THE BOARD

Chairman Silverman commended staff for their work on the Jupiter Inlet Colony project

10. ADJOURNMENT

MOTION: Made by Mr. Snyder, Seconded by Dr. Rostock,
Passed Unanimously.

“That the Regular Meeting of February 16, 2017 adjourn at 8:18.”

BOARD CHAIRMAN

BOARD SECRETARY

RECORDING SECRETARY



Loxahatchee River Watershed Status New Procedures for Delinquent Account Management

This month we will briefly step out of the watershed and into the Customer Service Department to provide an update on the significant improvements that we have made to the management of delinquent accounts.

	148.50	MINIMUM PAYMENT
61 - 90 DAYS OVER 90 DAYS		
ESTIMATED INSURANCE		
TOTAL DUE	377.50	

LOXAHATCHEE RIVER DISTRICT'S EXECUTIVE DASHBOARD



Stewardship		Wastewater						Engineering	General Business					EHS	River Health		
# People educated at RC	Mean Daily Incoming Flow	Delivery of Reclaimed Water	Customer Service	Sewer Overflow	Permit exceedance	NANO Blend to Reuse (@ 511)	Grease Interceptor Inspections	Cash Available	Revenue (non-assessment)	Operating Expenses	Capital Projects		Employee Safety	Lainhart Dam Daily Flow	Salinity @ NB seagrass beds	River Water Quality	
Benchmark / Customer Expectation	# people	million gallons/day	# days demand not met	# blockages with damage in home	# occurrences	# occurrences	Max Specific Conductance (umhos/cm)	% requiring pump out	\$	% of Budget	% of Budget	% within budget	% on time	# of OSHA recordable injuries	Flow (cfs)	%	Fecal Coliform Bacteria (cfu/100ml)
Green Level	≥ 1,500	< 7.7	Zero	Zero	Zero	Zero	<1542	≤ 15	≥ \$9,894,657	≥ 95%	≥ 85% but ≤ 105%	≥80%	≥80%	Zero	mean ≥ 69	min ≥ 20 ‰	90% of sites ≤ 200
Yellow	≤ 1,500	< 8.8	≥ 2	1	≤ 2	1	≤1875	≤ 25	< \$9,894,657	≥ 90%	≥ 80%	≥60%	≥60%	-	mean ≥ 35	min ≥ 10 ‰	2 or more sites >200 but ≤ 400
Red	≤ 1,250	≥ 8.8	≥ 9	≥ 2	> 2	≥ 2	>1875	> 25	< \$5,557,057	< 90%	< 80% or > 105%	< 60%	< 60%	≥ 1	min < 35	min < 10 ‰	≥ 2 sites > 400
2014 Baseline	2,120	6.8	0	0	1	0	978	11	\$ 27,415,251	102%	104%	95%	86%	0	140	21.9	1 > 200
2015 Baseline	2,139	6.8	0	0	1	0	1,093	14	30,199,659	104%	111%	92%	78%	0	78	24.8	0 > 200
2016 Baseline	2,169	6.7	0	0	1	0	1,063	12	33,223,653	96%	90%	100%	85%	0	104	18	1 > 200
2016 Feb	2,811	7.6	0	0	3	0	903	15	\$ 34,527,506	95%	83%	100%	82%	0	193	8.6	0 > 200
Mar	2,934	7.4	0	0	2	0	1042	14	\$ 33,770,240	96%	86%	100%	82%	0	115	12.4	1 > 200
Apr	1,866	6.9	0	0	2	0	974	15	\$ 33,632,921	95%	90%	100%	82%	0	117	9.3	0 > 200
May	1,667	6.6	0	0	0	0	1074	10	\$ 34,108,220	96%	90%	100%	82%	0	25	16.4	0 > 200
June	2,842	6.3	0	0	0	0	1076	10	\$ 32,610,630	96%	90%	100%	82%	0	124	23.7	1 > 200
July	2,942	6.0	3	0	0	0	1170	3	\$ 32,930,264	96%	90%	100%	75%	0	82	27.0	1 > 200
Aug	2,164	6.1	0	0	0	0	1177	10	\$ 33,614,905	96%	89%	100%	75%	0	86	22.5	3 > 200
Sept	1,260	6.1	0	0	0	0	1130	14	\$ 31,704,142	96%	90%	100%	75%	0	144	19.3	1 > 200; 2 > 400
Oct	2,729	6.4	0	0	2	0	1130	12	\$ 32,240,265	92%	66%	100%	100%	0	150	14.7	0 > 200
Nov	1,536	6.4	1	0	2	0	1080	14	\$ 33,915,704	92%	74%	100%	100%	0	24	25.0	0 > 200
Dec	1,586	6.6	0	0	1	0	1037	12	\$ 32,385,357	93%	82%	100%	100%	0	24	30.6	1 > 200
2017 Jan	1,671	6.8	1	0	1	0	1117	8	\$ 32,818,515	93%	84%	100%	100%	0	28	31.0	0 > 200
Feb	1,632	7.0	0	0	0	0	1094	13	\$ 33,194,315	93%	84%	100%	92%	0	25	32.3	0 > 200
Consecutive Months at Green	5	93	7	19	1	43	78	14	93	59	0	18	5	18	0	4	5
Metric Owner	O'Neill	Cruz	Dean	Dean	Dean	Cruz	Cruz	Dean	Peterson	Peterson	Peterson	Yerkes	Yerkes	Cruz	Howard	Howard	Howard

Metric
 Operating Expenses
 Lainhart Flow

Explanation
 In the beginning of the fiscal year our actual expenses are below straight-line budget projections. Our expense spending is on par with spending last February.
 For the fourth month in a row Lainhart Dam minimum flow was <35 cfs. Mean daily flow over Lainhart Dam was 37 cfs with flows less than the minimum flow of 35 cfs for 9 days.

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D. Albrey Arrington, Ph.D., Executive Director

MEMORANDUM

TO: Governing Board
FROM: D. Albrey Arrington, Executive Director
DATE: March 6, 2016
SUBJECT: Consent Agenda

All items listed below are considered routine and will be enacted by one motion. There will be no separate discussion of these items unless requested by a Board member or citizen, in which event, the item will be removed and considered under the regular agenda.

This month's consent agenda consists of the following items:

- A. Disposal of Fixed Assets – to approve disposal
- B. Audit Committee – to establish committee
- C. Change Orders to Current Contracts – to approve modifications

Should you have any questions in regard to these items, I would be pleased to discuss them further with you.

The following motion is provided for Board consideration:

"THAT THE GOVERNING BOARD approve the Consent Agenda of March 16, 2017 as presented."

Signed,

A handwritten signature in blue ink, appearing to read "D. Albrey Arrington".

D. Albrey Arrington
Executive Director

L:/Board/Consent

Stephen B. Rockoff
Board Member

Dr. Matt H. Rostock
Board Member

Harvey M. Silverman
Chairman

Gordon M. Boggie
Board Member

James D. Snyder
Board Member

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D. Albrey Arrington, Ph.D., Executive Director

Memorandum

To: Governing Board
From: Kara Peterson, Director of Finance and Administration
Date: March 10, 2017
Subject: Disposal of Fixed Assets

Each year the District performs a physical inventory of tangible assets. During our inventory it is common to find assets that have been damaged, or are obsolete, where continued use of which is uneconomical or inefficient, or which serves no purpose. The District has performed a physical inventory and the results are detailed in the attached schedule.

In addition, the District is disposing of a Golf Cart which will be sold on GovDeals.

Whenever the District disposes of tangible personal property of a non-consumable nature we are required by Florida Statutes to bring the matter to the attention of the governing body. Therefore, consistent with our procedures, I request your authorization to dispose of the item listed below and the items listed in the attached schedule:

<u>Tag #</u>	<u>F/A #</u>	<u>Description</u>	<u>Date Recorded</u>	<u>Acquired Value</u>	<u>Book Value</u>
		See Results of Physical Inventory		\$ 124,277	\$ -
1746	TE1	Golf Cart	09/30/89	\$ 4,406	\$ -
Total Assets to be Disposed				\$ 128,683	\$ -

These items are no longer of use to the District.

If you have any questions, please feel free to contact me.

I offer the following motion for your consideration:

“THAT THE GOVERNING BOARD authorize the Executive Director to dispose of tangible personal property including fixed asset number TE1 (tag number 1746) and the assets listed in the attached schedule. The fixed assets have no book value.”

TAG #	F/A #	Description	Date Acquired	Number of Years Anticipated	Acquired Value	Book Value	Reason for Disposal
2412	OE207	Dell Server, Poweredge 4600	09/30/04	3	\$ 14,459.18	\$ -	Obsolete
2518	OE250	Poweredge 2900 Quad Core Xeon Processor	09/30/07	3	13,829.90	-	Not in Use
2598	OE0259	Quad Core Xeon Processor	09/30/09	3	10,833.79	-	Obsolete
2427	MCE99	DigiPrep HT 100 TKN Block Digestion System	09/30/04	5	8,475.00	-	Damaged
2492	MCE109	Isco Avalanche Sampler	09/30/08	5	8,281.00	-	Damaged
2508	MCE118	Autoclave w/ Recorder	09/30/06	5	5,309.02	-	Damaged
2744	N/A	Simplex System for Lab Distillation			5,225.00	-	Damaged
2238	MCE70	Irma Block Digestor System	09/30/98	5	5,100.00	-	Damaged
2410	ME332	Cannon GI-2 Camcorder	09/30/04	5	3,986.00	-	Obsolete
2510	OE247	Latitude D810 Pentium Laptop	09/30/06	3	2,987.60	-	Not in Use
2544	OE0255	Dell Precision T7400 Minitower	09/30/08	3	2,805.60	-	Not in Use
2554	MCE0133	Foxcroft Amperometric Chlorine Analyzer	09/30/08	5	2,617.50	-	Damaged
2384	OE208	Dell Latitude D800 Pentium M Lap Top	09/30/04	3	2,373.78	-	Obsolete
2520	OE253	Dell Precision 390 Convertible Minitower	09/30/07	3	2,059.60	-	Not in Use
2636	N/A	Dell Precision T3500 Computer Tower			2,000.00	-	Obsolete
2371	OE206	Dell Latitude D500 Lap Top & Docking Station	09/30/04	3	2,000.00	-	Obsolete
2449	OE238	Precision Workstation 370 Minitower	09/30/05	3	1,958.67	-	Obsolete
2066	PE14	Portable Velocity Meter	09/30/93	5	1,840.54	-	Obsolete
2595	OE0260	Dell precision T3500	09/30/09	3	1,781.05	-	Obsolete
2596	OE0261	Dell precision T3500	09/30/09	3	1,781.05	-	Obsolete
2245	ME268	3M EMS Locator	09/30/98	3	1,764.55	-	Obsolete
2241	ME273	3M EMS Locator	09/30/98	3	1,764.55	-	Obsolete
2531	MCE121	Accumet XL40 DO/BOD Kit	09/30/07	5	1,680.80	-	Damaged
2114	MCE56	Turbidity Meter	09/30/96	3	1,595.00	-	Damaged
2232	PE25	Rhino 72" Rot Cutter/Bush hog	09/30/98	5	1,550.00	-	Damaged
2726	N/A	Cash Register			1,500.00	-	Obsolete
1661	ME69	25 Ton Shop Press	09/30/88	5	1,395.00	-	Obsolete
1542	OE8	Lettering Machine	09/30/87	5	1,325.00	-	Obsolete
2530	MCE125	Orion 4 star pH/DO WPHHH PH 3M	09/30/07	5	1,106.51	-	Damaged
2539	MCE0132	Accumet XL15 PH/MV/TEMP KIT	09/30/08	5	1,059.90	-	Damaged
2795	N/A	Dell Projector			1,000.00	-	Obsolete
2804	N/A	HP Laptop			1,000.00	-	Obsolete
2585	N/A	Laptop Dell			1,000.00	-	Obsolete
2634	N/A	Projector			1,000.00	-	Obsolete
2693	N/A	Dell E6520 Laptop			1,000.00	-	Obsolete
2255	OE171	Systemax PC Work Station	09/30/99	5	994.00	-	Obsolete
2411	FF355	Executive Desk	09/30/04	5	895.00	-	Not in Use
2170	ME249	Sony Video Camera	09/30/96	3	799.95	-	Obsolete
1989	ME262	Metrotech 880B Locator	09/30/97	3	795.00	-	Damaged
1995	ME261	Metrotech 880B Locator	09/30/97	3	795.00	-	Damaged
2102	ME221	Refrigerator	09/30/95	5	399.99	-	Obsolete
2028	ME178	Ponar Wash Frame	09/30/91	1	152.13	-	Obsolete
					\$ 124,276.66	\$ -	

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D. Albrey Arrington, Ph.D., Executive Director

MEMORANDUM

TO: GOVERNING BOARD
FROM: KARA PETERSON
DATE: MARCH 10, 2017
SUBJECT: AUDIT SERVICES CONTRACT

The Board has determined it is best practice to review the audit service contract every 4 to 6 years to determine if it would be in the District's best interest to issue a Request for Proposal (RFP).

In July 2013, the District's Governing Board entered into an agreement with Rampell & Rampell, P.A. The term of the agreement was for an initial period of three (3) years to cover the fiscal years 2013 through 2015. The agreement also provided, by sole option of the District, that the District's Governing Board may extend the agreement for up to three (3) additional one year periods.

In February 2016, Rampell & Rampell, P.A. merged with a nationally recognized accounting firm, Morrison, Brown, Argiz and Farra, LLC (MBAF).

In May 2016, the District's Governing Board approved the execution of the first additional one year renewal for the audit of fiscal year 2016 with MBAF. This audit will be completed this month, and represents the fourth year of the current audit service contract.

The District has been very satisfied with the quality work provided by MBAF over the last four years, however, it is staff's recommendation that we explore the market place and issue a RFP for audit services.

In accordance with Florida Statutes 218.391, if we choose to issue a RFP, the District will need to implement auditor selection procedures. The Audit Selection Procedure establishes that:

- A. the LRD Governing Board shall establish an Audit Committee;
- B. the Audit Committee's primary purpose is to assist the LRD Governing Board "in selecting an auditor to conduct the annual financial audit".
- C. the Audit Committee is charged with:
 - 1) Establishing factors to use for the evaluation of audit services, e.g., ability of personnel, experience, price, etc.
 - 2) Publicly announcing request for proposals for audit services.
 - 3) Providing request for proposal to interested audit firms.
 - 4) Evaluating proposals provided by qualified firms.
 - 5) Ranking and recommending in order of preference no fewer than three firms deemed to be the most highly qualified to perform the required services based on the factors provided in paragraph (1) above.

Stephen B. Rockoff
Board Member

Dr. Matt H. Rostock
Board Member

Harvey M. Silverman
Chairman

Gordon M. Boggie
Board Member

James D. Snyder
Board Member

Once the Audit Committee provides their final rankings of the audit firms to the Governing Board, the LRD Governing Board, or their designee, will then begin negotiations with the highest ranked firm, and will ultimately execute a written contract for audit services.

I offer the following motion for your consideration:

“THAT THE GOVERNING BOARD establishes an Audit Committee whose members include Steve Rockoff (Board Member), Albrey Arrington (Executive Director), and Kara Peterson (Director of Finance and Administration); whose duty shall be to fulfill the audit committee requirements established in FS 218.391(3); and whose duration shall be until a satisfactory contract for audit services is successfully negotiated.”

A complete copy of Florida Statutes 218.391 is provided following this memorandum.

Select Year:

The 2016 Florida Statutes

[Title XIV](#)
TAXATION AND
FINANCE

[Chapter 218](#)
FINANCIAL MATTERS PERTAINING TO POLITICAL
SUBDIVISIONS

[View Entire
Chapter](#)

218.391 Auditor selection procedures.—

(1) Each local governmental entity, district school board, charter school, or charter technical career center, prior to entering into a written contract pursuant to subsection (7), except as provided in subsection (8), shall use auditor selection procedures when selecting an auditor to conduct the annual financial audit required in s. [218.39](#).

(2) The governing body of a charter county, municipality, special district, district school board, charter school, or charter technical career center shall establish an audit committee. Each noncharter county shall establish an audit committee that, at a minimum, shall consist of each of the county officers elected pursuant to s. 1(d), Art. VIII of the State Constitution, or a designee, and one member of the board of county commissioners or its designee. The primary purpose of the audit committee is to assist the governing body in selecting an auditor to conduct the annual financial audit required in s. [218.39](#); however, the audit committee may serve other audit oversight purposes as determined by the entity's governing body. The public shall not be excluded from the proceedings under this section.

(3) The audit committee shall:

(a) Establish factors to use for the evaluation of audit services to be provided by a certified public accounting firm duly licensed under chapter 473 and qualified to conduct audits in accordance with government auditing standards as adopted by the Florida Board of Accountancy. Such factors shall include, but are not limited to, ability of personnel, experience, ability to furnish the required services, and such other factors as may be determined by the committee to be applicable to its particular requirements.

(b) Publicly announce requests for proposals. Public announcements must include, at a minimum, a brief description of the audit and indicate how interested firms can apply for consideration.

(c) Provide interested firms with a request for proposal. The request for proposal shall include information on how proposals are to be evaluated and such other information the committee determines is necessary for the firm to prepare a proposal.

(d) Evaluate proposals provided by qualified firms. If compensation is one of the factors established pursuant to paragraph (a), it shall not be the sole or predominant factor used to evaluate proposals.

(e) Rank and recommend in order of preference no fewer than three firms deemed to be the most highly qualified to perform the required services after considering the factors established pursuant to paragraph (a). If fewer than three firms respond to the request for proposal, the committee shall recommend such firms as it deems to be the most highly qualified.

(4) The governing body shall inquire of qualified firms as to the basis of compensation, select one of the firms recommended by the audit committee, and negotiate a contract, using one of the following methods:

(a) If compensation is not one of the factors established pursuant to paragraph (3)(a) and not used to evaluate firms pursuant to paragraph (3)(e), the governing body shall negotiate a contract with the firm ranked first. If the governing body is unable to negotiate a satisfactory contract with that firm, negotiations with that firm shall be formally terminated, and the governing body shall then undertake negotiations with the second-ranked firm. Failing accord with the second-ranked firm, negotiations shall then be terminated with that firm and undertaken with the third-ranked firm. Negotiations with the other ranked firms shall be undertaken in the same manner. The governing

body, in negotiating with firms, may reopen formal negotiations with any one of the three top-ranked firms, but it may not negotiate with more than one firm at a time.

(b) If compensation is one of the factors established pursuant to paragraph (3)(a) and used in the evaluation of proposals pursuant to paragraph (3)(d), the governing body shall select the highest-ranked qualified firm or must document in its public records the reason for not selecting the highest-ranked qualified firm.

(c) The governing body may select a firm recommended by the audit committee and negotiate a contract with one of the recommended firms using an appropriate alternative negotiation method for which compensation is not the sole or predominant factor used to select the firm.

(d) In negotiations with firms under this section, the governing body may allow a designee to conduct negotiations on its behalf.

(5) The method used by the governing body to select a firm recommended by the audit committee and negotiate a contract with such firm must ensure that the agreed-upon compensation is reasonable to satisfy the requirements of s. [218.39](#) and the needs of the governing body.

(6) If the governing body is unable to negotiate a satisfactory contract with any of the recommended firms, the committee shall recommend additional firms, and negotiations shall continue in accordance with this section until an agreement is reached.

(7) Every procurement of audit services shall be evidenced by a written contract embodying all provisions and conditions of the procurement of such services. For purposes of this section, an engagement letter signed and executed by both parties shall constitute a written contract. The written contract shall, at a minimum, include the following:

(a) A provision specifying the services to be provided and fees or other compensation for such services.

(b) A provision requiring that invoices for fees or other compensation be submitted in sufficient detail to demonstrate compliance with the terms of the contract.

(c) A provision specifying the contract period, including renewals, and conditions under which the contract may be terminated or renewed.

(8) Written contracts entered into pursuant to subsection (7) may be renewed. Such renewals may be done without the use of the auditor selection procedures provided in this section. Renewal of a contract shall be in writing.

History.—s. 65, ch. 2001-266; s. 1, ch. 2005-32.

Change Orders

No Change Orders are presented for Board consideration this month.

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Loxahatchee River District

Water Reclamation | Environmental Education | River Restoration

2500 Jupiter Park Drive, Jupiter, Florida 33458

Telephone (561) 747-5700 • Fax (561) 747-9929 • www.loxahatcheeriver.org



D. Albrey Arrington, Ph.D., Executive Director

MEMORANDUM

TO: GOVERNING BOARD

FROM: KARA PETERSON

DATE: MARCH 10, 2017

SUBJECT: AUDIT FOR FISCAL YEARS 2016 & 2015

The Final Annual Financial Report and the Financial Highlights Brochure for the fiscal years ended September 30, 2016 and 2015 are provided for your review.

As discussed at the February meeting, the District received a ‘clean’ audit opinion with no recommendations to improve financial management from the auditors. This Final Annual Financial Report has no noteworthy changes from the draft that was presented to you at the February meeting.

Ms. Diaz will be present at your March meeting to review the Final Annual Financial Report and answer any questions you may have. If you have questions before the Board meeting, please feel free to call Ms. Debbie Diaz directly (561-655-5855) or you can contact me.

The Final Annual Financial Report and Financial Highlights Brochure are attached this memo.

I offer the following motion for your consideration:

“THAT THE GOVERNING BOARD receive the Annual Financial Report for the fiscal years ended September 30, 2016 and 2015 as prepared and submitted by Morrison, Brown, Argiz & Farra, LLC.”

LOXAHATCHEE RIVER ENVIRONMENTAL CONTROL DISTRICT



ANNUAL FINANCIAL REPORT
SEPTEMBER 30, 2016 and 2015

LOXAHATCHEE RIVER ENVIRONMENTAL CONTROL DISTRICT

ANNUAL FINANCIAL REPORT

SEPTEMBER 30, 2016 and 2015

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Governing Board
Loxahatchee River Environmental Control District
Jupiter, Florida

Report on the Financial Statements

We have audited the accompanying financial statements of Loxahatchee River Environmental Control District as of and for the years ended September 30, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Loxahatchee River Environmental Control District as of September 30, 2016 and 2015, and the changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 9 through 15 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2017, on our consideration of Loxahatchee River Environmental Control District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Loxahatchee River Environmental Control District's internal control over financial reporting and compliance.



Morrison, Brown, Argiz & Farra, LLC
Palm Beach, Florida

February 22, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Loxahatchee River Environmental Control District (the District), we offer the readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended September 30, 2016. We encourage readers to consider the information presented in this discussion and analysis in conjunction with the basic financial statements, which begin on page 20.

FINANCIAL HIGHLIGHTS

- ❖ The District's net position increased by \$4,610,765 or 3%.
- ❖ Total revenues (operating and non-operating) for the year ended September 30, 2016, were \$19,882,490. This represents an increase of \$572,645, or 3%, when compared with the prior year. The majority of the increase was due to having a full year of a 2.5% rate increase implemented in April 2015 and the addition of new customers.
- ❖ Contributed assets totaled \$1,204,420 and mainly consisted of six sanitary sewer systems constructed and turned over to the District by individual developers and a Neighborhood Sewering grant from the State of Florida.
- ❖ Total operating expenses, including depreciation and amortization, were \$19,635,068. Excluding depreciation and amortization, this represents an increase of \$148,406, or 1% when compared with the prior year.
- ❖ Operating expenses (excluding depreciation and amortization) were \$1,296,333 less than the budget adopted by the Governing Board. Equipment repairs and professional services were less than projected and unused contingency contributed to the favorable variance.
- ❖ The components of net position as of September 30, 2016, were as follows:
 - Net investment in capital assets \$108,348,576
 - Unrestricted \$45,289,111

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of two components: 1) proprietary fund financial statements and 2) notes to the financial statements.

Required Financial Statements

The financial statements of the District report information about the District using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about its activities. The Statement of Net Position includes all of the District's assets and liabilities. This statement provides information about the nature and amounts of investments in resources (assets) and the obligations to District creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District. All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the success of the District's operations over the past year and can be used to determine whether the District has successfully recovered all its costs through its user fees and other charges, as well as being fiscally accountable and creditworthy. The final required financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the District's cash receipts and cash payments during the reporting period. This statement reports cash receipts, cash payments, and net changes in cash resulting from operating, non-capital and capital financing, and investing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the proprietary fund financial statements.

FINANCIAL ANALYSIS OF THE DISTRICT

Net position may serve over time as a useful indicator of a government’s financial position. The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the District’s activities in a way that will help determine the District’s financial position at September 30, 2016. The District’s net position, the difference between assets and liabilities, is one way to measure the financial health or financial position of the District. Over time, increases and decreases in the District’s net position indicate whether the District’s financial health is improving or deteriorating. However, other factors such as changes in economic conditions, population growth, and new or changed governmental legislation also impact the fiscal condition.

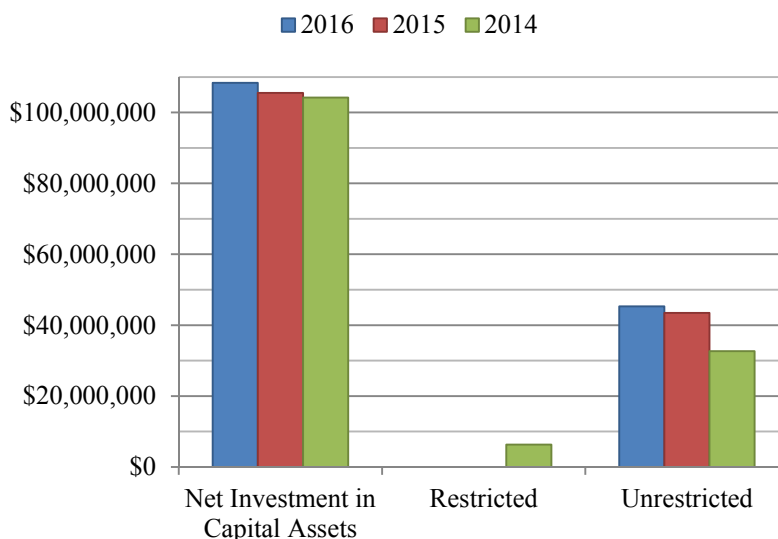
Net Position

We begin our analysis by providing a summary of the District’s statements of net position for the fiscal years ended September 30, 2016, 2015, and 2014.

Condensed Statement of Net Position					
	2016	2015	% Change	2014	% Change
Current and other assets	\$ 49,492,549	\$ 47,850,594	3%	\$ 43,293,510	11%
Capital assets, net	108,348,576	105,523,262	3%	106,858,339	(1%)
Total assets	\$ 157,841,125	\$ 153,373,856	3%	\$ 150,151,849	2%
Long-term debt	\$ -	\$ -	-	\$ 2,431,798	(100%)
Other liabilities	4,203,438	4,346,934	(3%)	4,543,138	(4%)
Total liabilities	\$ 4,203,438	\$ 4,346,934	(3%)	\$ 6,974,936	(38%)
Net position:					
Net investment in capital assets	\$ 108,348,576	\$ 105,523,262	3%	\$ 104,210,176	1%
Restricted for:					
Renewal and replacement	-	-	-	6,300,000	(100%)
Unrestricted	45,289,111	43,503,660	4%	32,666,737	33%
Total net position	\$ 153,637,687	\$ 149,026,922	3%	\$ 143,176,913	4%

As illustrated in the table above, the District’s assets exceeded liabilities by \$153,637,687, \$149,026,922, and \$143,176,913, at September 30, 2016, 2015, and 2014, respectively. At September 30, 2016, the largest portion of the District’s net position (71%) reflects its investment in capital assets (land, treatment and disposal systems, collection and transmission systems, equipment and construction in progress). The District uses capital assets to provide services to citizens; accordingly, these assets are not available for future spending. In addition, current and other assets include \$10.0 million in noncurrent special assessments receivable.

The following graph presents the components of the District's net position as of September 30, 2016, 2015, and 2014.



At the end of the current fiscal year, the District is able to report positive balances in all applicable categories of net position. The same held true for the prior two fiscal years.

The District's net position in total increased \$4,610,765 during the fiscal year ended September 30, 2016. The increase is mainly due to capital contributions (i.e., connection charges for new developments and developer contributed facilities).

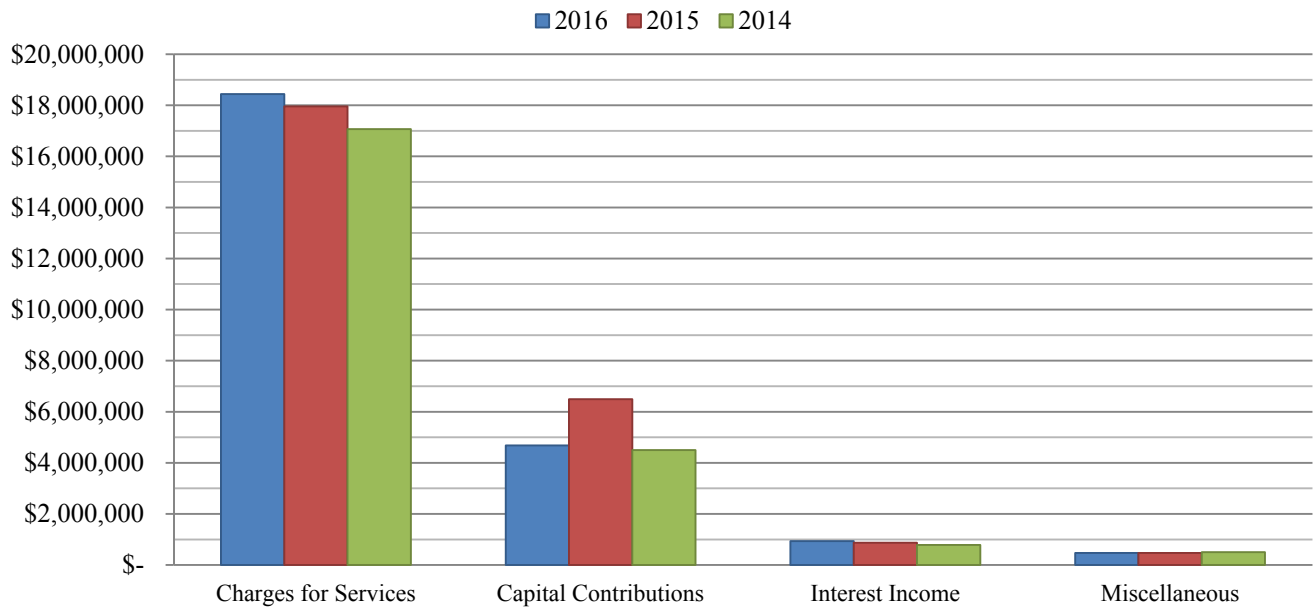
The following analysis highlights the changes in net position for the fiscal years ended September 30, 2016, 2015, and 2014.

Condensed Statements of Revenues, Expenses, and Changes in Net Position

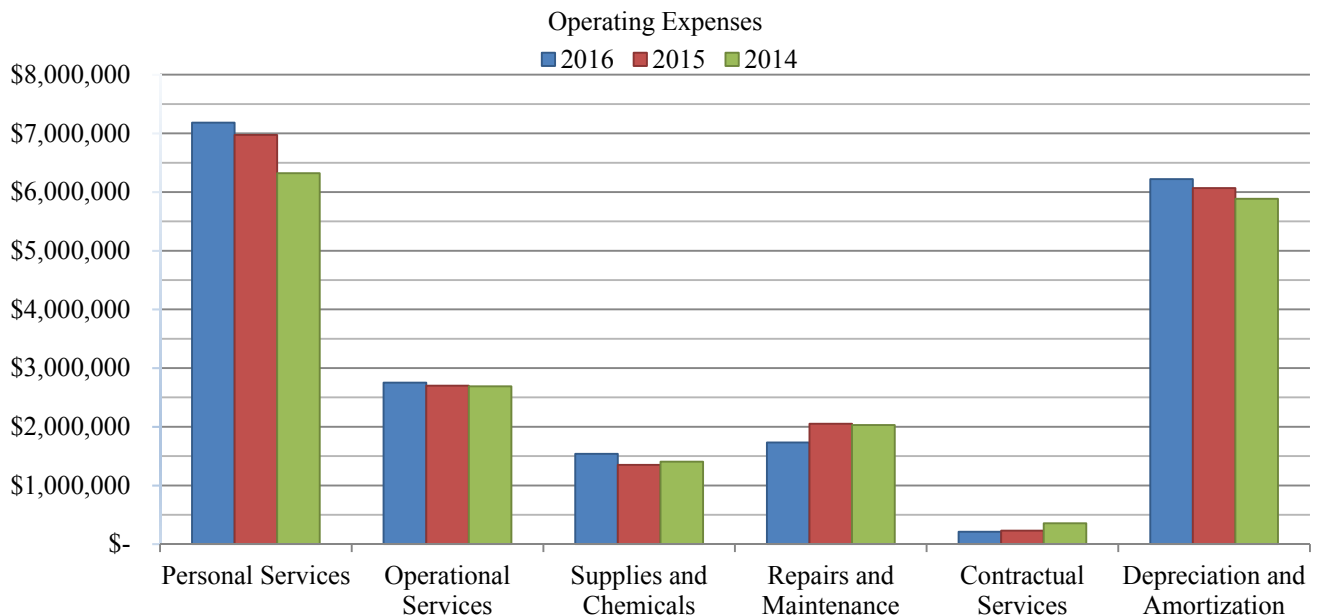
	2016	2015	% Change	2014	% Change
Operating revenues	\$ 18,912,577	\$ 18,375,889	3%	\$ 17,569,309	5%
Non-operating revenues	969,913	933,956	4%	787,188	19%
Total revenues	19,882,490	19,309,845	3%	18,356,497	5%
Depreciation and amortization expense	6,221,487	6,067,532	3%	5,885,015	3%
Operating expense	13,413,581	13,265,175	1%	12,799,221	4%
Non-operating expense	318,769	618,161	(48%)	89,768	589%
Total expenses	19,953,837	19,950,868	0%	18,774,004	6%
Loss before capital contributions	(71,347)	(641,023)	(89%)	(417,507)	54%
Capital contributions	4,682,112	6,491,032	(28%)	4,497,472	44%
Change in net position	4,610,765	5,850,009	(21%)	4,079,965	43%
Net position, beginning of year	149,026,922	143,176,913	4%	139,096,948	3%
Net position, end of year	\$ 153,637,687	\$ 149,026,922	3%	\$ 143,176,913	4%

While the statements of net position show the change in financial position of the District, the statements of revenues, expenses, and changes in net position provide answers as to the nature and source of these changes.

The chart below shows revenues by source for the fiscal years ended September 30, 2016, 2015, and 2014, respectively. In 2015, there was a significant increase in capital contributions (i.e., development activity) compared to 2016 and 2014. This was driven by significant completed neighborhood sewerage projects, including gravity sewers at Eagles Nest. Additionally, charges for services showed a notable increase when compared with 2014.



The following chart presents operating expenses for the fiscal years ended September 30, 2016, 2015, and 2014, respectively. Personal Services increased by 4%; Operational Supplies increased by 2%. Supplies and Chemicals increased by 14%; Repairs and Maintenance decreased by 16%; and Contractual Services decreased by 8%. Supplies and Chemicals were up due to purchasing new chemicals for odor control.



BUDGETARY HIGHLIGHTS

The District adopts an Operating Budget that is approved by the Governing Board prior to the start of each fiscal year. The budget remains in effect for the entire fiscal year and the Governing Board must approve any revisions that increase total appropriations. Because proprietary fund budgets are not part of the basic financial statements or required supplementary information, the fiscal year 2016 budget is not reported on, nor shown in, the financial statement section of this report. However, the table below presents a comparison between budget and actual as of September 30, 2016.

	Budget	Actual	Favorable (Unfavorable) Variance
Charges for services	\$ 18,568,956	\$ 18,439,733	\$ (129,223)
Operating expenses less depreciation	\$ 14,709,914	\$ 13,413,581	\$1,296,333
Non-operating revenues – interest income	\$ 726,780	\$ 936,584	\$ 209,804

The unfavorable variance in Charges for Services was driven by not having a rate increase during fiscal year 2016.

The favorable variance in operating expenses is primarily due to less equipment repairs, reduced need for professional service charges, and unused contingency.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets as of September 30, 2016, in the amount of \$108,348,576 (net of accumulated depreciation) has increased 3% over the prior year. This investment in capital assets includes land, treatment and reuse/disposal system, collection and transmission system, equipment, and construction in progress. There were \$9.3 million in capital additions, but the decrease of \$6.1 million due to normal scheduled depreciation and the decrease of \$2.1 million due to disposal of fixed assets (that were replaced) kept the capital assets relatively unchanged.

Major capital asset events during the current year included the following:

- ❖ Construction work in progress as of the close of the fiscal year ended September 30, 2016, was \$5,199,907. Of this amount, \$3,557,503 was for the deep bed filter/transfer switch; \$725,411 was for Jupiter Inlet Colony sewerage; \$101,178 was for Alt. A1A River Crossing force main project; and \$815,875 was for various other neighborhood sewerage projects.
- ❖ Construction of new treatment and disposal features and renewal of existing features completed and booked during fiscal year 2016 totaled \$1,308,815.
- ❖ Construction of new collection and transmission systems and renewal of existing features completed and recorded in fiscal year 2016 totaled \$2,742,733.
- ❖ Construction of IQ system improvements completed in fiscal year 2016 totaled \$137,133.

Additional information on the District's capital assets, including projects under construction, can be found in Note 4 on pages 31 and 32 of this report.

Long-term Debt

On December 1, 2014, the District prepaid the remaining amount due for the Series 2009 Revenue Bonds in the amount of \$2,613,209. In addition to the outstanding principal balance, payments for accrued interest of \$9,081 and prepayment fees of \$419,797 were made. The District has no other long-term debt. Additional information on the District's long-term liabilities can be found in Note 7 on page 33 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

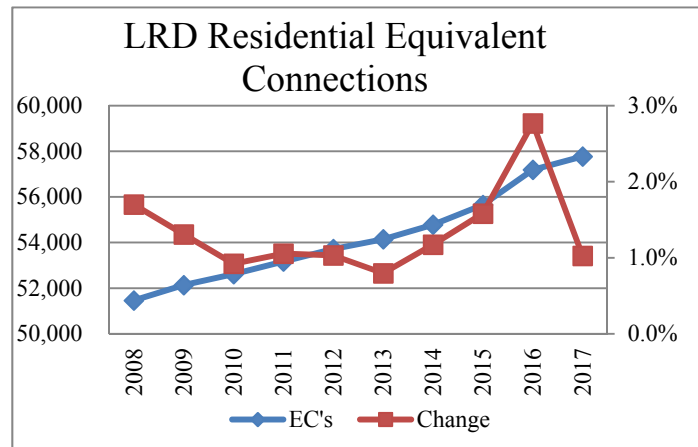
Numerous economic factors, such as increasing operating costs, the need for new or renewed facilities, the pace of growth, cost of financing, etc., are evaluated when determining the District's budget and rates. Charges for services continue to be the District's largest single source of revenue, as wastewater treatment is a public necessity. Revenue typically remains stable as long as the number of equivalent connections does not decline. A continued increase in equivalent connections is projected through build-out, which is expected to occur around 2019.

The following information summarizes the financial conditions anticipated over the next few years and the core assumptions that produced these conditions.

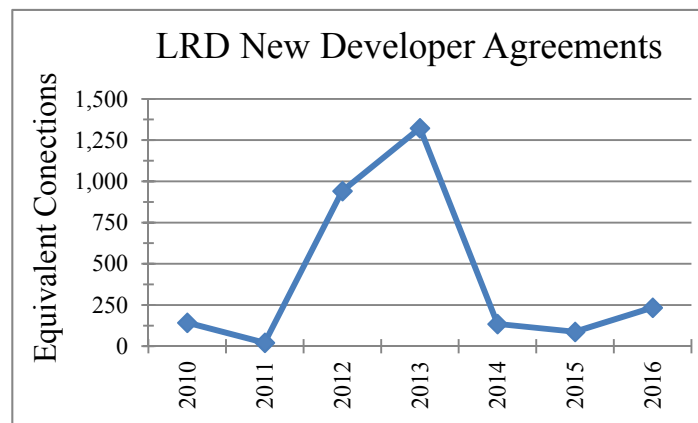
Revenues

In March, 2016, the District approved the revised District Rule 31-10 which included an annual rate increase of 2% from 2017 through 2020 for Quarterly Services Charges, Plant Connection Charges, Regional Transmission System Line Charges, and Administrative Charges.

Revenue from quarterly service charges to residential and commercial customers is projected to increase at a rate of 1% to 3% for the next several years based on adopted District Rule 31-10 scheduled rate increases and growth within the customer base. The figure on the right shows the change in residential equivalent connections over the last 10 years (based on January billing). Once the remaining developable land is consumed this pattern is anticipated to abruptly decline. However, significant re-development projects (e.g., Love Street, Suni Sands, etc.) could extend this pattern for several additional years.



Revenue from Plant and Line Charges is anticipated to increase at a rate of 1% to 3% for the next five years based on adopted District Rule 31-10 scheduled rate increases and the rate at which new developer agreements are executed (see chart to right). While the rate of increase in new connections is increasing (see chart above), many of these new connections are derived from developer agreements that were executed in 2012 and 2013. In fact, new developer agreements in 2016 only accounted for 234 equivalent connections. Once the remaining developable land is developed or preserved developer agreements are expected to abruptly decline.



Significant neighborhood sewerage projects have been ongoing for over 20 years, so we are starting to experience a decline in assessment revenues. However, gravity sewers are currently being constructed in Jupiter Inlet Colony. Jupiter Inlet Colony is expected to pay the sewer assessment as a lump sum payment of approximately \$4.2 million near the beginning of fiscal year 2018. Other approved neighborhood sewerage projects include Turtle Creek and Whispering Trails.

Expenses

The District adopted a budget of \$33,142,395, which represents an increase of \$5,659,981 or 20%, from fiscal year 2016. The vast majority of the budget increase, \$5,048,500, is related to capital improvements.

The District's capital improvements will be funded primarily through existing cash reserves, grants, and rate revenue. No additional debt is expected to be issued. Approved capital improvements include:

- ❖ Neighborhood sewerage programs, including the construction of the Jupiter Inlet Colony Neighborhood Rehabilitation project which began in April, 2016 and is expected to be completed in February 2018. This project will rehabilitate the potable water system and stormwater system, and install new sanitary sewers in the community at a cost of approximately \$9.3 million. Other fiscal year 2017 neighborhood sewerage projects include Turtle Creek and Whispering Trails. The District will continue to pay 10% of associated neighborhood sewerage costs.
- ❖ Replacement of our traveling bridge filters with deep bed sand filters. The District entered into a \$1.6M contract with Hazen & Sawyer for design and engineering services and an \$8.5M contract with Kirlin Florida LLC for the construction of the deep bed filters. Construction on the project started in January, 2016 and is expected to be completed in early 2018. The project will include an important upgrade to electrical connectivity between our emergency generators, which will increase our resiliency during power outages.
- ❖ Construction of a new force main on Alternate A-1-A bridge.
- ❖ Construction of a new force main to connect Jupiter Farms Elementary School.

CONTACTING THE DISTRICT'S FINANCIAL MANAGER

This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District at 2500 Jupiter Park Drive, Jupiter, Florida 33458.

BASIC FINANCIAL STATEMENTS

LOXAHATCHEE RIVER ENVIRONMENTAL CONTROL DISTRICT*Statements of Net Position**September 30, 2016 and 2015*

	2016	2015
Assets		
Current assets		
Cash and cash equivalents	\$ 8,791,086	\$ 6,918,828
Investments - unrestricted	11,132,659	5,965,474
Investments - restricted	138,008	142,455
Receivables:		
Accounts	740,938	750,357
Special assessments	698,812	693,893
Accrued interest	597,430	577,422
Due from other governments	986,219	260,929
Inventories	1,708,963	1,651,142
Prepaid expenses	327,258	333,262
Total current assets	25,121,373	17,293,762
Noncurrent assets		
Receivables:		
Accounts	389,600	439,668
Special assessments	9,994,682	8,983,605
Investments	11,835,880	18,815,013
Investment in joint venture	2,151,014	2,318,546
Capital assets:		
Non-depreciable	6,054,341	3,820,445
Depreciable (net of depreciation)	102,294,235	101,702,817
Total noncurrent assets	132,719,752	136,080,094
Total assets	\$ 157,841,125	\$ 153,373,856

Continued on the following page.

LOXAHATCHEE RIVER ENVIRONMENTAL CONTROL DISTRICT*Statements of Net Position (Continued)**September 30, 2016 and 2015*

	2016	2015
Liabilities		
Current liabilities		
Accounts payable	\$ 979,349	\$ 987,176
Construction contracts payable	754,017	574,591
Accrued liabilities:		
Wages and payroll taxes	153,160	274,060
Pension	132,689	158,918
Compensated absences	58,067	75,950
Unearned revenue	1,240,121	1,415,716
Total current liabilities (payable from current assets)	3,317,403	3,486,411
Current liabilities payable from restricted assets		
Customer deposits	138,008	142,455
Total current liabilities (payable from restricted assets)	138,008	142,455
Total current liabilities	3,455,411	3,628,866
Noncurrent liabilities		
Compensated absences	748,027	718,068
Total noncurrent liabilities	748,027	718,068
Total liabilities	\$ 4,203,438	\$ 4,346,934
Net position		
Net investment in capital assets	\$ 108,348,576	\$ 105,523,262
Unrestricted	45,289,111	43,503,660
Total net position	\$ 153,637,687	\$ 149,026,922

See notes to basic financial statements.

LOXAHATCHEE RIVER ENVIRONMENTAL CONTROL DISTRICT*Statements of Revenues, Expenses, and Changes in Net Position**Years Ended September 30, 2016 and 2015*

	2016	2015
Operating revenues		
Charges for services	\$ 18,439,733	\$ 17,955,155
Miscellaneous	472,844	420,734
Total operating revenues	18,912,577	18,375,889
Operating expenses		
Personal services	7,183,021	6,933,959
Operational	2,751,449	2,700,888
Supplies and chemicals	1,538,706	1,350,463
Repairs and maintenance	1,731,117	2,051,192
Contractual services	209,288	228,673
Depreciation and amortization	6,221,487	6,067,532
Total operating expenses	19,635,068	19,332,707
Operating loss	(722,491)	(956,818)
Nonoperating revenues (expenses)		
Grants	33,329	62,060
Interest income	936,584	871,896
Loss on extinguishment of debt	-	(419,797)
Loss on disposal of capital assets	(318,769)	(198,364)
Total nonoperating revenues (expenses)	651,144	315,795
Loss before capital contributions	(71,347)	(641,023)
Capital contributions	4,682,112	6,491,032
Change in net position	4,610,765	5,850,009
Net position, beginning of year	149,026,922	143,176,913
Net position, end of year	\$ 153,637,687	\$ 149,026,922

See notes to basic financial statements.

LOXAHATCHEE RIVER ENVIRONMENTAL CONTROL DISTRICT*Statements of Cash Flows**Years Ended September 30, 2016 and 2015*

	2016	2015
Cash flows from operating activities:		
Receipts from customers	\$ 18,494,773	\$ 18,546,095
Payments to employees	(7,318,074)	(6,811,797)
Payments for goods and services	(6,290,204)	(6,455,312)
Cash (payments) receipts	(428,041)	93,187
Net cash provided by operating activities	4,458,454	5,372,173
Cash flows from non-capital financing activities:		
Grants	33,329	62,060
Net cash provided by non-capital financing activities	33,329	62,060
Cash flows from capital and related financing activities:		
Contributed capital	1,442,303	2,734,500
Acquisition and construction of capital assets	(7,852,499)	(3,602,014)
Cash received from the sale of capital assets	38,306	29,261
Principal paid on bonds payable	-	(2,648,163)
Proceeds from collections of special assessments	1,019,394	1,542,057
Interest paid on bonds payable	-	(9,531)
Prepayment fee paid on bonds payable	-	(439,650)
Net cash used in capital and related financing activities	(5,352,496)	(2,393,540)
Cash flows from investing activities:		
Purchase of investments	(6,033,139)	(14,127,197)
Proceeds from sales of investments	8,128,274	11,706,190
Interest on investments	637,836	632,779
Net cash provided by/(used in) investing activities	2,732,971	(1,788,228)
Net increase in cash and cash equivalents	1,872,258	1,252,465
Cash and cash equivalents at beginning of year	6,918,828	5,666,363
Cash and cash equivalents at end of year	\$ 8,791,086	\$ 6,918,828

Continued on the following page.

LOXAHATCHEE RIVER ENVIRONMENTAL CONTROL DISTRICT*Statements of Cash Flows (Continued)**Years Ended September 30, 2016 and 2015*

	2016	2015
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	\$ (722,491)	\$ (956,818)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation and amortization	6,221,487	6,067,532
(Increase) decrease in assets:		
Accounts receivable	59,487	708,092
Due from other governments	(725,290)	(184,334)
Inventories	(57,821)	(353,358)
Prepaid expenses	6,004	46,521
Increase (decrease) in liabilities:		
Accounts payable and accrued liabilities	(142,880)	304,903
Customer deposits	(4,447)	(117,152)
Unearned revenue	(175,595)	(143,213)
Net cash provided by operating activities	\$ 4,458,454	\$ 5,372,173
Noncash investing, capital and financing activities:		
Contributions of lift stations, lines and equipment	\$ 1,204,420	\$ 1,185,527
Book value of assets disposed	357,076	227,625
Book value of construction work-in-process reclassified to inventory and other nominal accounts	9,079	120,453

See notes to basic financial statements.

LOXAHATCHEE RIVER ENVIRONMENTAL CONTROL DISTRICT

Notes to Financial Statements

September 30, 2016 and 2015

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Loxahatchee River Environmental Control District (the District) was created by Chapter 71-822, Special Acts of Florida, 1971, as amended, and codified pursuant to Chapter 2002-358, Laws of Florida, as a separate local agency of government to provide for the management of sewage, storm drainage, and water supply in portions of Palm Beach and Martin Counties generally defined as the Loxahatchee River Basin. The District is governed by an elected five-member board. The following is a summary of the more significant accounting principles and policies used in the preparation of these financial statements.

Reporting Entity

As required by generally accepted accounting principles, these financial statements present the government and its component units. Component units are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the District's financial statements to be misleading or incomplete. The primary government is considered financially accountable if it appoints a voting majority of an organization's governing body and imposes its will on that organization. The primary government may also be financially accountable if an organization is fiscally dependent on the primary government, regardless of the authority of the organization's governing board. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government.

Based on the application of the criteria set forth by the Governmental Accounting Standards Board (GASB), management has included Friends of the Loxahatchee River, Inc. (Friends) in the District's reporting entity. Friends, a nonprofit corporation legally separate from the District, is governed by a seven member board which includes the Governing Board members that govern the District. For this reason, the financial activity of Friends is reported as if it were part of the primary government as a blended component unit. Friends issues publicly available financial statements that can be obtained by contacting the District.

Basis of Presentation and Accounting

On October 1, 2002, the District adopted the provisions of Statement No. 34 ("Statement 34") of the Governmental Accounting Standards Board "*Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments.*" Statement 34 established standards for external financial reporting for all state and local governmental entities which includes a statement of net position, a statement of revenues, expenses, and changes in net position and a statement of cash flows. It requires the classification of net position into three components – net investment in capital assets, restricted and unrestricted. These classifications are defined as follows:

- ❖ Net investment in capital assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- ❖ Restricted net position – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- ❖ Unrestricted net position – This component of net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

The District’s financial statements are presented on the full accrual basis. All activities of the District are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are: (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the District’s wastewater treatment enterprise fund are charges for the operation of the plant facilities. Operating expenses for the enterprise fund include the cost of the operation of the plant facilities, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The accounting and financial reporting treatment applied to the District is determined by its measurement focus. The transactions of the District are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the Statement of Net Position.

Budgetary Accounting

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- ❖ The District’s Executive Director submits a proposed operating budget to the Governing Board for the fiscal year commencing the following October 1.
- ❖ Public meetings and a public hearing are conducted to obtain comments.
- ❖ Formal budget integration is employed as a management control device during the year. The accounting principles applied for the purpose of developing data on a budgetary basis differ from those used to present financial statements in conformity with generally accepted accounting principles in that the District does not provide for depreciation expense in its budget.
- ❖ The Governing Board approves the budget appropriations. Any revisions that increase the total appropriations must be approved by the Governing Board.
- ❖ Unused appropriations for budgeted funds lapse at the end of the fiscal year.

Other Postemployment Benefits (OPEB)

The District was required to implement Governmental Accounting Standards Board Statement No. 45 (“Statement 45”), *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* for the fiscal year ending September 30, 2010. The District has determined that they do not provide any benefits that qualify as other postemployment benefits under Statement 45.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates

The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States. Management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenue and expenses during the period reported. These estimates include assessing the collectability of accounts receivable, the use and recoverability of inventory, and useful lives and impairment of tangible assets. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments are stated at cost, which approximates market value. The investments held by the District consist of certificates of deposit with original maturities ranging from one year to five years.

Inventory and Prepaid Items

Inventories are valued at the lower of cost (as determined by the first-in/first-out method) or market value.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepayments on the statement of net position.

Capital Assets

Property, plant and equipment in service and construction in progress are recorded at cost, if purchased or constructed. Assets acquired through contributions from developers or other customers are capitalized at their estimated fair market value, if available, or at the engineers' estimated fair market value or cost to construct at the date of the contribution. All assets greater than \$5,000 are capitalized. Expenditures for maintenance and repairs are expensed as incurred, while expenditures for renewals and improvements are capitalized. Construction costs of new collection and transmission facilities that are reimbursed by users or financed by developers and property owners are capitalized and recorded as revenues.

Net interest cost is capitalized on capital projects during the construction period.

Depreciation has been provided over the useful lives using the straight line method. The estimated useful lives are as follows:

Lakes and retention ponds	50-100 years
Buildings	10-40 years
Improvements other than buildings	20-60 years
Equipment	3-10 years

Accumulated Compensated Absences

It is the District's policy to permit employees to accumulate a limited amount of earned but unused vacation and sick leave, which will be paid upon separation from the District's service. The District uses the vesting method in accruing vacation and sick leave as the benefits are earned by the employee if it is probable that the employee will be compensated for the benefits through payments conditioned on termination or retirement.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Assets

As of September 30, 2016 and 2015, the District has \$138,008 and \$142,455, respectively of cash and investments restricted for customer deposits.

Special Assessments

The District levies special assessments against benefited property owners for design, construction and other expenses necessary to complete wastewater and sewerage system improvements constructed in their assessment area. The property owners have an option to pay the assessment in full at the time of connection or have installment payments added to their real estate taxes over a period of 20 years with rates ranging from 5.75% to 6.875%.

Unearned Revenues

Unearned revenues primarily represent capital connection and inspection fees and service payments that are paid in advance by customers. These fees will be recognized as income in subsequent years as the services are performed.

Capital Contributions

Capital contributions are recognized in the statement of revenues, expenses, and changes in net position when earned and include capital grants or contributions from developers, customers, or other governmental agencies.

Allowance for Doubtful Accounts

The District's enabling legislation gives the District the authority to place liens on properties in the event that fees or charges are not paid when due. Consequently, an allowance for uncollectible accounts is not maintained because the District believes all amounts will ultimately be collected. A portion of the accounts receivable is classified as a noncurrent asset. These represent accounts that currently have liens or are anticipated to have liens placed on them in the future.

2) DEPOSITS AND INVESTMENTS

At September 30, 2016 and 2015, the carrying amount of cash on hand and on deposit with banks, including interest-bearing deposits, was \$8,791,086 and \$6,918,828, respectively. Investments at September 30, 2016 and 2015, are comprised of certificates of deposits with financial institutions with original maturities greater than three months in the amount of \$23,106,547 and \$24,922,942. All deposits and investments are insured by federal deposit insurance or collateralized pursuant to Florida Statutes Chapter 280, *Florida Security for Public Deposits Act*.

In addition to insurance provided by the Federal Depository Insurance Corporation, deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under Florida Statutes Chapter 280, the State Treasurer requires all Florida qualified depositories to deposit with the Treasurer or banking institution eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses.

The investment of surplus public funds is governed by an investment policy approved by the Governing Board. The policy limits investments to the following securities:

2) DEPOSITS AND INVESTMENTS (Continued)

1. State Board of Administration Florida Prime Fund
2. Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency
3. Savings accounts in state-certified qualified public depositories
4. Certificates of deposit in state-certified qualified public depositories
5. Direct obligations of the U.S. Treasury or any other government agencies
6. Repurchase agreements

The Florida Prime Fund is administered by the State Board of Administration and is governed by Chapter 19-7 of the Florida Administrative Code. These rules provide guidance and establish the general operating procedures for the administration of the Florida Prime. Florida Prime currently meets all of the necessary criteria to measure all of the investments in Florida Prime at amortized cost, which should also be considered the fair value of the investment.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Cash equivalents have a weighted average maturity of less than one year, resulting in minimal interest rate risk. The District's investment policy does not specifically limit the maturity of investments.

Credit Risk

Credit risk is the risk that an issuer will not fulfill its obligations. The District's investment policy addresses credit risk by limiting allowable investments to the Local Government Surplus Funds Trust Fund, deposits with a financial institution meeting the requirements of a Florida qualified public depository, securities guaranteed by the U.S. government, or investments that are otherwise fully collateralized or secured. The security rating by a Nationally Recognized Statistical Rating Organization (NRSRO) is also an indication of credit risk.

Custodial Credit Risk

Custodial credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's investment policy limits its investments to high quality investments to control custodial credit risk.

3) INVESTMENT IN JOINT VENTURE

Biosolids Processing and Recycling Facility

On June 7, 2005, the District entered into an interlocal agreement (Agreement) with the Solid Waste Authority (SWA) to fund a portion of the cost to design, build, and operate a Biosolids Processing and Recycling Facility (BPF). There have been three amendments to the original agreement. The first amendment dated June 15, 2006 adjusted the original capital costs of the BPF, and the second amendment dated June 21, 2012 set forth the total net capital costs for the BPF. On July 18, 2013, the District sold 1.54% of its share of the original capacity to another government agency, thereby reducing the District's share of the total capacity to 8.96%. Proceeds from the sale were \$448,282, which reduced the District's original capital cost to \$3,311,772. Additional capital costs were incurred in the fiscal year ended September 30, 2014 in the amount of \$68,944, increasing its portion of the capital cost to \$3,380,716. There were no capital costs incurred during the fiscal years ended September 30, 2015 and 2016.

3) INVESTMENT IN JOINT VENTURE (Continued)

The BPF processes certain wastewater treatment residuals (biosolids) which is necessary to comply with increasingly stringent environmental regulations that have significantly decreased the number of land application sites available. Prior to August 2009, bulk land application was the primary method of disposing of the biosolids.

The Agreement is for a period of 20 years beginning with the August 1, 2009 operations commencement. Upon the conclusion of the term of the agreement, the BPF will remain the property of SWA with each participating entity owning its share of the BPF, in perpetuity, for the life of the plant. Under accounting principles generally accepted in the United States of America, the District is required to account for this arrangement as a joint venture. Therefore, an asset is reported on the District's financial statements under the caption "Investment in joint venture."

Since the BPF agreement does not state that the participants are to share in the profits and losses of the joint venture, the investment in joint venture account will not be adjusted to reflect the joint venture's results of operations. Rather the investment in joint venture will be amortized using the straight-line method over the 20-year life of the agreement. The District's total operating costs were \$508,391 and \$520,197 for the years ended September 30, 2016 and 2015.

The District's pro rata share of the construction costs is shown as an asset – investment in joint venture – on the statements of net position.

The SWA is responsible for the design, construction, operation, and maintenance of the BPF. On April 12, 2005, the SWA approved a contract with a private company, NEFCO, to design/build/operate the BPF. The District, along with the other participating entities, are in turn responsible for delivering wastewater biosolids to the BPF and for paying their pro rata share of the capital and net operating costs. This provision helps to insure that the BPF venture does not accumulate assets that may result in a financial benefit to the District or cause the District to experience fiscal stress from the BPF.

No separate financial statements are prepared for the BPF, which is reported as part of the SWA operations. Financial statements for the SWA may be obtained at the following address:

Solid Waste Authority
7501 North Jog Road
West Palm Beach, Florida 33412

4) CAPITAL ASSETS

A summary of the District's property, plant, and equipment at September 30, 2016 and 2015 is as follows:

	September 30, 2016			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land and land rights	\$ 854,434	\$ -	\$ -	\$ 854,434
Construction in progress	2,966,011	6,425,298	(4,191,402)	5,199,907
Total capital assets not being depreciated	3,820,445	6,425,298	(4,191,402)	6,054,341
Depreciable capital assets:				
Treatment and disposal system				
Plant	59,422,993	1,308,815	(902,998)	59,828,810
Lakes	1,211,079	-	-	1,211,079
Lines	91,046,213	3,875,715	(156,328)	94,765,600
Lift stations	23,231,424	1,010,890	(350,255)	23,892,059
Equipment	7,839,595	880,976	(729,821)	7,990,750
Total depreciable capital assets	182,751,304	7,076,396	(2,139,402)	187,688,298
Less accumulated depreciation	(81,048,487)	(6,053,955)	1,708,379	(85,394,063)
Depreciable capital assets, net of accumulated depreciation	101,702,817	1,022,441	(431,023)	102,294,235
Total capital assets	\$ 105,523,262	\$ 7,447,739	\$ (4,622,425)	\$ 108,348,576

	September 30, 2015			
	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land and land rights	\$ 854,434	\$ -	\$ -	\$ 854,434
Construction in progress	1,494,374	2,926,637	(1,455,000)	2,966,011
Total capital assets not being depreciated	2,348,808	2,926,637	(1,455,000)	3,820,445
Depreciable capital assets:31				
Treatment and disposal system				
Plant	59,572,574	317,380	(466,961)	59,422,993
Lakes	1,211,079	-	-	1,211,079
Lines	89,524,724	1,619,765	(98,276)	91,046,213
Lift stations	22,726,568	770,748	(265,892)	23,231,424
Equipment	7,398,623	613,018	(172,046)	7,839,595
Total depreciable capital assets	180,433,568	3,320,911	(1,003,175)	182,751,304
Less accumulated depreciation	(75,924,037)	(5,900,000)	775,550	(81,048,487)
Depreciable capital assets, net of accumulated depreciation	104,509,531	(2,579,089)	(227,625)	101,702,817
Total capital assets	\$ 106,858,339	\$ 347,548	\$ (1,682,625)	\$ 105,523,262

4) CAPITAL ASSETS (Continued)

Depreciation expense was \$6,053,955 and \$5,900,000 for the years ended September 30, 2016 and 2015, respectively.

5) CONTRACTS PAYABLE

Construction contracts of the District at September 30, 2016 and 2015 are as follows:

	September 30, 2016			
	Total Project Authorization	Total Expended	Contracts Payable	Balance to Complete
Deep Bed Filters	\$ 10,074,198	\$ 2,848,548	\$ 483,875	\$ 6,741,775
Jupiter Inlet Colony	5,804,724	512,959	52,546	5,239,219
Turtle Creek	751,042	74,028	8,166	668,848
Lift Station Rehabilitations	471,005	257,800	890	212,315
Riverside Improvement Area	348,565	303,195	-	45,370
Maplewood Drive FM Extension	185,380	25,969	158,645	766
Alt A1A Bridge Forcemain Expansion	125,429	25,417	3,166	96,846
Other construction contracts	546,430	300,706	46,729	198,995
Total	\$ 18,306,773	\$ 4,348,622	\$ 754,017	\$ 13,204,134

	September 30, 2015			
	Total Project Authorization	Total Expended	Contracts Payable	Balance to Complete
Deep Bed Filters	\$ 1,469,698	\$ 619,586	\$ 24,002	\$ 826,110
Jupiter Inlet Colony	697,484	354,959	663	341,862
Little/River Oaks	1,828,546	273,732	145,509	1,409,305
Lift Station Rehabilitations	521,392	269,057	120,428	131,907
Riverside Improvement Area	350,000	-	233,565	116,435
Center Street Rehabilitation	155,525	49,321	24,625	81,579
Other construction contracts	222,759	133,468	25,799	63,492
Total	\$ 5,245,404	\$ 1,700,123	\$ 574,591	\$ 2,970,690

6) INTERLOCAL AGREEMENT

The District entered into an Interlocal Agreement for Joint Participation and Project Funding of the Jupiter Inlet Colony Neighborhood Rehabilitation in April 2014. In general, the Interlocal Agreement provides for the installation of a new sanitary sewer system by the District, the replacement of pipes, and related appurtenances, comprising a potable water system by the Village of Tequesta, and certain stormwater drainage and other improvements by the Town of Jupiter Inlet Colony. A single Engineering Services Contract was executed with ARCADIS U.S., Inc. in the amount of \$941,353. Construction and engineering contracts were executed with Giannetti Contracting Corporation in the amount of \$9,351,000. The District's share of the total project authorization is \$5,804,724. Approximately 90% of the District's cost to complete the sanitary sewer system is expected to be recovered by a special assessment on the affected property owners.

7) LONG-TERM LIABILITIES

Changes in long-term liabilities for the year ended September 30, 2016 were as follows:

	September 30, 2016				
	Balance October 1, 2015	Additions	Reductions	Balance September 30, 2016	Due Within One Year
Compensated absences	\$ 794,018	\$ 84,076	\$ 72,000	\$ 806,094	\$ 58,067
	\$ 794,018	\$ 84,076	\$ 72,000	\$ 806,094	\$ 58,067

Changes in long-term liabilities for the year ended September 30, 2015 were as follows:

	September 30, 2015				
	Balance October 1, 2014	Additions	Reductions	Balance September 30, 2015	Due Within One Year
Bonds payable	\$ 2,648,163	\$ -	\$ 2,648,163	\$ -	\$ -
Compensated absences	734,538	85,951	26,471	794,018	75,950
	\$ 3,382,701	\$ 85,951	\$ 2,674,634	\$ 794,018	\$ 75,950

8) RESTRICTED ASSETS, LIABILITIES AND RESTRICTED NET POSITION

Restricted assets and liabilities at September 30, 2016 and 2015 consist of customer deposits. Assets restricted for these purposes represent cash and investments totaling \$138,008 and \$142,455 for the years ended September 30, 2016 and 2015, respectively.

The following is a summary of restricted assets, related liabilities, and restricted net position at September 30, 2016 and 2015:

September 30, 2016	Restricted Assets	Liabilities Payable from Restricted Assets	Restricted Net Position
Customer deposits	\$ 138,008	\$ 138,008	\$ -

September 30, 2015	Restricted Assets	Liabilities Payable from Restricted Assets	Restricted Net Position
Customer deposits	\$ 142,455	\$ 142,455	\$ -

9) PENSION PLAN

The District contributes to the Loxahatchee River Environmental Control District Money Purchase Plan and Trust, a defined contribution pension plan, for its full-time employees. The Plan is administered by an Administrative Committee that reports to the Governing Board. Benefit terms, including contribution requirements, for the Plan are established and may be amended by the Governing Board. The District is required to contribute 12% of annual salary to individual employee accounts for each participating employee. Employees contribute 4% of their eligible compensation. For the years ended September 30, 2016 and 2015, employee

9) PENSION PLAN (Continued)

contributions totaled \$182,479 and \$176,134 and the District's recognized pension expense was \$727,828 and \$703,743, respectively.

Employees are required to participate in the District's mandatory plan after attainment of 18 years of age and completion of one year of continuous service. Employees are fully vested after two years of plan participation. Nonvested contributions are forfeited upon termination of employment and such forfeitures are used to reduce employer contributions. There were forfeitures in the amount of \$4,943 and \$6,521 for the years ended September 30, 2016 and 2015.

The District had a liability to the Plan at September 30, 2016 and 2015 in the amount of \$132,689 and \$158,918, respectively.

10) COMMITMENTS

Service Agreement

The District entered into an agreement with H&H Liquid Sludge Disposal for the hauling and disposal of wastewater sludge to the SWA Pelletization Facility. The contract provides for a fixed rate of \$12.90 per ton. For the years ended September 30, 2016 and 2015, the District paid \$145,020 and \$124,018, respectively.

Purchase Commitments

The District had outstanding purchase orders totaling approximately \$717,160 and \$108,777 for the fiscal years ended September 30, 2016 and 2015, respectively.

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. Specifically, the District purchases commercial insurance for property, medical benefits, worker's compensation, general liability, automobile liability, errors and omissions, and directors and officers liability. The District is also covered by Florida Statutes under the Doctrine of Sovereign Immunity, which effectively limits the amount of liability of government agencies to individual claims of \$200,000/\$300,000 for all claims relating to the same accident. There were no changes in insurance coverage from the prior year and there were no settlements that exceeded insurance coverage in the last three years.

COMPLIANCE SECTION

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

To the Governing Board
Loxahatchee River Environmental Control District
Jupiter, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Loxahatchee River Environmental Control District, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise Loxahatchee River Environmental Control District's basic financial statements, and have issued our report thereon dated February 22, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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



Morrison, Brown, Argiz & Farra, LLC
Palm Beach, Florida

February 22, 2017

INDEPENDENT ACCOUNTANT'S REPORT ON AN EXAMINATION CONDUCTED IN ACCORDANCE WITH AICPA PROFESSIONAL STANDARDS, SECTION 601, REGARDING COMPLIANCE REQUIREMENTS IN ACCORDANCE WITH CHAPTER 10.550, RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

To the Governing Board
Loxahatchee River Environmental Control District
Jupiter, Florida

We have examined Loxahatchee River Environmental Control District's compliance with the requirements of Section 218.415, Florida Statutes during the year ended September 30, 2016. Management is responsible for Loxahatchee River Environmental Control District's compliance with those requirements. Our responsibility is to express an opinion on Loxahatchee River Environmental Control District's compliance based on our examination.

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

In our opinion, Loxahatchee River Environmental Control District complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2016.

This report is intended solely for the information and use of the Legislative Auditing committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, the Governing Board, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Morrison, Brown, Argiz & Farra

Morrison, Brown, Argiz & Farra, LLC
Palm Beach, Florida

February 22, 2017

**MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES
OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA**

To the Governing Board
Loxahatchee River Environmental Control District
Jupiter, Florida

Report on the Financial Statements

We have audited the financial statements of Loxahatchee River Environmental Control District, as of and for the fiscal year ended September 30, 2016, and have issued our report thereon dated February 22, 2017.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

Other Reports

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and the Independent Accountant's Report on an Examination Conducted in Accordance with *AICPA Professional Standards*, Section 601, Regarding Compliance Requirements in Accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports, which are dated February 22, 2017 should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. There were no recommendations made in the preceding annual financial audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this management letter, unless disclosed in the notes to the financial statements. Information regarding the specific legal authority for Loxahatchee River Environmental Control District is disclosed in Note 1 to the Financial Statements.

Financial Condition

Section 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether or not Loxahatchee River Environmental Control District 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 Loxahatchee River Environmental Control District did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

Pursuant to Sections 10.554(1)(i)5.c. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures. It is management's responsibility to monitor Loxahatchee River Environmental Control 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.

Annual Financial Report

Section 10.554(1)(i)5.b. and 10.556(7), Rules of the Auditor General, require that we apply appropriate procedures and report the results of our determination as to whether the annual financial report for Loxahatchee River Environmental Control District for the fiscal year ended September 30, 2016, 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, 2016. In connection with our audit, we determined that these two reports were in agreement.

Special District Component Units

Section 10.554(1)(i)5.d, Rules of the Auditor General, requires that we determine whether or not a special district that is a component unit of a county, municipality, or special district, provided the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we determined that Loxahatchee River Environmental Control District is not a component unit of a county, municipality, or special district and was not required to provide financial information necessary for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

Other Matters

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we address in the management letter any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

Section 10.554(1)(i)3., Rules of the Auditor General, requires that we address noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not have any such findings.

Purpose of this Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Governing Board, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

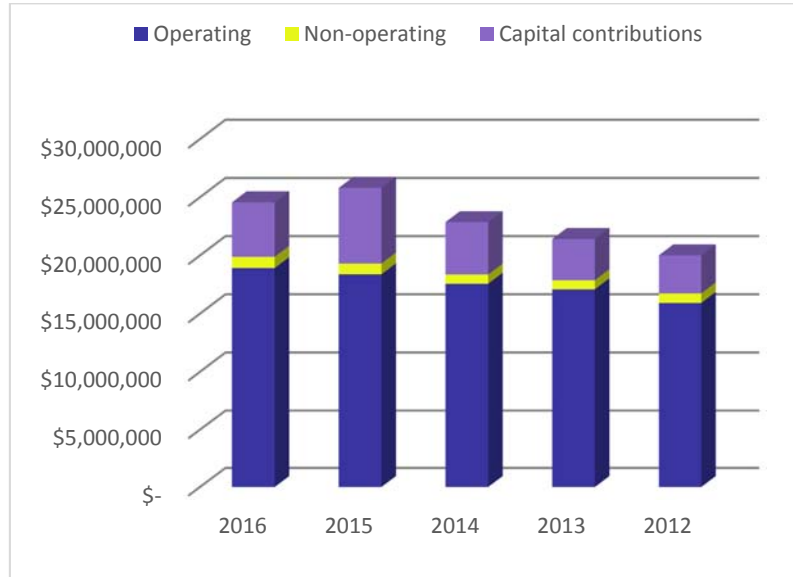


Morrison, Brown, Argiz & Farra, LLC
Palm Beach, Florida

February 22, 2017

REVENUES

The following graph presents revenues (operating, non-operating, and capital contributions) for the last five fiscal years.



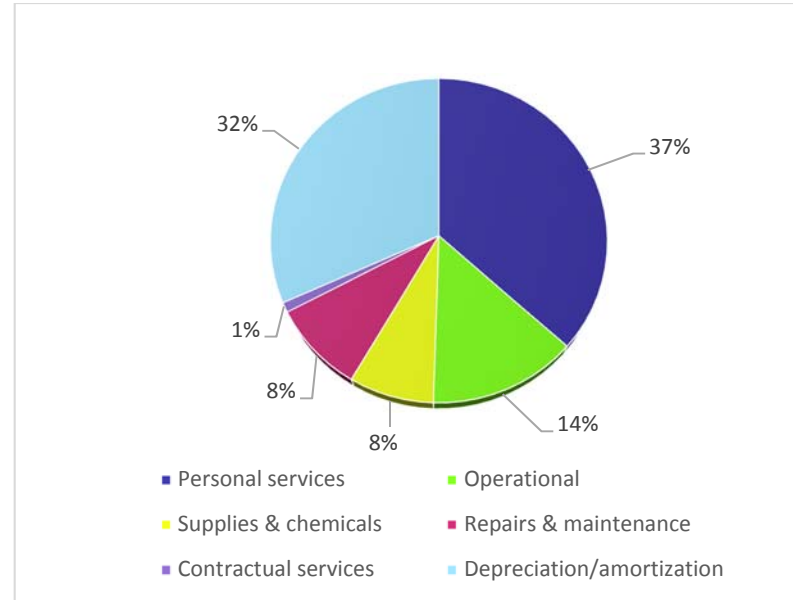
Total operating revenues for the year ended September 30, 2016 were \$18.9 million. This is an increase of approximately \$537,000 (3%) when compared with 2015. The increase is due to the addition of new customers and a full year of the rate increase approved in April 2015.

Non-operating revenues for the year ended September 30, 2016 were approximately \$970,000. This is an increase of \$36,000 (4%) which is mainly attributable to an increase in interest income of \$65,000 and a decrease in grants of \$29,000.

Capital contributions for the year ended September 30, 2016 were \$4.7 million. This is a decrease of approximately \$1.8 million (28%) when compared with 2015. The decrease is due to the completion of major sewerage projects, including Eagles Nest, in 2015.

OPERATING EXPENSES

The following chart presents the operating expenses of the District for the year ended September 30, 2016.



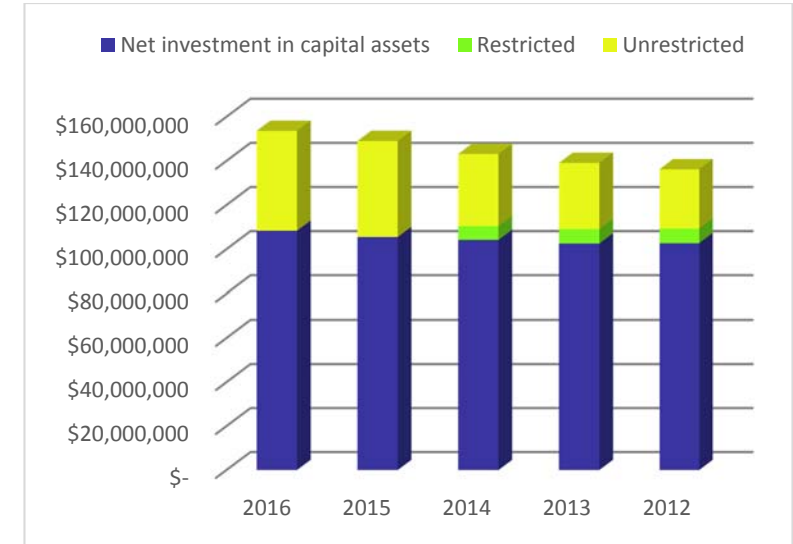
Total operating expenses, including depreciation and amortization, were \$19.6 million which represents an increase of approximately \$302,000 (1.6%) when compared with 2015. Increases in Personal Services (\$249,000), Supplies and Chemicals (\$188,000) and Depreciation Expense (\$154,000) were offset by a decrease in Repairs and Maintenance (\$320,000).

A comparison of operating expenses (without depreciation and amortization) to the budget for 2016 follows:

	Budget	Actual	Variance
Personal services	\$ 7,138,544	\$ 7,183,021	\$ (44,477)
Operational	3,159,290	2,751,449	407,841
Supplies & chemicals	1,581,340	1,538,706	42,634
Repairs & maintenance	2,367,840	1,731,117	636,723
Contractual services	462,900	209,288	253,612
Total	\$14,709,914	\$13,413,581	\$1,296,333

NET POSITION

The following graph presents the net position of the District for the last five fiscal years.



The components of net position (in thousands) for the last five fiscal years are as follows:

	2016	2015	2014	2013	2012
Net investment in capital assets	\$108,349	\$105,523	\$104,210	\$102,545	\$102,753
Restricted	-	-	6,300	6,578	6,577
Unrestricted	45,289	43,504	32,667	29,974	26,921
Total	\$153,638	\$149,027	\$143,177	\$139,097	\$136,251

- In the public sector, net position reflects its accessibility.
- ❖ The net investment in capital assets is not available for future spending, but instead used to provide services to customers.
 - ❖ Restricted net position represents assets set aside pursuant to a legal or contractual arrangement and are not available for future spending.
 - ❖ Unrestricted net position is the remaining portion of net position and is a reflection of the District's financial condition.

Loxahatchee River District

Water Reclamation | Environmental Education | River Restoration

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D. Albrey Arrington, Ph.D., Executive Director

MEMORANDUM

TO: GOVERNING BOARD
 FROM: KARA PETERSON, DIRECTOR OF FINANCE AND ADMINISTRATION
 DATE: MARCH 10, 2017
 SUBJECT: LIABILITY AND WORKERS COMPENSATION INSURANCE

The District’s current Property, General Liability, Automobile Liability and Physical Damage, and Workers’ Compensation insurance policy with *Preferred* Governmental Insurance Trust (*Preferred*) expires on April 30, 2017. Staff has updated the District’s asset and payroll schedules to reflect our current exposures and have submitted these schedules to our insurance broker, Brian Cottrell of Public Risk Insurance Agency. *Preferred* has submitted a two year renewal quote where next year’s premiums will be determined based on updated exposure values for the period and rates will remain unchanged.

Preferred’s renewal quote, on exposures for the period May 1, 2017 to April 30, 2018, is summarized below and provided in detail on the following pages. No changes were made to coverage limits or deductibles.

Insurance	Current Premium	Renewal Premium	Change (\$)	Change (%)
Property	\$ 238,974	\$ 239,862	\$ 888	0.37%
Inland Marine	8,679	8,899	220	2.53%
General Liability	20,090	21,333	1,243	6.19%
Automobile Liability	8,639	8,166	(473)	-5.48%
Automobile Physical Damage	9,014	9,138	124	1.38%
Workers' Compensation	75,577	78,819	3,242	4.29%
	\$ 360,973	\$ 366,217	\$ 5,244	1.45%

Based on information we had at the time, the District budgeted for an 11% increase in insurance costs. The State of Florida approved an overall statewide workers’ compensation increase of 14.5% effective December 1, 2016. *Preferred* has opted not to increase their rates until July 1, 2017, this means the District will lock in a lower premium and save approximately \$21,990 over the next two years (based on our current exposures). There will be an increase in 2020 when we go through the renewal process again. Finally, I would like to point out that this renewal rate is approximately 1% less than what we paid in 2008-2009 for these policies.

At this time, I recommend the Board consider the following motion:

“THAT THE DISTRICT GOVERNING BOARD authorize the Executive Director to accept *Preferred’s* two year renewal quote for Property, General Liability, Automobile Liability and Physical Damage, and Workers’ Compensation.”

Gordon M. Boggie
Board Member

Stephen B. Rockoff
Board Member

Harvey M. Silverman
Chairman

Dr. Matt H. Rostock
Board Member

James D. Snyder
Board Member

Loxahatchee River District

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D. Albrey Arrington, Ph.D., Executive Director

MEMORANDUM

TO: Governing Board

DEPARTMENT: Engineering Services
Kris Dean, P.E.

DATE: March 8, 2017

SUBJECT: Construction Standards Update – March 2017

In April of 1983 the Governing Board approved the District’s first “Manual of Minimum Construction Standards and Technical Specifications”. Since the initial adoption of District standards, that document has been updated from time to time as codes, rules, materials and methods have changed and improved over time. These changes were most recently approved by the Board in January 2016.

On March 8, 2016 Engineering Services updated the Manual of Minimum Construction Standards and Technical Specifications. All updates can be reviewed in the Manual of Minimum Construction Standards and Technical Specifications at the following link.

http://loxahatcheeriver.org/pdf/2016_June_LRD%20Construction%20Standards%20and%20Technical%20Specifications.pdf

A summary of the update is as follows.

1. Table of Contents
 - a. Name revision for Section 113
 - b. Addition of Section 107 - Horizontal Directional Drill
 - c. Addition of Section 114 - 4”-65” High Density Polyethylene Force Main Pipe.
2. Section 1.02.4
 - a. Revised to include electronic submittal requirements for plans.
3. Section 1.04.02
 - a. Revised to include electronic submittal requirements for record drawings.
4. Section 1.04.4
 - a. Revised to include electronic submittal requirements for record drawings.
5. Section 2.07
 - a. Revised to delete heavy wall pipe requirement from manhole to manhole due to a conflict.

Stephen B. Rockoff
Board Member

Dr. Matt H. Rostock
Board Member

Harvey M. Silverman
Chairman

Gordon M. Boggie
Board Member

James D. Snyder
Board Member

6. Section 3.06
 - a. Revised to update easement requirements when residential services cross private property.
7. Section 107 – NEW – Horizontal Directional Drill
8. Section 113
 - a. Revised section name.
9. Section 113.02
 - a. Revised dimensional standards for clarity.
10. Section 114 – NEW – 4”-65” High Density Polyethylene Force Main Pipe
11. Section 130.02
 - a. Revised valve body materials.
12. Section 130.03
 - a. Revised valve body materials.
13. Section 151.04.1
 - a. Revised to update easement requirements when low pressure facilities cross private property.
14. Section 151.09.1
 - a. Updated PVC piping requirements
 - b. Deleted galvanized casing requirement.
 - c. Added HDPE piping specification
15. Section 152
 - a. DRAFT update contingent on Board ratification of the Manual of Minimum Construction Standards and Technical Specifications.
16. Low Pressure Force Main Details Index
 - a. Index updated for new details
17. LP-4
 - a. Revised to allow aluminum pedestal
18. LP-22
 - a. Revised to delete green color requirements
 - b. Updated for HDPE pipe option
19. LP-23
 - a. Revised to delete green color requirements
 - b. Revised for HDPE pipe option
 - c. Revised for reinforcing in concrete collar
20. LP-24
 - a. Revised to delete green color requirements
 - b. Revised for HDPE pipe option
 - c. Revised for reinforcing in concrete collar
21. LP-25
 - a. Revised to delete green color requirements
 - b. Revised for reinforcing in concrete collar
22. LP-25A - New
23. LP-26
 - a. Revised to delete green color requirements
 - b. Revised for reinforcing in concrete collar
24. LP-27

- a. Revised for HDPE pipe option
- 25. LP-28
 - a. Revised for HDPE pipe option
- 26. LP-29
 - a. Revised for HDPE pipe option
 - b. Deleted curb rod requirement
- 27. LP-30
 - a. Revised for HDPE pipe option
- 28. LP-31
 - a. Revised for HDPE pipe option
 - b. Deleted curb rod requirement
 - c. Revised for reinforcing in concrete collar
- 29. SD-21
 - a. Revised to allow additional cast in place manhole adapters
- 30. SD-31
 - a. Revised Angle Pipe Support Detail
 - b. Revised Kamlock fitting size

Therefore, the following motion is recommended for approval:

“THAT THE DISTRICT GOVERNING BOARD ratify and approve the Loxahatchee River Environmental Control District’s “Manual of Minimum Construction Standards and Technical Specifications”, as of March 16, 2017, and authorize the District Engineer and Executive Director to update the Construction Standards and Technical Specifications from time to time, and periodically present it to the Governing Board for ratification and approval.”

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D. Albrey Arrington, Ph.D., Executive Director

MEMORANDUM

TO: GOVERNING BOARD
FROM: D. ALBREY ARRINGTON, Ph.D.
DATE: MARCH 8, 2017
SUBJECT: PROPOSED REVISION OF RULE 31-10 RATES, FEES, CHARGES

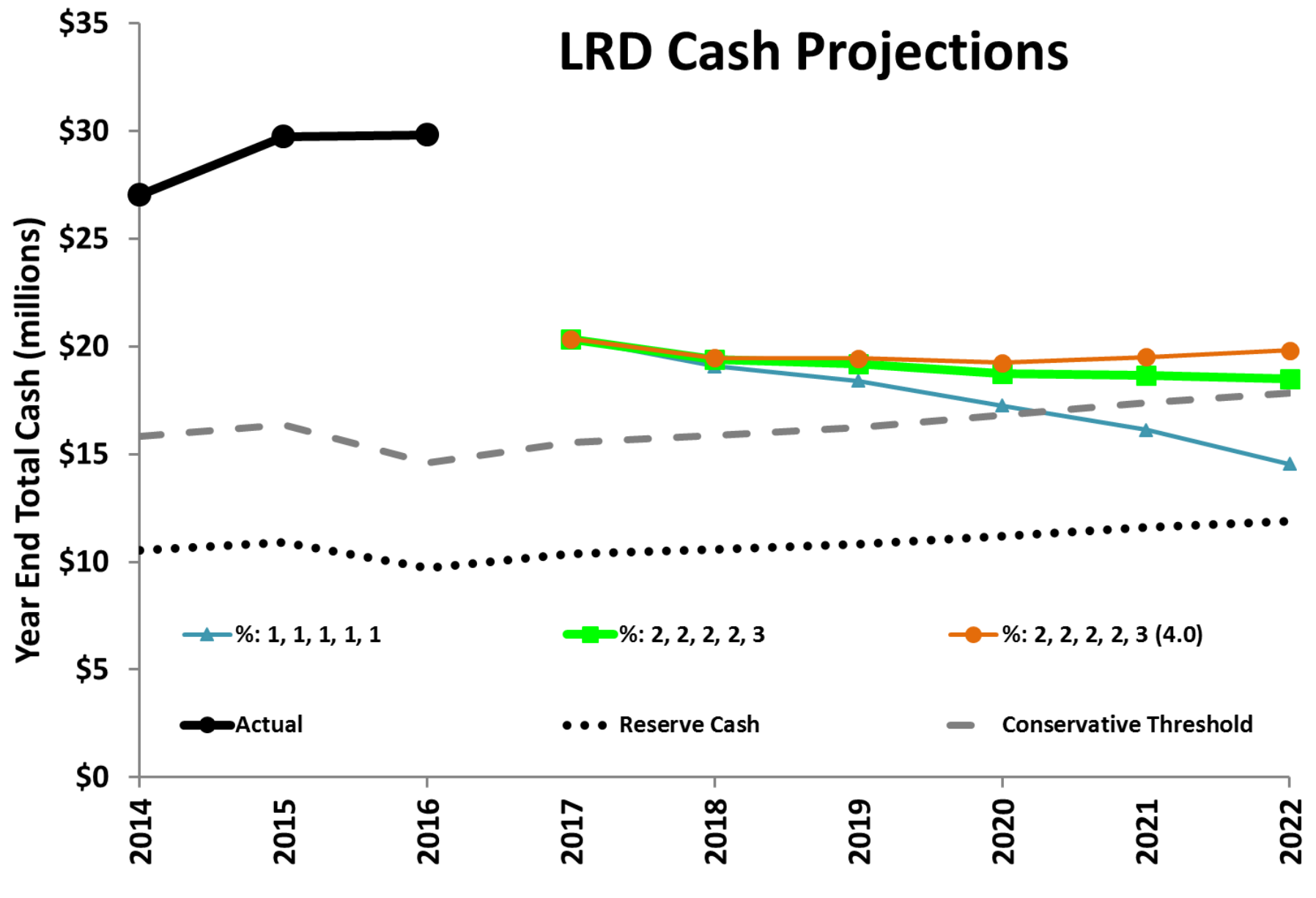
This is the time of year we take action regarding our annual rate study. Through the Rate Study process, your staff looks forward to working with you to maintain both our sound financial position and quality customer service through implementation of a reasonable rate structure.

Last month we discussed, in detail, the multitude of assumptions in the annual Rate Study Model. In general, those assumptions have not changed, but I did update interest rate assumptions so that investments are expected to earn an average weighted return of 1.25% in 2018, 1.5% in 2019, 1.75% in 2020 and 2% in 2021 and beyond.

Results from the Rate Study are presented on the following page. Three scenarios are illustrated:

- **1%, 1%, 1%, 1%, 1%** - a blue line with triangles shows LRD's end of year cash position assuming the Board implements five consecutive 1% rate increases. This scenario results in the LRD's year end cash balance falling below the Conservative Threshold target established by the Board.
- **2%, 2%, 2%, 2%, 3%** - a green line with squares shows LRD's end of year cash position assuming the Board leaves the currently planned 2% rate increase in place for 2017 through 2020, and adopts an expected 3% rate increase for 2021. This scenario represents a 'glide slope' with LRD's year end cash balance slowly declining, but not falling below, the Conservative Threshold target.
- **2%, 2%, 2%, 2%, 3% (4.0)** - an orange line with circles shows LRD's end of year cash position assuming the Board leaves the currently planned 2% rate increase in place for 2017 through 2020, and adopts an expected 3% rate increase for 2021. These are the same increases as the scenario above, but this scenario also assumes we reduce our long-term estimate of operating expense increases from 4.5% to 4.0%. From 2010 to 2016 these costs actually increased at a compounded rate of 4.55%. So, this scenario may be somewhat overly optimistic.
- The chart on the following page also includes the following:
 - Solid black line – Actual year end cash balance for FY2014 through FY2016
 - Dotted black line – Reserve Cash amount is equal to the LRD's restricted cash (approximately \$6.5M) plus 4 months of operating expenses.
 - Dashed grey line – Conservative Threshold was established by the Board as 150% of our Reserve Cash, and represents a mutually agreed upon target minimum year end cash balance to safeguard the LRD's long-term financial resiliency and stability.

LRD Cash Projections



Presently, Chapter 31-10 includes 2% annual rate increases for the years 2017 through 2020. Given the model results presented above, I believe we can maintain these relatively low rate increases, and I suggest a 3% rate increase in 2021. I believe this planned rate structure provides a stable sequence of relatively low rate increases. Therefore, when drafting the revised LRD Rule Chapter 31-10 (see attached), I have left the 2% annual rate increases for the period 2017, 2018, 2019, and 2020, and I have added a 3% rate increase for 2021.

I look forward to further discussing this year's Rate Study Model results and enacting a rate increase sequence that maintains the LRD's sound financial position while seriously considering the impacts of such rate increases on our customers. Of course, as future uncertainties are better understood we will have the opportunity to incrementally adjust our rates as needed.

I have attached a red-lined version of Chapter 31-10, Rates, Fees, and Charges. Proposed revisions include:

- ✓ 31-10.005 Plan Connection Charges, Regional Transmission System Line Charges, Administrative Charges revised to add 3% rate increase in 2021;
- ✓ 31-10.005(5a) Subregional Transmission System Line Charges for Western Indiantown Road: the rate is increased based upon the annual increase in the Engineering News Record Construction Cost Index ("CCI") published in the March edition of each year. Staff have revised the rule to show this increase (1% increase in the Western Indiantown Road Subregional Line Charge commencing April 1, 2017); and
- ✓ 31-10.007 Quarterly Service Charges for Sewer Service: revised to add 3% rate increase in 2021.

Your staff takes pride in providing excellent service to our rate payers. We understand your strong desire to operate efficiently while providing award-winning service. We look forward to discussing the rate study with you, and answering any questions you may have.

The following motion is offered for consideration:

“THAT THE DISTRICT GOVERNING BOARD approve the revised Rule Chapter 31-10 as presented, adding a 3% rate increase for Plan Connection Charges, Regional Transmission System Line Charges, Administrative Charges, and Quarterly Service Charges for Sewer Service effective April 1, 2021, and including the updated Subregional Transmission System Line Charge effective April 1, 2017.”

RULES
OF THE
LOXAHATCHEE RIVER
ENVIRONMENTAL CONTROL DISTRICT
CHAPTER 31-10
SCHEDULE OF RATES, FEES AND CHARGES
FOR THE USERS OF THE REGIONAL WASTEWATER SYSTEM

- 31-10.001 Definitions.
- 31-10.002 Residential Equivalent Connections.
- 31-10.003 Non-Residential Equivalent Connections.
- 31-10.004 Application for Sewer Service.
- 31-10.005 Plant Connection Charges, Regional Transmission System Line Charges, Administrative Charges, and Subregional Line Charges for Residential and Non-Residential Units.
- 31-10.006 Special Assessments
- 31-10.007 Quarterly Service Charges for Sewer Service.
- 31-10.008 Determination of Equivalent Connections.
- 31-10.009 Responsibility for Payment and Enforcement of Collections.
- 31-10.010 Payment of Certain Rates, Fees and Charges; Developer Agreement.
- 31-10.011 Connection to Sewer Required.
- 31-10.012 Exceptions to the Payment of Connection Charges.
- 31-10.013 Irrigation Quality Water User; Rates, Fees and Charges for Irrigation Quality Water Services; Irrigation Quality Water Agreements.
- 31-10.014 Low Pressure Pump Unit Delivery Procedures & Delivery Charge.

31-10.001 Definitions.

(1) Equivalent Connections – The term “equivalent connections” shall be a multiple factor determined by the amount of toilets (water closets) per individual residential and non-residential unit, the estimated public usage or average flow of wastewater per day, or a combination of the above which may be connected with or used by each parcel of land which may be connected with or used by the regional wastewater system of the District, as more particularly set forth in Sections 31-10.002 and 31-10.003 herein.

(2) Residential Unit – Residential Unit shall consist of a residential living unit or structure directly or indirectly connected to the regional wastewater system of the District including but not limited to single family dwelling, detached guest house with toilet, detached living structure with toilet and kitchen sink, and each separate living unit of duplexes, apartment houses, townhouses, condominiums and cooperative apartments.

(3) Non-residential Unit – Non-residential unit shall consist of a non-residential building or structure connected to the regional wastewater system of the District including, but not limited to, hotels, motels and boarding houses, wholesale and retail businesses, professional offices, schools, warehouses (including each individual bay) and without limitation all other buildings and structures of a commercial, public or quasi-public nature. Where appropriate, multiple buildings may be considered as a single Non-residential unit as determined by the District.

(4) Regional Wastewater System – The term “Regional Wastewater System” means any plant, facility or property; and additional extensions, and improvements thereto at any future time constructed or acquired as part thereof, useful or necessary, or having the capacity for future use in connection with the collection, transmission, treatment, purification or disposal of sewage of any nature or originating from any source, including industrial wastes resulting from any processes of industry, manufacture, trade or business, or from the development of any natural

resources; and without limiting the generality of the foregoing definition, shall include treatment plants, pumping stations, lift stations, valves, force mains, intercepting sewers, laterals, pressure lines, mains and all necessary appurtenances and equipment; all sewer mains and laterals for the reception and collection of sewage from premises connected therewith; and shall include all real and personal property and any interest therein, rights, easements and franchises of any nature whatsoever relating to any such sewer system and necessary or convenient for the operation thereof, of the District.

(5) Transmission System Master Plan – Report on “Wastewater Collection System Master Plan” for the District dated February 1981 or the latest updated version of the report approved by the Governing Board of the District. The report contains maps and describes those transmission mains, pump stations, lift stations, gravity collectors and interceptors, which constitute the facilities of the regional transmission system.

(6) Regional Transmission Facility – Regional transmission facilities consist of transmission lines, force mains, gravity interceptors, lift stations or pump stations which collect wastewater from two or more sub-regions and transport the wastewater to the District treatment plant. The regional transmission facilities size and location are described in the latest transmission master plan or amendments to the regional transmission master plan.

(7) Subregional Collection Facilities – Consist of neighborhood gravity collection lines, collection man holes, force mains, lift stations and pump stations intended primarily to collect and transport wastewater from the subregional system to the regional transmission facility.

(8) Capital Cost – Capital cost of regional transmission facilities shall consist of construction cost plus an allowance for associated cost. Construction costs include, but are not limited to, the cost of installation of pipelines, special fittings, valves, pumps, appurtenances and the cost of acquiring permanent and construction right-of-ways and easements. Allowances for

associated costs include engineering services, legal, fiscal, contingencies and administrative cost. In no event will the allowance for associated cost exceed 25 percent of the construction cost.

(9) Plant Connection Charge – The Plant Connection Charge shall be defined as the charge which shall be paid for each equivalent connection, prior to connecting to the regional wastewater system of the District, and credit for which shall run with and be appurtenant to the land. The Plant Connection Charge shall be due and payable prior to the time connection is made to the system. Credit for the Plant Connection Charge, once paid is not transferable except upon approval of the District upon such terms as the District may make. Plant Connection Charges are determined as set forth hereafter in this rule and may be changed from time to time in accordance with the law

(10) Regional Transmission System Line Charge – The District shall collect from each user that directly or indirectly physically connects to the District’s regional wastewater system from and after the effective date hereof, and from those owners of property that have made a direct or indirect physical connection to any such regional wastewater system facility prior to the effective date of this rule and who have agreed to pay a Regional Transmission System Line Charge when same is adopted. Regional Transmission System Line Charges are determined as set forth hereafter in this rule and may be changed from time to time in accordance with the law.

(11) Administrative Charge – The Administrative Charge shall be defined as the charge to offset administrative, legal, engineering, and inspection expenses associated with new development and which shall be paid for each equivalent connection prior to signing a Standard Developer Agreement or prior to connecting to the District’s regional wastewater system, whichever comes first. Administrative Charges are determined as set forth hereafter in this rule, are not refundable, and may be changed from time to time in accordance with the law.

(12) Available Sewer System of the District – For purposes of this rule, a District sewer system shall be considered “available” to an owner whenever a District sub-regional

collection line or other point of District sewerage collection shall be 100 feet (100') or less away from owner's property line as measured from said property line to the point of sewerage collection without crossing the private property of another than owner, and in accordance with District Rule 31-3.003(3) and Florida Statutes 381.0065(2)(a) when the Florida Department of Health releases the system for service, which is the date of actual "Availability".

(13) District – The term "District" shall apply to the Loxahatchee River Environmental Control District, a separate local agency of government created by a special act of legislation, Chapter 71-822, Laws of Florida, as amended.

(14) Reserve Service Availability – The term "Reserve Service Availability" shall be defined as the right of an owner to receive sewer service in the regional wastewater system of the District upon reasonable demand.

(15) Quarterly Service Charge – The term "Quarterly Service Charge" shall be defined as the periodic charge which shall be paid for each equivalent connection commencing when the equivalent connection is connected to the Regional Wastewater System of the District, or within one year of the time the connection is available, whichever occurs first, and shall be billed in advance. Quarterly Service Charges are determined as set forth hereafter in this rule and may be changed from time to time in accordance with the law.

(16) Quarterly Service Availability Standby Charge – The term "Quarterly Service Availability Standby Charge" shall be defined as the periodic charge which shall be paid for each equivalent connection, commencing upon the signing of a Standard Developer Agreement, and shall be computed at the rate of 68% of the Quarterly Service Charge per equivalent connection as the latter may be changed from time to time in accordance with the law.

(17) Estoppel Fee – The Estoppel Fee shall be defined as the charge to offset administrative and legal expenses associated with providing information to parties requesting the status in writing for justifiable reliance purposes as to rates, fees and charges due to the District for

a specific property. An Estoppel Fee is determined at \$25.00 per Estoppel letter provided by the District and may be changed from time to time in accordance with the law.

(18) Owner – An Owner shall be defined as the legal owner of a property served by the District. Where appropriate, the District may treat a Property Owners Association, Homeowners Association, Property Manager, or other legally authorized representative of the Owner as the Owner (e.g., regarding billing and other communications).

(19) Delinquent Quarterly Service Charge for Sewer Service – A Quarterly Service Charge for Sewer Service shall be delinquent if not paid during the service period.

Specific Authority Chapter 71-822, Special Acts of Florida, 1971, as amended by Chapters 75-475, 76-431, 78-559 and 78-561, Laws of Florida. Law Implemented Chapter 71-822, Section 6(8) and (11), and Section 8; and Sections 6(9), (12) and (27) as amended by Chapter 76-429. History – New 12-9-76, Amended 9-26-78, 5-21-81, 3-15-2012, 3-20-2014, 3-19-2015, 6-18-2015, 3-17-2016. Formerly 31-10.01.

31-10.002 Residential Equivalent Connections

(1) Residential equivalent connections for the purpose of determining Plant Connection Charges, regional transmission system Line Charges, Administrative Charges, and Quarterly Service Charges and such other reasonably related purposes, shall be as follows:

- (a) One (1) toilet (water closet) equals 1.000 equivalent connections.
- (b) Two (2) toilets (water closets) equals 1.250 equivalent connections.
- (c) Three (3) toilets (water closets) equals 1.500 equivalent connections.
- (d) Four (4) or more toilets (water closets) equals 1.750 equivalent connections.

(2) Nurseries/Day Care Centers shall have residential equivalent connections for purposes of Plant Connection Charges, Regional Transmission System Line Charges, Administrative Charges, Quarterly Service Availability Standby Charges, and Quarterly Service Charges, and shall be based on the rate of 1.0 residential equivalent connection per 550 square feet of gross space.

(3) Live/Work Units (as such zoning designation is approved, determined and defined by the local zoning authority) shall have residential equivalent connections for purposes of Plant Connection Charges, Regional Transmission System Line Charges, Administrative Charges, Quarterly Service Availability Standby Charges, and Quarterly Service Charges based upon two components: (i) The Residential (“Live”) component based upon the number of toilets in the entire Live/Work Unit shall have the number of equivalent connections as set forth in subsection (1) above plus (ii) the Limited Non-Residential (“Limited Work Unit”), defined as the uses total gross floor area does not exceed 500 square feet, component shall be deemed to be an additional .50 equivalent connections, or (iii) the Standard Non-Residential (“Standard Work Unit”), defined as the uses total gross floor area exceeds 500 square feet, component shall be deemed to be an additional 1.0 equivalent connections.

TYPE OF USE	EQUIVALENT CONNECTIONS
Residential Unit with 1 toilet	1.0
Residential Unit with 2 toilets	1.25
Residential Unit with 3 toilets	1.50
Residential Unit with 4 or more toilets	1.75
Nurseries/Day Care	1.0/550 square feet
Limited Live/Work Unit (500 sq. ft. or less of work use) as designated by zoning authority	0.5/unit
Standard Live/Work Unit (more than 500 sq. ft. of work use) as designated by zoning authority	1.0/unit

Specific Authority Chapter 2002-358, Laws of Florida, Law Implemented Chapter 2002-358, Laws of Florida , Sections 6(8) and (11), and Section 8; and Sections 6(9), (12) and (27). History-New 12-9-76, Amended 9-26-78, 5-21-81, 6-30-85, 11-1-98, Formerly 31-10.02. Amended 3-17-2005, 3-16-2006, 3-15-2012, 3-20-2014, 6-18-2015.

31-10.003 Non-Residential Equivalent Connections.

(1) For the purpose of determining Plant Connection Charges, Regional Transmission System Line Charges, Administrative Charges, Quarterly Service Availability

Standby Charges, Quarterly Service Charges and such other reasonably related purposes, equivalent connections for non-residential units shall consist of the highest number of equivalent connections reflected in subsections (a) and (b) below or in accordance with calculations derived from use of subsection (c) below (if applicable), or if (a), (b) or (c) are not applicable as determined by the Governing Board, then by (d) below:

- (a) A minimum of one (1) equivalent connection per non-residential unit, as defined herein; or
- (b) One (1) equivalent connection per toilet (water closet); or
- (c) Equivalent connections in accordance with the following non-residential businesses, occupations and uses, based upon the maximum occupancy per fire code design where applicable:

TYPE OF USE	EQUIVALENT CONNECTIONS
Tavern (Bar)	.04/seat
Restaurant (regular)	.06/seat
Restaurant (24 hours)	.10/seat
Trailer Park and Mobile Home Park	1/space
Hotel/Motel (no Bar or Restaurant)	1.0/unit + 1.0 per common area and/or employee toilet Bar/Restaurant calculated separately
Hospital	.80/bed + 1.0 per common area and/or employee toilet
Nursing/Rest Home	.40/bed + 1.0 per common area and/or employee toilet
Assisted Living Facility / Adult Congregate Living Facility	.575/bed + 1.0 per common area and/or employee toilet
High School and Middle School	.08/pupil
Elementary School and Pre-School	.06/pupil
Office Buildings	.75/1000 sq. ft. (Gross Bldg. Area) or 1.0 per toilet whichever is greatest

Large Single Use Retail (>20,000 sq. ft.)	.50/1000 sq. ft. (Gross Bldg. Area) or 1.0 per toilet whichever is greatest
Laundromats	1.1/washing machine
Recreational Vehicle (RV) Park	0.75/Recreational Vehicle Space + 1.0 per common area and/or employee toilet
Swimming Pool Backwash Discharge	0.1/3,000 gallons
Elevator Sump	0.5/sump
Marina pump out station	1.0/pump out station
Public toilets in parks	1/toilet
Quasi-public toilets e.g., community recreation areas	1/toilet

or, (d) As may be designated by motion of the Governing Board of the District upon presentation of good and sufficient evidence to merit other specific determination.

Specific Authority Chapter 2002-358, Laws of Florida. Law Implemented Chapter 2002-358, Sections 6(8) and (11), and Section 8, and Sections 6(9), (12) and (27). History-New 12-9-76, Amended 6-25-78, 9-26-78, 5-21-81, 4-25-84, 6-30-85. Formerly 31-10.03. Amended 3-23-00, 3-17-05, 3-16-06, 03-18-10, 3-20-2014, 6-18-2015, 3-17-2016.

31-10.004 Application for Sewer Service.

An application for sewer service shall be made by the legal owner of the property (hereinafter referred to as the "Owner"). Before any Owner receives sewer service from the District, the Owner shall submit an application to the District on a form created by the District for such purpose. The application shall be submitted to the District's Customer Service Department. The Owner shall pay any outstanding and/or delinquent fees and charges owed to the District for the subject property as a condition of the Application for Sewer Service being complete.

The Fair and Accurate Credit Transaction Act of 2003 requires that the District obtain positive identification from Owner requesting utility service. Therefore, all new Owners shall submit an application for sewer service in person, and provide proper personal identification and proof of ownership of the property at which sewer service is desired. The District may accept telephone or electronic orders for utility service from existing customers (i.e., those Owners with

an active District account) provided that the Owner provides the District proper personal identification (driver's license number or state identification card number) that matches the previous information in the Owner's record and proof of ownership of the property at which service is desired.

The receipt of an application by the District does not constitute a guarantee of sewer service.

Specific Authority Chapter 71-822, Special Acts of Florida, 1971, as amended. Law Implemented Chapter 71-822, Section 6(9) and (11). History - New 12-9-76. Repealed 12-12-78, Formerly 31-10.04. New 3-19-2015 as to Application for Sewer Service.

31-10.005 Plant Connection Charges, Regional Transmission System Line Charges and Subregional Line Charges for Residential and Non-Residential Units.

(1) Plant Connection Charges, Regional Transmission System Line Charges and Subregional Line Charges (where applicable) for Residential and Non-Residential units for the use of and the services and facilities to be furnished by the Regional Wastewater System of the District shall be paid by the owner of each lot or parcel of land which may be connected with or used by such system or systems of the District.

(2) Effective 1 April 1981, all residential and non-residential Plant Connection Charges and Regional Transmission System Line Charges shall be based on the schedules in effect at the time of service contractual commitment by the District as listed below:

PLANT CONNECTION CHARGES

- ~~1 April 2016 thru 31 March 2017 - @ \$1,947 per E.C.~~
- 1 April 2017 thru 31 March 2018 - @ \$1,986 per E.C.
- 1 April 2018 thru 31 March 2019 - @ \$2,026 per E.C.
- 1 April 2019 thru 31 March 2020 - @ \$2,067 per E.C.
- 1 April 2020 thru 31 March 2021 - @ \$2,108 per E.C.

1 April 2021 thru 31 March 2022 - @ \$2,171 per E.C.

REGIONAL TRANSMISSION SYSTEM LINE CHARGES

~~1 April 2016 thru 31 March 2017 - @ \$645 per E.C.~~

1 April 2017 thru 31 March 2018 - @ \$658 per E.C.

1 April 2018 thru 31 March 2019 - @ \$671 per E.C.

1 April 2019 thru 31 March 2020 - @ \$684 per E.C.

1 April 2020 thru 31 March 2021 - @ \$698 per E.C.

1 April 2021 thru 31 March 2022 - @ \$719 per E.C.

ADMINISTRATIVE CHARGES

~~1 April 2016 thru 31 March 2017 - @ \$135.51 per E.C.~~

1 April 2017 thru 31 March 2018 - @ \$138.22 per E.C.

1 April 2018 thru 31 March 2019 - @ \$140.98 per E.C.

1 April 2019 thru 31 March 2020 - @ \$143.80 per E.C.

1 April 2020 thru 31 March 2021 - @ \$146.68 per E.C.

1 April 2021 thru 31 March 2022 - @ \$151.08 per E.C.

Said commitment of service shall not exceed those total capacity limitations as authorized for commitment by the Governing Board of the District. The full amount of the Regional Transmission System Line Charges and Administrative Charges shall be due and payable in cash (or by contract to provide capital costs and to construct certain portions of the Regional Transmission System) at the time commitment of service is made.

(3) Notwithstanding Section 31-10.005 (2) above, effective 1 April 1995, those properties having (or which previously had) buildings or structures having certificates of occupancy prior to 1 April 1981, shall pay the full Plant Connection Charge established in Section 31-10.005(2) less a subsidy of Five Hundred (\$500.00) Dollars, provided they are paid for and connected to the Regional Sewer System within one year of the time that lines serving said property are formally declared available by the Governing Board of the District. Notwithstanding Section 31-10.005 (2) above, the Plant Connection Charge for those buildings or structures having certificates of occupancy prior to notice of sewer availability, can be financed using the District's Installment Agreement method of collection over three (3) years at 8.0% interest, with no prepayment penalty. Should any structure or building not be paid for or financed using the District's Installment Agreement and connected to the District's system within one year of the time that the line serving said property is formally declared available by the District's Governing Board, it will at the time of connection pay full Plant Connection Charges, Regional Transmission System Line Charges, and Administrative Charges as are applicable to new construction at time that connection is made regardless of the date of certificate of occupancy.

(4) Those buildings or structures with existing contracts for service with the District as of the effective date hereof shall pay Plant Connection Charges and, where applicable Regional Transmission System Line Charges and Administrative Charges of the amounts indicated in those contracts that are to be paid for capital improvement charges, and such Plant Connection Charges and, where applicable Regional Transmission System Line Charges and Administrative Charges shall not be subject to increase.

(5) Subregional Line Charges. The District may, based on environmental public welfare, engineering and/or financial considerations, construct and extend Subregional Collection Facilities to Existing Residential and/or non-residential properties. The District shall collect the costs of extending the Subregional Collection Facilities through the apportionment of

the Costs to each of the benefited properties. Such charges shall be payable commencing when the equivalent connection is connected to the Regional Wastewater System of the District, or within one year of the time the connection is available, whichever occurs first.

(5)(a) Western Indiantown Road Subregional Collection Facilities: Subregional Transmission System Line Charges for the Western Indiantown Road Subregional Collection Facilities shall be based on the schedules in effect at the time of service contractual commitment by the District as listed below:

SUBREGIONAL TRANSMISSION SYSTEM LINE CHARGES for Western Indiantown Road:

The rate of the District shall be \$~~1,700.31~~1,717.31 per E.C. through March 31, ~~2017~~2018. Commencing April 1, ~~2018~~2017 and thereafter, the Western Indiantown Road Subregional Line Charge shall increase based upon the annual increase in the Engineering News Record Construction Cost Index (“CCI”) published in the March edition of each year.

Said commitment of service shall not exceed those total capacity limitations as authorized for commitment by the Governing Board of the District. The full amount of the Subregional Line Charges shall be due and payable in cash (or by contract to provide capital costs and to construct certain portions of the Subregional Transmission System) at the time commitment of service is made. Those buildings or structures having certificates of occupancy prior to January 20, 2012, the date this transmission system line was deemed available, may finance this Subregional Line Charge over twenty (20) years at 6.875% interest, with no pre-payment penalty, to be collected by Non-Ad Valorem tax roll.

Specific Authority Chapter 71-822, Special Acts of Florida, 1971, as amended, and Florida Statutes 381.00655. Law Implemented Chapter 71-822, Section 6(8) and (11), and Section 8; and Sections 6(9), (12) and (27) as amended by Chapter 76-429. History - New 12-9-76, Amended, 9-26-78, 12-12-78, 5-21-81, 5-24-82, 4-24-83, 4-25-84, 6-30-85, Formerly 31-10.05. Amended 6-30-86, 5-4-87, 4-17-88, 5-3-89, 5-13-90, 5-7-92, 5-9-93, 5-9-94, 5-19-96, 7-14-97, 11-1-98, 6-22-99, 3-23-00, 3-15-01, 3-21-02, 3-20-03, 3-18-04, 3-17-05, 3-16-06, 3-15-07, 3-20-08, 3-19-09, 3-18-10, 3-17-11, 3-15-2012, 6-21-2012, 3-21-2013, 3-20-2014, 3-19-2015, 3-17-2016, 3-16-2017.

31-10.006 Special Assessments.

Special Assessments for residential and non-residential use of and the services and facilities to be furnished by the Regional Wastewater System of the District shall consist of those special assessments approved, set, and levied by the Governing Board of the District on the basis of the total cost to the District of construction, reconstruction, labor, materials, acquisition, property rights, surveys, design, engineering, legal, administration, operation, maintenance, and all other expenses necessary or incidental to completion of the specially assessed improvements, and are due and payable with interest at the time of transfer of the underlying real property for consideration as an at-arms-length transaction, unless transferred to the real estate tax bill for the property as a continuing obligation of the property until paid in full.

Specific Authority Chapter 71-822, Special Acts of Florida, 1971, as amended, and Florida Statutes 381.00655. Law Implemented Chapter 71-822, Section 6(8) and (11), and Section 8; and Sections 6(9), (12) and (27) as amended by Chapter 76-429. History - New 12-9-76, Amended, 9-26-78, 12-12-78, 5-21-81, 5-24-82, 4-24-83, 4-25-84, 6-30-85, Formerly 31-10.05. Amended 6-30-86, 5-4-87, 4-17-88, 5-3-89, 5-13-90, 5-7-92, 5-9-93, 5-9-94, 5-19-96, 7-14-97, 11-1-98, 6-22-99, 3-23-00, 3-15-01, 3-21-02, 3-20-03, 3-18-04, 3-17-05, 3-16-06, 3-15-07, 3-20-08, 3-19-09, 3-18-10, 3-17-11. 3-15-2012.

31-10.007 Quarterly Service Charges for Sewer Service.

(1) Quarterly Service Charges shall be payable by the owner commencing when the equivalent connection is connected to the Regional Wastewater System of the District, or within one year of the time the connection is available, whichever occurs first, and shall be billed in advance. Notwithstanding any other provision of this section, an owner that has established a tenant as the bill recipient for the Quarterly Service Charge prior to April 1, 2015 may continue to have the established tenant listed as the bill recipient for the Quarterly Service Charge until such time as that tenant relationship changes.

(a) The Quarterly Service Charge for Residential Units shall be:

~~For the period of 1 April 2016 thru 31 March 2017 - \$53.53 per E.C.~~

For the period of 1 April 2017 thru 31 March 2018 - \$54.60 per E.C.

For the period of 1 April 2018 thru 31 March 2019 - \$55.69 per E.C.

For the period of 1 April 2019 thru 31 March 2020 - \$56.81 per E.C.

For the period of 1 April 2020 thru 31 March 2021 - \$57.94 per E.C.

For the period of 1 April 2021 thru 31 March 2022 - \$59.68 per E.C.

(b) The Quarterly Service Charge for Non-residential Units shall be as follows:

~~For the period of 1 April 2016 thru 31 March 2017—\$6.11 per thousand gallons of metered Water usage;~~

For the period of 1 April 2017 thru 31 March 2018 - \$6.23 per thousand gallons of metered Water usage;

For the period of 1 April 2018 thru 31 March 2019 - \$6.36 per thousand gallons of metered Water usage;

For the period of 1 April 2019 thru 31 March 2020 - \$6.48 per thousand gallons of metered Water usage;

For the period of 1 April 2020 thru 31 March 2021 - \$6.61 per thousand gallons of metered Water usage;

For the period of 1 April 2021 thru 31 March 2022 - \$6.74 per thousand gallons of metered Water usage;

provided that the minimum Quarterly Service Charge for Non-residential Units shall be as follows:

~~For the period of 1 April 2016 thru 31 March 2017—\$73.25~~

For the period of 1 April 2017 thru 31 March 2018 - \$74.72

For the period of 1 April 2018 thru 31 March 2019 - \$76.21

For the period of 1 April 2019 thru 31 March 2020 - \$77.73

For the period of 1 April 2020 thru 31 March 2021 - \$79.29

For the period of 1 April 2021 thru 31 March 2022 - \$80.88

For Non-residential Units that do not have a metered water supply or that have not established a minimum of 1 month of water use history, and certain other uses (e.g.,

elevator sump; pool backwash; public toilets in parks; marina pump out station) the Quarterly Service Charge shall be a flat rate of:

~~For the period of 1 April 2016 thru 31 March 2017 — \$73.25 per E.C.~~

For the period of 1 April 2017 thru 31 March 2018 - \$74.72 per E.C.

For the period of 1 April 2018 thru 31 March 2019 - \$76.21 per E.C.

For the period of 1 April 2019 thru 31 March 2020 - \$77.73 per E.C.

For the period of 1 April 2020 thru 31 March 2021 - \$79.29 per E.C.

For the period of 1 April 2021 thru 31 March 2022 - \$80.88 per E.C.

(2) The Quarterly Service Availability Standby Charge shall be due and payable for each equivalent connection reserving service availability, commencing upon the reserving of service availability and shall continue to be owing for each quarter and paid promptly upon billing in the manner as provided for the Quarterly Service Charge thereafter until payment of the Plant Connection Charge. The amount of the Quarterly Service Availability Standby Charge shall be 68% of the Quarterly Service Charge which is set based upon the fixed expenses incurred by the District in operating the plant and the Regional Wastewater System excluding the variable costs related to the amount of sewerage processed.

- (a) A prepayment of twelve (12) months Service Availability Standby Charges will be required commencing upon the reserving of service availability in addition to the Quarterly Service Availability Standby Charge which shall be prepaid quarterly.
- (b) At the time Plant Connection Charges become due and payable ten and one half (10.5) months of the twelve (12) months of prepaid Service Availability Standby Charges shall be credited to the Plant Connection Charges.

Specific Authority Chapter 71-822, Special Acts of Florida, 1971, as amended and Florida Statutes 381.00655. Law Implemented Chapter 71-822, Section 6(8) and (11), and Section 8; and Sections 6(9), (12) and (27) as amended by Chapter 76-429. History - New 12-9-76, Amended 6-25-78, 9-26-78, 12-12-78, 11-28-79, 5-21-81, 5-24-82, 10-12-82, 4-24-83, 5-24-84, 6-30-85, Formerly 31-10.07. Amended, 6-30-86, 5-4-87, 4-17-88, 5-3-89, 5-13-90, 5-12-91, 5-7-92, 5-10-

93, 5-7-94, 5-7-95, 5-19-96, 7-14-97, 11-1-98, 6-22-99, 3-23-00, 3-15-01, 3-21-02, 3-20-03, 3-18-04, 3-17-05, 3-16-06, 3-15-07, 3-20-08, 3-19-09, 3-18-10, 3-17-11, 3-15-2012, 3-21-2013, 3-20-2014, 3-19-2015, 6-18-2015, 3-17-2016, 3-16-2017.

31-10.008 Determination of Equivalent Connections.

Each owner of each lot or parcel of land which may be connected to the regional wastewater system of the District shall first determine the amount of equivalent connections to the owner's lot or parcel of land and produce proof of the same to the satisfaction of the District. Failure to produce proof to the District shall result in a determination by the District that the owner of each residential lot or parcel which may be connected to the regional wastewater system shall be charged the rates, fees and charges of the District based upon 1.75 equivalent connections, and the owner of each non-residential lot or parcel which may be connected to the regional wastewater system shall be charged the maximum rates, fees and charges of the District based upon the best information practically available to the District as determined by the District.

Specific Authority Chapter 71-822, Special Acts of Florida, 1971, as amended. Law Implemented Chapter 71-822, Section 6(8) and (11), and Section 8; Sections 6(9), (12) and (27) as amended by Chapter 76-429. History - New 12-9-76. Amended 9-26-78, Formerly 31-10.08, Amended 3-15-2012, 3-19-2015.

31-10.009 Responsibility for Payment and Enforcement of Collections and Foreclosure of Liens.

(1) **Responsibility.** The District shall hold the owner of the property being served with sewage service primarily responsible for all charges for sewage service to the property, without regard to the fact that a tenant, licensee, customer or other party was actually utilizing the sewage service and may be paying for same directly to the District.

(2) **Payment.** All payments to the District shall be made using U.S. funds (dollars). Payment may be made in cash, check, electronic check, money order, electronic bill pay, direct debit, debit card (Master Card or Visa) or credit card (Discover, Master Card or Visa). All checks shall be in such form as will comply with the standards for cash items adopted by the Federal Reserve System to facilitate the sorting, routing, and mechanized processing of such

items. Beginning July 1, 2016 payment made using debit card or credit card is limited to a maximum of \$5,000.00 per account per month.

(3) **Delinquent Quarterly Service Charge for Sewer Service.** Quarterly Service Charge for Sewer Service shall be delinquent if not paid during the service period. Effective the service period beginning July 1, 2016 a delinquent fee equal to 10% of the delinquent Quarterly Service Charge for Sewer Service will be applied to accounts with a delinquent balance of \$20.00 or more.

(4) **Default.** In the event any fees, rates or charges for sewage service are not paid when due and are unpaid for at least thirty (30) days and the property owner shall be deemed in default, the District may seek recovery from the property owner through any or all available legal remedies.

(5) **Acceptance.** By acceptance of sewage service from the District, all of the property owners shall be jointly and severally liable to the District for all charges, rates and fees incurred.

(6) **Enforcement.** When the fees, rates, or charges for the services and facilities of any system are not paid when due and are in default as set forth above, the District shall provide written notice to the property owner that the District may discontinue and shut-off the supply of the services and facilities for said system, to the property, until such fees, rates or charges, including interest at 12% per annum, penalties and charges for the shutting off and discontinuance or the restoration of such services or facilities are fully paid. If the fees or charges remain unpaid for thirty (30) days after being due, such delinquent fees, rates or charges shall bear interest at the rate of 12% per annum computed from the date when originally due, until paid and the District may discontinue the supply of service and facilities to the property. Such delinquent fees, or charges, together with legal interest, penalties and charges for the shutting off and discontinuance or the restoration of such services or facilities and all other costs and other expenses, including

court costs and reasonable attorney's fees, shall be recovered by the District in a court of competent jurisdiction.

(7) **Foreclosure of Liens.** The District shall have a lien on all lands and premises served by it for all charges, until paid, for services provided to such lands or premises by the District, or connection fees associated therewith, which lien shall be prior to all other liens, except that such lien shall be on parity with the lien of state, county, and municipal taxes, and any lien for charges for services created pursuant to Section 159.17, Florida Statutes. Such lien shall be perfected by the District by recording in the official records of the county in which the lands or premises are located a claim of lien in form substantially as provided in Section 713.08, Florida Statutes. A copy of the claim of lien shall be served as provided in Section 713.18, Florida Statutes, within ten (10) days after the claim of lien is recorded. If 30 days after service has been made liens created under this section remain delinquent, such liens may be foreclosed by the District in the manner provided by the laws of Florida for the foreclosure of mortgages on real property, and the District shall be entitled to 12% interest per annum and attorney's fees and other court costs.

(8) **No Service Free.** No sewage disposal service shall be furnished or rendered free of charge to any person, firm, corporation, agency or organization whatsoever, and the District and each and every person, firm, corporation, agency or organization which uses or is required to use such service shall pay therefore at the rates fixed by the Governing Board of the District.

(9) **Administrative Credits.** The Executive Director, or his designee, may authorize a credit or refund to an account in certain situations, including billing errors, clerical errors, excessive payments by the customer, meter adjustments, and application of grant funds. In each case, the affected customer must provide a signed, written request for refund that quantifies the requested refund, documents the justification for the refund, and states whether the refund

should be provided as a credit to their account (default) or as a refund check. In no circumstance shall such credit or refund exceed \$10,000 without prior authorization of the Governing Board.

Specific Authority Chapter 71-822, Special Acts of Florida, 1971, as amended. Law Implemented Chapter 71-822, Section 6(8) and (11), and Section 8; Sections 6(9), (12), (19) and (27) as amended by Chapter 76-429. History - New 12-9-76. Formerly 31-3.16, 31-3.18 & 31- 10.09. Rules 31-3.016 & 31-3.018 moved, consolidated and renumbered 31-10.009(4), (5) & (6) by amendment on 6-15-2000. Amended 9-26-78, 10-11-80, 3-23-00, 6-15-00, 3-15-2012, 3-19-2015, 3-17-2016.

31-10.010 Payment of Certain Rates, Fees and Charges; Developer Agreement.

(1) All persons, firms and corporations (hereinafter called “Applicant”) desiring to reserve service availability of 10 E.C.s or more in the regional wastewater system of the District where said system is available as defined herein, or is proposed to be available as determined by the District, prior to receiving District approval, shall sign a developer agreement and pay the charges and fees as specified therein. An Applicant for service requiring less than 10 E.C.s shall execute an Application for Service appropriate to the use, and shall pay all Connection Charges at the time of Application. These further requirements shall be met for all developer agreements:

(a) Plans and specifications shall clearly indicate sufficient detail to calculate the number of equivalent connections contemplated on the lot or parcel of land.

(b) The applicant shall enter into a “Standard Developer Agreement” with the District, form LRECD -102 dated 11/17/2011 incorporated herein by reference, the form of which may be obtained without cost from the District office, providing for the following matters:

1. The reservation of the agreed service availability in the regional wastewater system on the subject property in terms of equivalent connections.
2. Payment of fees as required to reserve sewer service availability and specified in the Standard Developer Agreement.
3. Construction of off-site facilities under certain conditions.
4. Dedication of the defined sewerage facilities to the District.

5. Describing the reservation of service availability in terms of the equivalent connections as non-assignable, non-transferable, and running with the land, and describing exceptions.
6. Requiring payment of a Quarterly Service Availability Standby Charge and prepayment of twelve (12) months thereof.
7. Describing payment and obligations and providing for recovery of costs and attorney's fees.
8. Subject the owner to the rates, fees and charges of the District as established from time to time but fixing the rate for the Regional Transmission System Line Charge, Administrative Charge, and Plant Connection Charge.

(2) All persons, firms, and corporations (hereinafter called "applicant") desiring to reserve service availability for concurrency in the regional wastewater system of the District where said system is available as defined herein, or is proposed to be available as determined by the District, prior to receiving District approval, shall sign a Concurrency Reservation Agreement and pay the charges and fees as specified therein. These further requirements shall be met:

- (a) Plans and specifications shall clearly indicate sufficient detail to calculate the number of equivalent connections contemplated on the lot or parcel of land.
- (b) The applicant shall enter into a "Concurrency Reservation Agreement", which is incorporated herein by reference, known as District form number LRECD-18, the form of which may be obtained without cost from the District office, providing for the following matters:
 1. The reservation of the agreed service availability in the regional wastewater system on the subject property in terms of equivalent connections.
 2. Requiring payment of a Quarterly Service Availability Standby Charge and prepayment of twelve (12) months thereof.

3. Providing a duration of the shorter of twelve (12) months or thirty (30) days after applicant obtains a development order.
4. Providing for the unexpired portion of the prepaid Quarterly Service Availability Standby Charge to be refunded to the applicant if the development order is denied, or credited to the Service Availability Standby Charge if a Standard Developer's Agreement is entered into by the applicant within thirty (30) days of the development order.
5. Describing the reservation of service availability in terms of the equivalent connections as non-assignable, non-transferable, and running with the land, and describing exceptions.
6. Describing payment, including rates, fees, and charges of the District, and obligations and providing for recovery of costs and attorney's fees.

Specific Authority Chapter 71-822, Special Acts of Florida, 1971, as amended. Law Implemented Chapter 71-822, Section 6(8) and (11), and Section 8; and Sections 6(9), (12) and (27) as amended by Chapter 76-429. History-New 12-9-76. Amended, 9-26-78, 5-21-81, 5-24-84. Formerly 31-10.10. Amended 5-10-93, 3-20-08, 3-19-09, 3-18-10, 3-15-2012.

31-10.011 Connections to Sewer Required.

(1) Connection Required. No less than one (1) year prior to the date the sewerage system will become available, the District shall notify the affected owner of the onsite sewerage treatment and disposal system of the anticipated availability of the sewerage system and shall also notify the owner that the owner will be required to connect to the sewerage system within one (1) year of the actual availability. The owner of each lot or parcel of land within the District upon which lot or parcel of land any building, trailer, or other structure requiring wastewater disposal is now situated or shall hereafter be situated, in an area where the District system is available, as defined herein, shall cause such building or buildings, trailer or trailers, structure or structures to be connected with the sewerage facilities of the District and to use such

facilities, within one (1) year following notification to do so by the District. All such connections shall be made in accordance with the rules and the regulations which shall be adopted from time to time by the Governing Board, which rules and regulations shall provide for a charge for making any such connections in such reasonable amount as the Governing Board may find and determine.

(2) **“Established Residential Neighborhood.”** For the purposes of this Rule, an Established Residential Neighborhood shall be considered an area within the geographic boundaries of the District defined by natural geographic boundaries, common restrictions, or other common characteristics as reasonably determined by the District, in which 50% or more of the lots contained completed Residential Units as of May 22, 1971.

(3) **Collection Line Construction and Availability in Established Neighborhoods.** The Loxahatchee River Environmental Control District shall construct and declare available, sewerage collection lines and related appurtenances comprising a localized District sewer system in Established Residential Neighborhoods based upon the Governing Board’s determination of any of the following:

- (a) That 50% or more of the record owners of property to be serviced by such localized sewerage system shall desire and consent to the construction of said system; or
- (b) That a reasonable alternative to the septic tanks exists for the treatment of the sewerage, taking into consideration factors such as cost; or
- (c) The discharge from the septic tanks is adversely affecting the health of the user or the public, or the groundwater or surface water is degraded; or
- (d) To enhance the environmental and scenic value of surface waters.

Specific Authority Chapter 71-822, Special Acts of Florida, 1971, as amended and Florida Statutes 373.451, 381.0065, 381.00655. Law Implemented Chapter 71-822, Section 6(8), 6(10), 6(11), 6(16), 6(17), 6(23) and Section 8; and Sections 6(9), (12) and (27) as amended by Chapter 76-429; and Section 6(3) and 6(19) as amended by Chapter 78-559. History - New 11-12-75, 12-9-76 & 1-9-85. Formerly 31-3.02, 31-3.21 & 31-10.11. Rules 31-3.002(4) and 31-3.021 moved and renumbered 31-10.011(2) &(3) by amendment on 6-15-2000. Amended 9-26-78, 2-2-94, 3-23-2000, 6-15-2000.

Annotation: Village of Tequesta v. Loxahatchee River Environmental Control District, Case No. 97-4367 AD, 15th Judicial Circuit of Palm Beach County, Florida, Final Judgment ordered August 6, 1987, affirmed in Village of Tequesta v. Loxahatchee River Environmental Control District, 714 So.2d 1100, (Fla 4th DCA 1998).

Note: 31-10.011(3) Commonly referred to as the “Ellis Rule”.

31-10.012 Exceptions to the Payment of Connection Charges.

(1) Connection Charges shall not apply to those residential and non-residential buildings and structures referred to in the Agreement for Sale between the Village of Tequesta and the District, dated May 23, 1973.

(2) Those residential and non-residential buildings and structures which have escrowed, paid or committed capital improvement charges and have executed legally binding agreements where capital improvement charges are referred to in such agreements, said agreements shall be enforced according to their tenor, except that the capital improvement charges shall be treated as Plant Connection Charges, and except that where capital improvement charges may be increased or subjected to assessment and reassessment from time to time, there shall be no increase over the amount of capital improvement charges as stated in said agreements, and said provision providing for assessment and reassessment of capital improvement charges shall not be enforced.

Specific Authority Chapter 71-822, Special Acts of Florida, 1971, as amended Law Implemented Chapter 71-822, Section 6(8) and (11), and Section 8; and Sections 6(9), (12) and (27) as amended by Chapter 76-429. History - New 12-12-79. Formerly 31-10.12, Amended 3-15-2012.

31-10.013 Irrigation Quality Water User; Rates, Fees and Charges for Irrigation Quality Water Service; Irrigation Quality Water Agreements.

(1) “I.Q. Water” is defined to mean Irrigation Quality Water provided by the District, regardless of the original source of the I.Q. Water. I.Q. Water is sometimes also referred to as “reuse water” or “reclaimed water”.

(2) “Wholesale I.Q. User” is defined as user of I.Q. Water, for which the I.Q. Water is pumped by the District, to a storage facility, such as ponds, lakes, or tanks, at an off site location. The I.Q. Water is then pumped by a party other than the District, into the lines that irrigate the User’s property.

(3) “Retail I.Q. User” is defined as a user of I.Q. Water, for which the I.Q. Water is pumped by the District, to a storage facility, such as ponds, lakes or tanks, at an off site location. The I.Q. Water is then pumped by the District from the storage facility, into the lines that deliver I.Q. Water to the User’s property for further distribution and irrigation by the User.

(4) Rates, Fees and Charges for Retail and Wholesale use of and the services and facilities to be furnished by the regional I.Q. Water system of the District shall consist of those rates, fees and charges approved, set, and levied by the Governing Board of the District on the basis of the total cost to the District of construction, reconstruction, labor, materials, equipment, acquisition, property rights, surveys, design, engineering, legal, administration, operation, maintenance, and all other expenses necessary or incidental to completion of the I.Q. Water system and improvements.

(5) The monthly rate of the District for Retail users shall be 52.07 cents per 1,000 gallons per day until September 30, 2016 (“Retail I.Q. Rate”). Commencing October 1, 2016 and thereafter, the Retail I.Q. Rate shall increase based upon the annual increase in the Engineering News Record Construction Cost Index as of July 1st of each year. The monthly rate of the District for Wholesale users shall be 40.84 cents per 1,000 gallons per day until September 31, 2016 (“Wholesale I.Q. Rate”). Commencing October 1, 2016 and thereafter, the Wholesale I.Q. Rate shall increase based upon the annual increase in the Engineering News Record Construction Cost Index as of July 1st of each year. For I.Q. Wholesale Users which have a written I.Q. Agreement prior to the effective date hereof and which have a lower or higher I.Q. Rate, said lower or higher I.Q. Rate shall be in accordance with said I.Q. Agreement until the

expiration or termination of said I.Q. Agreement. Said billing of the Rate shall be made monthly as delivered, or such other billing cycle period as the District may determine.

(6) The Start Up Fee of the District for Retail I.Q. Users shall be the greater of (a) six (6) months of charges at the Retail I.Q. Rate for the requested gallons per day, or (b) \$3,500.00. The Application Fee of the District for Wholesale I.Q. Users shall be the greater of (a) six (6) months of charges at the I.Q. Rate for the requested gallons per day, or (b) \$18,000.00.

(7) All persons, firms and corporations (hereinafter called "Applicant") desiring to reserve service availability in the regional I.Q. Water system of the District where said I.Q. Water is available or is proposed to be available, as determined by the District, prior to receiving District approval, shall sign a Standard Irrigation Quality Water Agreement and pay the charges and fees as specified therein. These further requirements shall be met:

- (a) Plans and specifications shall clearly indicate the number of gallons per day contemplated for the property to be served.
- (b) The Applicant shall enter into a "Standard Irrigation Quality Water Agreement" with the District, form LRECD-100 dated 05/21/98 or form LRECD-101 dated 05/21/98, or a "Renewal Irrigation Quality Water Agreement", form LRECD-144 dated 5/19/06, said forms incorporated herein by reference, the form of which may be obtained without cost from the District office, providing for the following matters:
 1. The provision of I.Q. Water availability in the regional I.Q. Water system in terms of gallons per day.
 2. Administrative, legal, engineering and inspection expenses in an amount which shall have a substantial relationship to actual cost.
 3. Construction of on-site facilities, and off-site facilities under certain conditions.

4. Dedication of the facilities to the District.
5. Describing the provision of I.Q. Water availability in terms of the gallons per day as non-assignable, non-transferable, and running with the land, and describing exceptions.
6. Requiring payment of a Start Up Fee for Retail I.Q. Users or an Application Fee for Wholesale I.Q. Users.
7. Describing payment and obligations and providing for recovery of costs and attorney's fees.
8. Subjecting the owner to the rates, fees and charges of the District as established from time to time but fixing the rate for the Start Up Fee for Retail I.Q. Users or the Application Fee for Wholesale I.Q. Users.

Specific Authority Chapter 2002-358 Laws of Florida. Law Implemented Chapter 2002-358 Sections 6(6), 6(8), 6(9), 6(11), 6(12), 6(27) and Section 8; History-New 7-23-97, Amended 11-1-98, 3-16-06, 3-18-10, 3-21-2013, 3-19-2015.

31-10.014 Low Pressure Pump Unit Delivery Procedures & Delivery Charge.

(1) All Property Owners in an area serviced by a low pressure sanitary sewer system, shall be responsible for taking possession of the Low Pressure Pump Unit (“**Pump Unit**”) upon notification the Pump Unit is available for pick up at the District. A Property Owner that does not pick up the Pump Unit shall be subject to the following delivery procedures and delivery charge. The First Delivery Notice to the Property Owner shall provide:

- (a) Property Owner is delinquent with installation of the low pressure pumping system for their wastewater service.
- (b) The District has been holding their Pump Unit since the completion of the sewer project.
- (c) The Pump Unit was included in their assessment and is their responsibility to install.

- (d) The District will no longer hold the Pump Unit for their pick up and installation.
- (e) If not picked up within thirty (30) days, the Pump Unit will be delivered at an additional Delivery Charge of \$300.00 to the Property Owner (the “Delivery Charge”).
- (f) The Pumping Unit will be delivered in good working order, suitable for District’s future maintenance.
- (g) If the Property Owner fails to have the Pump Unit installed within forty five (45) days and there is damage to the Pump Unit components, the Property Owner will be responsible for the cost to provide a Pump Unit in good working order for District maintenance in the future.

2. If the Pump Unit is not picked up within thirty (30) days after the First Delivery Notice, the Second Delivery Notice shall be sent to the Property Owner which shall provide:

- (a) Pump Delivery will be made on a date and time certain.
- (b) The Pump Unit and appurtenances will be delivered to the most accessible location on the Property or a mutually convenient location as discussed with Property Owner.
- (c) A written report will be made of each delivery with photographs of the Pump Unit placement at time of delivery and condition of surrounding area. Written receipt of delivery of the Pump Unit will be requested of the Property Owner, however it is not mandatory for the Property Owner to provide or for the District to obtain.
- (d) The written report is to be signed by two District personnel, witnessed and notarized, and made part of the District’s records.

3. After delivery, the Property Owner will be provided written notification that their Pump Unit has been delivered and an Invoice will be provided for the Delivery Charge.

4. All correspondence to be provided by Certified Mail with Return Receipt and regular mail.

Specific Authority Chapter 2002-358 Laws of Florida. Law Implemented Chapter 2002-358 Sections 6(6), 6(8), 6(9), 6(10), 6(11), 6(12), 6(19) and Section 8; History-New 3-15-2012.

LOXAHATCHEE RIVER DISTRICT

Neighborhood Sewering Schedule



Rank *	Area Description	# Lots	Activity	Original Target Date	Revised Target Date
6	Jupiter Inlet Colony	240	Notified Owners – August, 2010 Notice of Intent – February, 2013 Interlocal Agreement Complete - April, 2014 Construction started – July 26, 2016	2013	2016
10	Turtle Creek Phase I (Gravity)	29	Notified Owners – September 2012 Notice of Intent – February, 2016 Construction Start – March, 2017	2016	2016
10	Turtle Creek Subsystem 4	52	Notified Owners – September 2012 Notice of Intent – February, 2016 Contract Award – February, 2017	2016	2017
10	Turtle Creek Subsystem 3	5	Notified Owners – September 2012 Notice of Intent – December 2016 Engineering Contract – November, 2016	2016	2017
10	Turtle Creek Subsystem 2	28	Notified Owners – September 2012 Notice of Intent – October, 2016 Engineer Contract – November, 2016	2016	2017
10	Turtle Creek Subsystem 1	23	Notified Owners – September 2012 Notice of Intent – November, 2016 Engineer Contract – November, 2016	2016	2017
14	Whispering Trails	181	Notified Owners – January 2013 Notice of Intent – November, 2016 Engineer Contract – November, 2016	2017	2017
16	Limestone Creek Road-West	82	Notified Owners – January 2013	2018	2018
19	US Coast Guard Station Offices <i>(institutional)</i> PX Commercial <i>(commercial)</i>	2 ECs 2 ECs	US Government - private roads Albrey- mtg. w/BLM & Historical 3-2011 Prelim design prepared In House 4-2011	2019	2018
20	New Palm Beach Heights	34	Notified Owners – January, 2016	2019	2019
22	Bridgewater	70		2019	2019
11	Jupiter Farms (East)	708		TBD	TBD
11	PB Country Estates	1547		TBD	TBD

* Rank based upon "2010 Septic System Inventory & Assessment"

TBD = To be determined

Remnant Areas - Page 2

Rank*	Area Description	Lots	Activity	Original Target Date	Revised Target Date
None	PBC Riverbend Park <i>(institutional)</i>	12ECs	Not. of availability-Costs pd, plans reviewed	2011	2016
D	Loggerhead Park <i>(institutional)</i>	6 ECs	Need Easements from Palm Beach County	2014	2017
G	Hyland Terr Properties-MC	8	Notified Owners – October 2012 Notice of Intent – January, 2016 Notified to Connect – October, 2016 Final Assessment – February, 2017	2016	2016
G	Hyland Terr Phase II (SE Seminole Terr)	7	Notified Owners – October 2012 Notice of Intent – November, 2016 Notified to Connect – October, 2016 Final Assessment – February, 2017	2016	2016
G	SE Linden St-MC	8	Notified Owners – October 2012 Notice of Intent – January, 2016 Notified to Connect – October, 2016 Final Assessment – February, 2017	2016	2016
G	SE Pine Grove St-MC	8	Notified Owners – October 2012 Notice of Intent – January, 2016 Notified to Connect – October, 2016 Final Assessment – February, 2017	2016	2016
G	SE Harken Terr Ph I-MC	7	Notified Owners – October 2012 Notice of Intent – January, 2016 Notified to Connect – October, 2016 Final Assessment – February, 2017	2016	2016
H	SE Harken Terr Ph II-MC	2	Notified Owners – December 2015	2017	2016
H	6367 197 th PI N	1	Notified Owner – June, 2016 Notice of Intent – June, 2017	2017	2017
C	FDOT Turnpike Station <i>(institutional)</i>	3 ECs	Notified to Connect – February, 2016 Variance requested – May, 2016	2012	2017
G	Hibiscus Ave, Juno	10	Notified Owners – June, 2013 Notice of Intent – March, 2016 Start Construction – January, 2017	2016	2017
G	Ocean Dr., Juno (LP)	5	Notified Owners – June, 2013 Notice of Intent – March, 2016	2016	2017
H	Lenmore Drive LP	6	Notified Owners – October, 2014 Notice of Intent to Assess – April, 2016 Design Complete – March, 2017	2017	2017
H	356 + 360 Tequesta Dr	2	Notified Owners-March, 2015 Notice of Intent – February, 2017 Design Complete – February, 2017	2017	2017
I	Chippewa Street	6	Notified Owners-1/14, Petition Rec'd 4/16 Feasibility Letter LPSS/Gravity – July, 2016	2018	2017
H	US 1, Juno Beach <i>(commercial)</i>	2	Notified Owners – January, 2014	2017	2018
	19087 SE County Line Rd	1	Notified Owner – January, 2017	2016	2018
H	Shay Place, Tequesta	11	Notified Owners – July, 2013 Notice of Intent to Assess – August, 2016	2017	2018
H	County Line Road - Martin Co.	3	Notified Owners – July, 2013	2017	2018
H	14100 US Hwy 1, Juno Beach	1	Notified Owner-March, 2015	2017	2018
A	North A-1-A	3	Postponed -Town Activities in area	2012	2018
F	815 S. US 1 (Yum Yum Tree)	9 ECs	Notified Owners – November, 2014	2016	2018
G	Olympus Dr., Juno (LP)	3	Notified Owners – June, 2013	2016	2018
H	96 Pine Hill Trl E	1	Notified Owner – February, 2015	2018	2018
I	8 th Street	3	Notified Owners – January, 2014 Petition to evaluate received-April, 2016 Engineering preparing costs	2018	2018

* Rank based upon "2010 Septic System Inventory & Assessment"

TBD = To be determined

Rank *	Area Description	# Lots	Activity	Original Target Date	Revised Target Date
AA	Peninsular Road	5	Private Road Notice of Intent – February, 2010 Partial construction complete - June, 2013 Soliciting easements for remainder of project	2010	AEO
BB	Rivers Edge Road (Martin Co.)	35	Notified Owners – August, 2010 Private Road - Design started Notice of Intent – February, 2014 Easements Solicited – May, 2014 Project Delayed	2013	AEO
CC	171 st Street (Martin Co.)	7	Private Road In House Design Owners notified October, 2012 Contact Church re: easement	2014	AEO
CC	Jamaica Dr	11	Private Road Owners notified Oct, 2012 In House Design started	2014	AEO
CC	197 th Place, 66 th Terrace, 66 th Way	21	Notified Owners – Aug, 2010 *Private Roads Notice of Intent to Assess – February, 2015	2014	AEO
DD	Taylor Road	38	Notified Owners – September, 2011 Private Roads	2015	AEO
EE	Imperial Woods	47	Notified Owners – October, 2010 Withdrew Notification – Feb, 2011 Met with Private HOA–Jan, 2017 + Feb, 2017	2016	AEO
EE	Hobart St SE (Martin Co.)	13	Notified Owners – October 2012 Private Roads	2016	AEO
FF	Rolling Hills	51	Notified Owners – January 2013 Private HOA	2017	AEO
FF	Gardiner Lane	2	Notified Owners – July, 2013 Private Road	2017	AEO
HH	Harbor Rd. S. LPSS	6	Notified Owners – January 2014 Private Road	2017	AEO
GG	Rockinghorse (north of Roebuck Road)	10	Notified Owners – January 2013	2018	AEO
GG	Island Country Estates	47	Notified Owners – January 2013 Private HOA	2018	AEO
HH	SE Indian Hills	12	Notified Owners – January, 2016 Easement for Road & Utilities, No Dedication	2019	AEO

* Rank based upon "2010 Septic System Inventory & Assessment"

TBD = To be determined

AEO = As easements are obtained

Loxahatchee River District

Water Reclamation | Environmental Education | River Restoration

2500 Jupiter Park Drive, Jupiter, Florida 33458

Telephone (561) 747-5700 • Fax (561) 747-9929 • www.loxahatcheeriver.org



D. Albrey Arrington, Ph.D., Executive Director

MEMORANDUM

To: Governing Board

From: D. Albrey Arrington, Ph.D.

Date: December 9, 2016

Subject: Legal Counsel's Report

The Legal Counsel's Report was not available at notebook delivery time. It will be provided to the Board at the meeting.

Stephen B. Rockoff
Board Member

Dr. Matt H. Rostock
Board Member

Harvey M. Silverman
Chairman

Gordon M. Boggie
Board Member

James D. Snyder
Board Member

MEMORANDUM

TO: Albrej Arrington, Ph.D. / Loxahatchee River District

COPY: Clint Yerkes / Loxahatchee River District
Waldo Cruz / Loxahatchee River District

FROM: Albert Muniz / Hazen and Sawyer

DATE: March 7, 2017

FILE: 42009-029.3.1.3

SUBJECT: Loxahatchee River District
Engineer's Monthly Status Report through February 2017

The following is a summary of work performed by Hazen and Sawyer, P.C. (Hazen) on Loxahatchee River District (LRD) projects through the above referenced date.

General Operational Assistance – This project involves providing LRD with engineering assistance related to wastewater operations.

Monthly Progress

- LRD staff and Hazen personnel continue to communicate to discuss plant operations on an as needed basis. The wastewater treatment process continues to perform well.
- Hazen continues to provide assistance on an as needed basis.

Deep Bed Sand Filters – Final Design and Construction Management Services – The existing traveling bridge filters and filter structure have served the LRD wastewater treatment facility for over 20 years. In lieu of repair, it is the LRD staff's desire to replace the filters with deep bed sand filters. Deep bed filters



offer additional benefits over traveling bridge filters including de-nitrification capabilities as well as proven performance during plant upset conditions. Design of the project is complete and construction is ongoing.

Monthly Progress

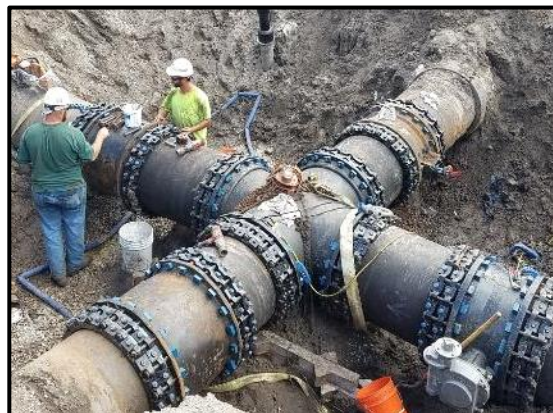
- Kirlin was issued a Notice to Proceed on January 18, 2016. The substantial and final completion dates are currently November 28, 2017 and February 1, 2018, respectively.
- **Deep Bed Filters** - Installation of formwork and steel placement for walls continues. West and center wall pours are completed to El. 32.50. East wall pours are completed to El. 40.50
- **Filter Electrical Building** - Installation of the underground electrical rough-in and slab pour are completed. Erection of the pre-cast concrete structure is completed. Installation of electrical equipment inside the building continues.
- **Parshall Flume Flow Meter** - Tie-ins to the existing 30-inch IQ pipeline at the Parshall Flume flow meter structure have been completed. The bottom concrete slab has been completed and installation of formwork and steel for walls continues.
- **Filter Feed Pump Station No. 1** - Removal of the existing slide gate at Filter Feed Pump Station No. 1 and installation of the new overflow weir has been completed.
- **Process Piping** - Installation of the underground 30-inch Filter Effluent pipeline has been completed, including the tie-in to the Injection Well Pump Station, and to the Chlorine Contact Basin piping. Installation of the 14" and 24" Filter Effluent, 12" Backwash Supply, and 12" and 24" Filter Influent piping is nearly completed on the north side of the deep bed filters.
- **Site work** - Installation of site underground electrical duct bank continues. Grading around structures continues.



Removal of Formwork at Deep Bed Filter
Northeastern Upper Wall Segment



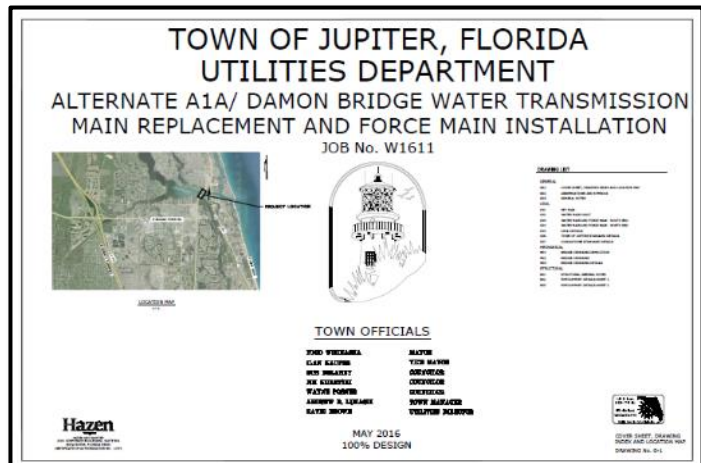
Installation of Steel Reinforcement in
West Filter Cell



Installation of Deep Bed Filter to Chlorine
Contact Basin Tie-In Piping

Alternate A1A/Damon Bridge Water Transmission Main Replacement and Force Main Installation – Hazen was authorized to design a new 16-inch force main pipeline in parallel with a Town of Jupiter water main replacement on the Alternate A1A Bridge in Jupiter. Below is a summary of activities performed to date:

- Hazen submitted the draft 100% complete contract documents, cost estimate, and preliminary construction schedule on May 27, 2016. On June 29, 2016 LRD staff asked Hazen to revise the 16-inch force main design to incorporate a change in pipe material from steel to 304 stainless steel. Hazen has completed this design change, along with a slight alignment modification to keep the new force main within the right-of-way. Hazen provided the new specifications to LRD staff on July 26, 2016, and the updated drawings on August 5, 2016.



- The following permits have been issued with assistance from Hazen:
 - ✓ Town of Jupiter Engineering/Utility Permit
 - ✓ FDEP/DOH Wastewater Permit
 - ✓ ACOE General Permit
 - ✓ FDEP ERP Exemption Request
 - ✓ FDOT Utility Permit
- The Town of Jupiter advertised the original project and held a pre-bid meeting on November 10, 2016. Three addenda were issued. The bid opening was scheduled for December 6, 2016 however no bids were submitted. Investigations into the cause suggest there was a lack of industry outreach to manufacturers of the steel and stainless steel pipe beyond the local supplier. Additional pipe manufacturers were identified in the specifications to provide potential bidders with additional sources of materials.
- The Town of Jupiter re-advertised the project with the bid opening on February 7, 2017. Three bids were received, with Murray Logan Construction, Inc. being the low-bidder. The total bid amount was \$1,487,616.00, with LRD's portion totaling \$781,866.00. The Contract has been executed by the Contractor, and is awaiting execution by the Town of Jupiter. The Notice to Proceed date has not yet been issued.

As always, please feel free to contact us should you have any questions or need to discuss the progress of any of the above projects in more detail.

LOXAHATCHEE RIVER ENVIRONMENTAL CONTROL DISTRICT
ENGINEER'S MONTHLY STATUS REPORT THRU FEBRUARY 28, 2017

JUPITER INLET COLONY NEIGHBORHOOD REHABILITATION

- Ongoing review of shop drawings.
- Continued installation of sanitary sewer main along Ocean Drive.
- Commenced installation of storm drainage along Colony Road.
- Continual delivery of construction materials to the Contractor's staging area at the Village of Tequesta water plant and on site.

ARCADIS, Inc.

Kimley-Horn and Associates, Inc.

Sira Prinyavivatkul, PE


Thomas C. Jensen, PE





***Loxahatchee River Environmental Control District
Monthly Status Report
March 9, 2017***

Submitted To: Clinton Yerkes, Deputy Director

The following is a summary of work performed by Mathews Consulting (MC), a Baxter and Woodman Company, on District projects through March 9, 2017.

Alternate A1A Bridge Force Main Extension Design

MC prepared and submitted the permitting/licensing application documents to the following entities on February 17, 2017:

- Palm Beach County Health Department
- Florida Department of Transportation R.O.W. Permit
- Florida East Coast Railway Parallel Infrastructure License
- Florida Department of Environmental Protection – Environmental Resource Permitting
- Town of Jupiter Engineering Permit

All agencies have confirmed receipt of the respective application documents. Palm Beach County Health Department issued the "Notification of Acceptance of Use of a General Permit/Permit Issuance" on March 1, 2017. The issuance of all other permits/licenses is pending. Upon receipt of the respective permits MC will finalize the bid documents.

Master Lift Station No. 1 Rehabilitation

MC completed and submitted the 50% Design Submittal to the District on February 17, 2017. The District and the MC Design Team are scheduled to participate in the 50% Design Submittal meeting on Wednesday, March 15, 2017.

Whispering Trails Gravity Sewer System

MC's survey staff completed and finalized the site survey work for the project. MC has commenced with the preparation of the 50% Design Submittal including the project plans, technical specifications and Engineer's Opinion of Probable Construction Cost. The 50% Design Submittal is scheduled for submission by May 15, 2017.

Respectfully Submitted by:

MATHEWS CONSULTING,
A BAXTER & WOODMAN COMPANY

Rene L. Mathews, P.E.
Vice President



HOLTZ CONSULTING ENGINEERS, INC.
270 South Central Boulevard, Suite 207, Jupiter, FL 33458 (561) 575 2005

MEMORANDUM

To: Clint Yerkes, Deputy Director, Loxahatchee River Environmental Control District

From: Christine Miranda, PE
Holtz Consulting Engineers, Inc.

Date: March 10, 2017

Subject: **Loxahatchee River Environmental Control District Monthly Status Report**

The following is a summary of work performed by Holtz Consulting Engineers, Inc. (HCE) on Loxahatchee River District projects through March 10, 2017:

Loxahatchee River Road Reclaimed Water Main Replacement and Force Main Extension

- Minor comments were received from Palm Beach County Land Development which have been addressed. Upon issuance of the Palm Beach County right-of-way permit and acceptance by the Army Corps of Engineers the project will be advertised for bidding.

Turtle Creek Phase I

- The Contractor mobilized onto the project site on February 27, 2017 and survey staking, potholing, and setting up the maintenance of traffic occurred during the week of February 27th through March 3rd.
- Installation of the gravity sewer main commenced on March 6, 2017.

Turtle Creek – North End – Subsystem 4 Low Pressure Force Main System

- Shop drawing submittals have been reviewed and returned to the Contractor.
- The preconstruction meeting for the project is scheduled for March 22, 2017.

Turtle Creek –Subsystem 1 Low Pressure Force Main System

- The final survey was received on February 21, 2017.
- Based upon receipt of the survey, the 30% Design Submittal and Engineers Opinion of Probable Construction Cost will be submitted to staff during the week of March 20, 2017.

Turtle Creek –Subsystem 2& 3 – Gravity Sewers

- The final survey was received on February 21, 2017.
- Based upon the receipt of the survey, the 30% Design Submittal and Engineers Opinion of Probable Construction Cost will be submitted during the week of March 20, 2017.

Busch Wildlife Sanctuary

The 1st Quarter Report will be presented at the
April, 2017 Board Meeting.



Friends of the Loxahatchee River March 2017



River Center Summary Statistics

Year Month	Total Visitors	General Visitors	Program Visitors	Outreach	Gift Shop	Donations	Memberships	Sponsors	Education Programs	River Center Programs	Special Events	Volunteer Hours
2016-02	1465	1100	365	2088	\$1,237.34	\$501.46	\$250.00	\$5,060.08	\$41.00	\$4,655.00	\$963.41	126
2016-03	2333	1766	567	528	\$1,427.55	\$1,167.26	\$360.00	\$6,200.00	\$677.00	\$7,271.00	\$3,375.29	205
2016-04	1634	1162	472	138	\$678.66	\$548.44	\$150.00	\$5,705.08		\$1,010.00	\$13,433.00	239
2016-05	1592	965	627	7	\$977.80	\$304.08	\$225.00	\$4,349.00	495.49	\$3,973.86	\$685.00	121
2016-06	3359	1867	1492	466	\$1,939.13	\$780.74	\$125.00	\$347.58	\$3,420.40	\$2,410.00	\$1,125.00	592
2016-07	2743	1732	1011	199	\$2,298.46	\$747.99		\$4,400.00	\$3,294.00	\$3,162.00	\$809.83	681
2016-08	1877	1378	499	287	\$1,377.11	\$618.60	225	\$1,682.58	\$728.00	\$40.00		387
2016-09	1163	871	292	97	\$530.27	\$715.95	\$125.00	\$982.58	\$184.00			125
2016-10	1656	1223	433	1038	\$637.75	\$484.78	\$50.00	\$2,232.58	\$55.00	215	1040	160
2016-11	1395	1008	387	141	\$864.78	\$376.68	\$75.00	\$6,497.58	\$154.00		\$933.00	160
2016-12	1490	983	507		\$1,499.89	\$435.45	\$200.00	\$13,582.58	\$193.05	585	\$1,810.52	161
2017-01	1671	1139	532	108	\$1,112.83	\$468.11	\$100.00	\$1,500.00	\$23.00	\$10,543.00	\$1,764.00	234
2017-02	1632	1027	605	1663	\$1,045.51	\$566.66	\$380.00	\$982.58	\$91.00	\$5,587.00	\$2,756.00	160

River Center General

Friends of the Loxahatchee River

The March Friends meeting was postponed to March 17th to accommodate our Night on the Loxahatchee event. Dr. Ken Myers will be here to give a presentation about the year-round biology of the swallow-tail kite.

Special Programs

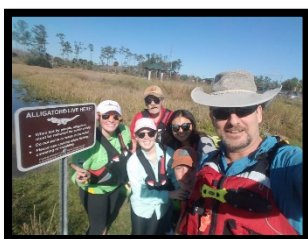


Special Reptiles of the Loxahatchee Story Time

The River Center held a special Reptiles of the Loxahatchee Story Time on Thursday, February 2nd. 35 young children and their families listened to stories about a greedy python, a swamp where a gator hides and sea turtle hatchlings. Families got a very special opportunity to touch one of our red eared sliders, a corn snake and the newest member of our family; a baby American Alligator. Afterwards the kids made paper plate snakes and other fun reptile crafts.

Sunset Kayak Tour of Pine Glades Natural Area

Later, on February 2nd, the River Center held a sunset kayak tour through Pine Glades Natural Area. Seven guests and a River Center naturalist explored the wetland wonderland of the 6,651-acre Pine Glades Natural Area which attracts colorful wading birds including roseate spoonbill, great blue heron, little blue heron and white ibis.



The Pine Glades Natural Area protects environmentally sensitive pine forest and wetland habitat. The group kayaked out through the freshwater marshes seeing alligators, fish, and turtles all the while watching a spectacular sunset. This special location is one of Palm Beach County's natural treasures!



Florida Atlantic University Graduate Student Program

On Saturday, February 11th students from Florida Atlantic University Graduate School received a firsthand look at the River Center's environmental education methods and practices. Six students earning their Master's in Education with a focus on environmental education took a kayak tour through Cypress Creek south seeing alligators, osprey, and turtles. Participants gained experience about how to take students safely off site in the natural environment and basic outdoor program development. They also toured the River Center and learned about our aquariums, exhibits, and educational programs.

Loxahatchee by Night Campfire



On Friday, February 17th the River Center finished out our campfire season with the Ultimate Kid Challenge campfire. Over 60 participants of all ages joined River Center educators for a night of fun. This campfire included a daring obstacle course outside by the Chiki, fun games and puzzles in our classroom and a hunt for creepy animals through the garden. It was a great way to end our very busy Loxahatchee by Night season and we look forward to creating more fun nights like this next year.

Kings Academy Career Day

The River Center hosted students from the Kings Academy on Wednesday, February 22nd, for a career exploration opportunity as they investigate potential careers in their near future. This was an invaluable chance for these five young high school juniors to actually experience what goes on day to day in the real world of education. The students shadowed 55 third graders from Beacon Cove Intermediate as they went on a Mangrove Adaptations field trip. They learned teaching techniques, group management, and the Loxahatchee River's unique and diverse environments. They also participated in the touch tank demonstration allowing an up close opportunity with sea urchins, conchs, and turtles. They were grateful to the River Center and our willingness to donate our time and enthusiastically share our passion with the students.

Outreach

Jupiter Jubilee

On Saturday, February 4th the River Center and the Loxahatchee River District participated in the Jupiter Jubilee. This annual event created by the Town of Jupiter for their residents is a family fun event with business and civic fairs, an eco-tourism expo, kid's activities, demonstrations, food, music, and much more. More than 600 people visited the River Center's and Loxahatchee River District's booth in the Eco-Tourism Expo. It was amazing to see the awareness, positive response, and interest from Jupiter residents to the River Center as well as to communicate and reach out to the other parks, nature centers, and organizations throughout northern Palm Beach County.



Ann Norton Sculpture Garden: Garden Day with the School District of Palm Beach County

On Monday, February 6th the River Center participated in the Garden Day at the Ann Norton Sculpture Garden. Palm Beach County schools brought over 200 students to experience Gardens Day sponsored by Whole Foods. Several different organizations and agencies worked together rotating groups teaching about different aspects that make gardens important. Students learned about earthworms, aquaculture, organic garden, bees, butterfly, and other pollinators, and the River Center who presented water for plants and animals.



JDSP Florida Scrub Jay Festival:

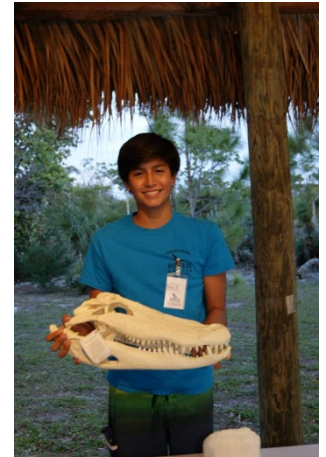
The River Center participated in Jonathan Dickinson State Park's Florida Scrub Jay Festival on Saturday, February 18th. This event focused on raising awareness about the Florida Scrub Jay and brought a unique group of organizations together. Visitors enjoyed special presentations inside the Kimball Center, were banded by the Archbold Biological Station and enjoyed Swamp Buggie rides throughout the park. It was a beautiful day to celebrate this special bird species. Over 150 people visited our booth at the Festival.



Seafest For Kids at the Jupiter Inlet Lighthouse:

Saturday, February 25th, the River Center participated in Seafest at the Lighthouse. With two booths down on the beautiful waters of the Jupiter Inlet, it was a great day for a festival. Any visitors that came to our booths had the opportunity to try their hand at casting, knot tying, dehooking and learning about fishing regulations. We also brought our touch tank animals along to showcase some of the local wildlife from the Loxahatchee. Over 900 people visited the River Center booths during this event.

Volunteer of the Month: This month the River Center would like to acknowledge Jupiter High School student Nicholas Amador as Volunteer of the Month. Nico had been volunteering at the River Center since November 2016 and has become an asset to our team with his extensive knowledge of reptiles. Nico is wonderful when speaking with guests, helping as a touch tank docent, aquarium interpreter, campfire helper and animal care expert. He is always willing to help wherever needed and not afraid to get his hands dirty. Nico gets along with everyone and the River Center appreciates that he is part of our team. We would like to thank Nico for his continued hard work and dedication. Thank you for all that you do!



Friends Membership – 62 active members; 13 new/renewals; 37 current sponsors

Annual Sponsors Recognition – Curtis Shenkman

NOL Sponsors Recognition – Holtz Engineering Consultants, Adams|Coogler P.A., Cotleur-Hearing Landscape Architects, Gentile, Glas, Halloway, O'Mahoney & Assoc., Mathews Consulting, CDM Smith, Magrogan Family, V Cosmetic and Laser Surgery Center

Upcoming River Center Events

RSVP at rivercenter@lrecd.org or 561-743-7123

March 17 – 12 pm – 1 pm: Friends of the Loxahatchee (Special Meeting): Join us for a special presentation given by Dr. Ken Meyer (Avian Research & Conservation Institute). He will discuss the year-round biology of the swallow-tailed kite: a hemisphere of conservation challenges and opportunities.

March 23 – 9:30am – 12pm: Special Storytime and CRAFTAPALOOZA! Enjoy a fun, themed storytime followed by a crafting extravaganza! Kids will have fun putting together several crafts. They can also explore the River Center's touch tank and interactive exhibits before heading outside to our migratory bird garden.

March 24 – 9 am-12pm: Family Fishing Clinic: Don't miss out on this exciting fishing opportunity with the River Center. Fishing clinics are a great way for kids to learn the basics of fishing methods and tactics! Make sure to join us for an engaging overview that includes knot tying, fish identification and, of course, fishing! Parents are encouraged to accompany their kids and participate in the clinic. The cost is \$10 per child. Interested participants should bring water, sun screen, a hat, and sunglasses.

April 1 – 9 am-12 pm: Home Scientist Girl Scout Program: Another great Eco-Action Workshop from the River Center! Girls will earn their Home Scientist Brownie badge or Zinni's Daisy Petal. This workshop creates considerate and caring River Center Scientists. Girls will learn about water chemistry, electrical currents, and dive into density! Girls will understand how scientists in our community and around the world help our environment, keep our water clean, and protect animals. This workshop will engage girls to become interested in science, technology, engineering, and mathematics as well as to become considerate and caring citizens.

April 7 – 12 pm – 1 pm: Friends of the Loxahatchee: Join us for a presentation given by David Snyder (Continental Shelf Associates, Inc.). He will discuss his new book “Marine Fishes of Florida” with a special emphasis on the fishes of Jupiter and the Loxahatchee River.

April 8 – 8 am – 4 pm: Boating Safely Class: About Boating Safely: Registration will take place promptly at 8:00, the morning of class. Please register online now! www.tiny.cc/boatsafe.

April 15 – 8 am – 12 pm: Great American Cleanup at Coral Cove Park. Call or email the River Center to pre-register for this event.

April 18 – 8:30 am – 10 am: Nature Hike at Jupiter Ridge Natural Area. Join River Center educators for a morning walk through the Jupiter Ridge Natural Area. Dress for the weather and wear closed-toe shoes. Please RSVP for this program.

April 22 – 2-4 pm: New Volunteer Orientation Class. Please RSVP to attend this class.

April 30 – 9 am-12 pm: Animal Habitats Girl Scout Program: Wildlife is all around us, you just have to start looking. Junior girls will earn their Animal Habitats badge while Cadettes will earn their Woodworking badge. All girls will learn about wild animals, special and endangered habitats, focusing on Florida wildlife. Girls will investigate and explore local habitats through the River Center's exhibits and aquariums. Finally, girls will help protect animal's habitats and put their skills to the test by creating animal houses. Each participant will leave the workshop with an animal box that they created and decorated themselves to help make their backyard and community more animal friendly. By being good woodworkers and advocates for wild animals, we can all help make the world a better place.

Director's Report

- Admin. & Fiscal Report attach. #1
- Engineering Report attach. #2
- Operations Report attach. #3
- Information Services Report attach. #4
- Other Matters attach. #5

Loxahatchee River District

Water Reclamation | Environmental Education | River Restoration

2500 Jupiter Park Drive, Jupiter, Florida 33458-8964

Telephone (561) 747-5700 • Fax (561) 747-9929 • www.loxahatcheeriver.org

D. Albrey Arrington, Ph.D., Executive Director



Memorandum

To: Governing Board
From: Kara Peterson, Director of Finance and Administration
Date: March 10, 2017
Subject: Monthly Financial Report

Balances as of February 28, 2017

Certificates of Deposit:

<u>Institution</u>	<u>Original Term</u>	<u>Maturity</u>	<u>Rate</u>	<u>Amount</u>
FL Community Bank	18 Months	02/28/17	0.75%	2,042,440
FL Community Bank	18 Months	02/28/17	0.75%	2,042,440
TD Bank	3 Years	06/02/17	0.92%	2,051,135
TD Bank	3 Years	08/04/17	1.19%	1,031,072
TD Bank	4 Years	08/19/17	1.40%	2,101,307
TD Bank	2.5 Years	03/02/18	1.11%	2,033,409
TD Bank	3 Years	05/22/18	1.14%	2,040,871
Bank United	1.5 Years	07/26/18	1.15%	2,013,691
TD Bank	5 Years	08/19/18	1.87%	2,136,428
TD Bank	5 Years	04/29/19	1.88%	1,582,150
TD Bank	5 Years	09/22/19	2.09%	2,104,473
Subtotal				\$ 21,179,416
Other:				
FL Community Bank - Public Demand			0.85%	\$ 7,613,686
SunTrust-Business Account			0.35%	4,401,213
Subtotal				\$ 12,014,899
Total				\$ 33,194,315

Average weighted rate of return on investments is: 1.07%

As of 01/31/17:

3 month Short Term Bond: 0.33%

1 month Federal Fund Rate: 0.75%

Cash position for February 2016 was \$34,527,506. Current Cash position is **down** by \$1,333,191.

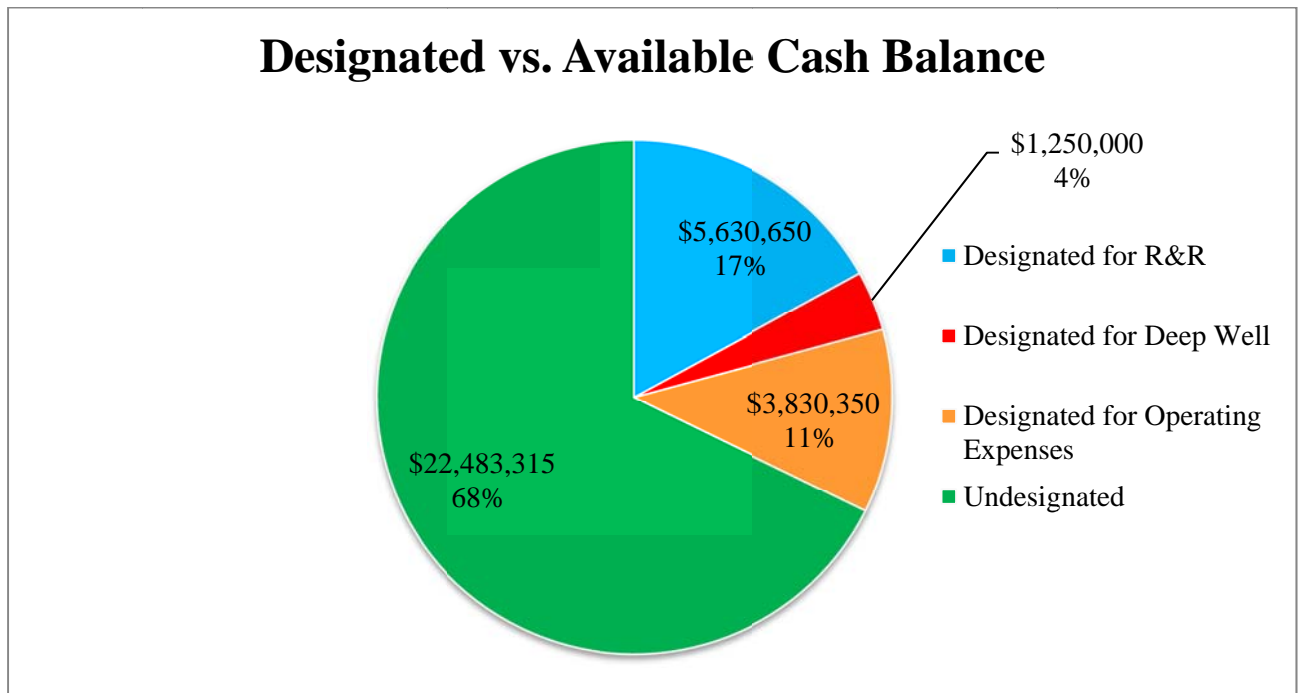
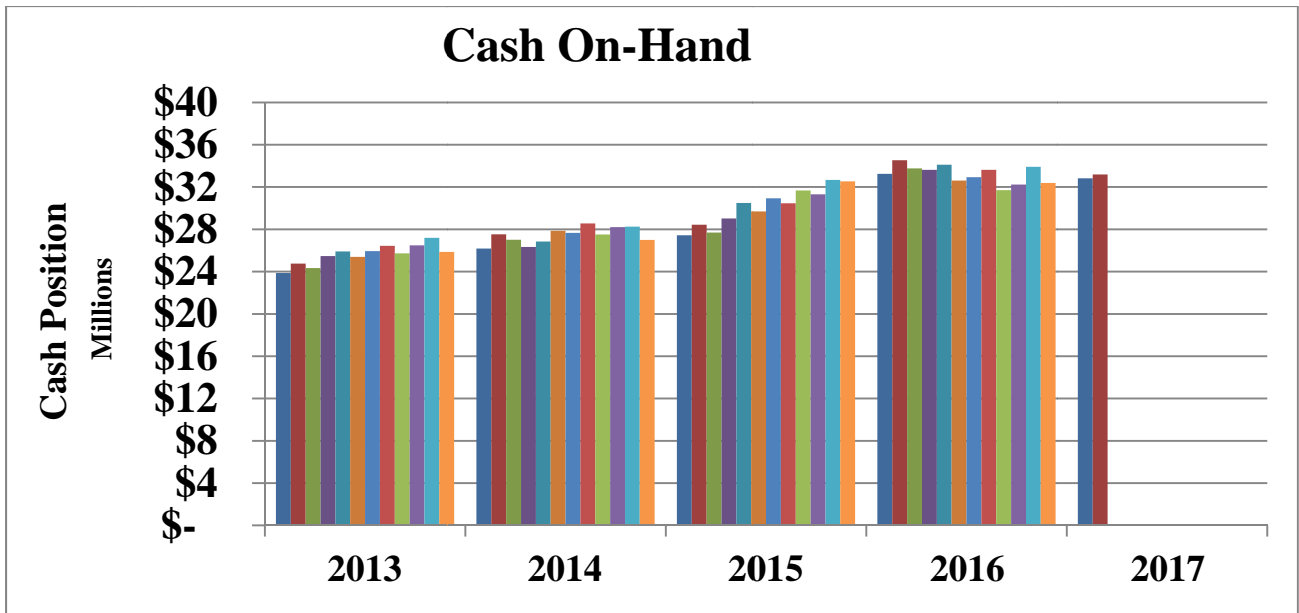
Stephen B. Rockoff
Board Member

Dr. Matt H. Rostock
Board Member

Harvey M. Silverman
Chairman

Gordon M. Boggie
Board Member

James D. Snyder
Board Member



Accounting:

- Legal fees collected for the month of February were \$2,662. The fiscal year-to-date total is \$42,193.
- Septage billing for February was \$486; the fiscal year-to-date total is \$2,133. All septage accounts are current.
- Developer’s Agreement – There were no new Developer agreements in February.
- I.Q. Water Agreements – Town Center Phase I is past due for January and February; Osceola Woods and Sonoma Isles are past due for February.
- Estoppel fees collected in February totaled \$6,950. The fiscal year-to-date total is \$30,625.

Accounts Falling Behind:

In February, the District sent out 294 Delinquent Letters. This letter is sent to customers who are three quarters behind. These customers had one month to pay their balance before receiving a letter from the District Attorney and incurring a \$125 charge. A total of 87 (30%) customers satisfied their accounts.

In March, the District Attorney sent out 125 Attorney Final Warning Letters. This letter was sent to customers who are four quarters behind and have a balance due of more than \$250. A portion of the letters sent represent the backlog of seriously delinquent accounts that were on hold while accounts were migrated from the District Attorney's Office (from April 2016 to current). These customers will have one month to pay off their balance before a lien is filed and they incur significant fees for processing and filing a lien.

In February, 10 new liens were filed. There are now a total of 249 liened accounts. This represents a decrease of approximately 261 from February, 2016.

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D. Albrey Arrington, Ph.D., Executive Director

MEMORANDUM

TO: D. Albrey Arrington, Ph.D.
Executive Director

FROM: Kris Dean, P.E.
Director of Engineering Services

DATE: March 16, 2107

SUBJECT: Director's Report - Engineering Division
March 2017 Board Meeting

Developer Projects

Staff were active on 10 Developer projects including the following activities.

Plan Review: Staff performed plan reviews for the following projects.

Hawkeye Jupiter: Staff attended a pre-design meeting to discuss development requirements for the commercial property formerly known as the Brown property located just west of the District's plant on the north side of Jupiter Park Dr. This project is related to the Island Way extension project.

Sonoma Isles IQ: An extension to the existing District IQ system to serve Sonoma Isles Residential.

Construction: Staff performed construction inspections, shop drawing review, RFI responses and/or attended preconstruction meetings for the following projects.

Autozone: Autozone is building a new store located just east of Pennock on Indiantown Road. This project included a private service with connection to the existing District gravity system.

Tanah Keeta: Boy Scouts of America project that adds two bathhouses to the Tanah Keeta facility.

Bella Villaggio: This project includes a new gravity system to serve 16 units in a multi-family development located off County Line Road.

Sonoma Isles Residential Phase 2B: This phase of the project provides a gravity collection system to serve approximately 17 residential units and complete the loop road gravity system.

Stephen B. Rockoff
Board Member

Dr. Matt H. Rostock
Board Member

Harvey M. Silverman
Chairman

Gordon M. Boggie
Board Member

James D. Snyder
Board Member

This project was formerly known as Lakewood and Parcel 19.

Institute for Healthy Living: A gravity sewer system to serve a new medical facility located off Central Boulevard in Abacoa. This system connects to the District's existing system at Lift Station 250.

Inlet Restaurant: At the old Charlie's Crab House location a new 350 seat restaurant. This project included abandonment of a small portion of the District's system.

Final Completion: Staff performed final completion activities to include final inspections, record drawings review and punch lists.

Sonoma Isles Residential Phase 3 and 4: This phase of the project provides a gravity collection system to serve approximately 17 residential units and complete the loop road gravity system. This project was formerly known as Lakewood and Parcel 19.

One Year Inspections: Staff performed one year warranty inspections on the following project.

Jupiter Palm Beach Motor Coach Resort: This project includes a new private gravity system and lift station to serve the motor coach resort and approximately 4,500 LF of District owned 6" force main in Indiantown Road.

Capital Projects

Staff were active on 29 Capital and/or Utility projects including the following activities.

Design/Bid: Staff are currently in the design or bidding phase for the following projects.

US1 Force Main Abandonment – Waterway Road to County Line Road: We have determined an alternate to the force main replacement approved by the Board in June. The alternate entails abandonment of the existing force main in US 1 from Schrimshaw to Waterway, connection of the low pressure system from Harbor Road South to Harbor Road North to the gravity system for LS 061 and connection of LS 068 to the force main at LS 061. This will result in abandonment of approximately 4,000 LF of force main in FDOT right of way. This alternate design will be fully functional and will be significantly lower cost than the earlier approach approved by the Board.

Designs are complete and the project is in permitting with the FDOT, PBC Health Department, Village of Tequesta and PBC Land Development.

Lift Station 114 Rehabilitation: Upgrades and rehabilitation of lift station 114. This station is a re-pump station serving the A1A corridor from Olympus through Juno Beach. Staff are finalizing the site plans and working on the technical specifications for the control panel, emergency generator and telemetry systems. It is anticipated that this project will advertise for bids in April.

Lenmore Drive Low Pressure Sewer System: Staff are working on a low pressure sewer system design to serve six remnant properties on Lenmore Drive at the north end of Palm Wood Drive. Design is complete and the project is in permitting with the PBC Land Development and the PBC Health Department.

Shay Place Low Pressure Sewer System: Staff are working on a low pressure sewer system

design to serve 11 properties on Shay Place off Seabrook Road in Tequesta. This project is part of our neighborhood sewerage program.

Jupiter Ocean Racquet Club/Lift Station 087 Force main: Staff are working on alternate routes for this asbestos cement force main replacement. The alternate route will require new easements from Jupiter Ocean Racquet Club and a new force main crossing of US 1 and associated permitting.

Construction: Staff provided construction inspection and engineering oversight for the following projects.

Lift Station 242 Emergency Generator: Installation of a permanently installed standby emergency generator to serve Lift Station 242 which services Independence Middle School, the designated Red Cross Shelter for the Jupiter Area. Bids were received and a contractor has been selected. The generator has been delivered and a preconstruction meeting occurred on February 13, 2017.

Tequesta Drive Low Pressure Sewer System: Design and permitting are complete. This project has been completed.

Lift Station Rehabilitations for 2017: Rehabilitation of lift stations 16, 35 and 105. This project was awarded at the January Board Meeting. The preconstruction meeting should occur this month and construction following in March – June 2017.

Hibiscus Avenue: This project provides gravity sewers to 10 existing homes on Hibiscus Avenue in Juno Beach. The NTP was issued on January 9, 2017. The contractor has completed construction of the gravity system and should complete road construction by the end of February.

Lift Stations 62 and 94 Collection Systems: Contracts to complete lining for these two areas were included in November's board notebook. Staff are scheduling with Layne In-liner and LMK to complete the work.

Consultant Projects:

Master Lift Station Rehabilitation This project is for the rehabilitation for the Master Lift Station located just east of Pennock Ln and Indiantown Rd. The project will include pump replacement piping modifications, bypass facilities, isolation valves coatings and emergency generator replacement. A kick-off meeting was held in October, the consultant is currently working on 30% plans.

Alternate A1A Subaqueous Crossing Replacement: This portion of the project includes piping up to the aerial bridge crossing at the Loxahatchee River and Alternate A1A. The consultant has been coordinating with existing utilities and is currently working on 90% plans.

Jupiter Inlet Colony Neighborhood Rehabilitation: This project provides a gravity collection system and lift station to serve the approximate 240 homes and town facilities located in Jupiter Inlet Colony. The water main was placed into service in December and the gravity sewer installation is progressing ahead of schedule.

Turtle Creek Phase I: The project has been awarded. Construction is scheduled to commence this month following completion of the Hibiscus Avenue Gravity Sewer System project. Staff

attended an open house with residents for this project earlier this month.

Turtle Creek Sub-Phase 4: This project provides low pressure sewer to the northwest portion of Turtle Creek and includes service to 52 homes. Bids were received on February 7, 2017. A preconstruction meeting is scheduled for March 2017.

Alternate A1A/Damon Bridge Water Main Replacement and Force Main Installation: This project includes installation of a new 16" force main on the Damon Bridge to replace the existing 24" force main subaqueous crossing of the Loxahatchee River. The Town of Jupiter has executed this contract.

Loxahatchee River Road IQ Main Replacement and 4" Force main Installation: A project to replace a 16" aerial crossing along Loxahatchee River Road. The project is currently in permitting with the FDEP and PBC Land Development to add a 4" waste water force main to the project as part of the final extension of the Districts waste water force main system along Loxahatchee River Road.

Whispering Trails Neighborhood Sewer System: This project provides a gravity sewer system to provide service to 181 lots in the Whispering Trails Subdivision off of Loxahatchee River Road. The consultant is currently working on 30% plans.

Imperial Woods Neighborhood Sewer System: This project will provide sewer service to 47 homes in Imperial Woods. Staff completed conceptual layouts and cost estimates and attended a board meeting with Imperial Woods HOA.

Other Utility Projects

These projects include plan review, coordination and inspections associated with other utilities such as the Town of Jupiter, Village of Tequesta, Town of Juno Beach, Palm Beach County and Martin Co.

Island Way: A Town of Jupiter project that extends Island Way south from Indiantown Road to Jupiter Park Drive.

Cinquez Park: A Town of Jupiter project to develop a dog park at Carver and Indiantown Road.

Pine Gardens South: A Town of Jupiter project that provides storm system upgrades in the Pine Gardens South development.

North Jupiter Water Main Improvements: A Town of Jupiter project to replace AC water mains in the north Jupiter area.

Waterway Park: A new boat ramp facility on the Intracoastal and Indiantown Road.

Burt Reynolds Park West: Burt Reynolds Park West is being renovated. Renovations include demolition of the old Chamber of Commerce building and reconfiguration of parking to add additional spaces and streamline the flow of boat trailer traffic.

Toney Penna and Old Dixie Hwy: A PBC project to improve the intersection. Minor adjustments to existing District facilities are required.

Riverside Drive Paving: A Town of Jupiter project to repave Riverside Dr from Alt A1A to River

Terrace.

SR 5 from Beach Road to County Line Road: An FDOT project to repave and reconfigure a portion of SR 5 (US 1) from Beach Road to County Line Road. Staff are coordinating with the FDOT for adjustments and replacement of District facilities to accommodate the revised right of way. This project is in conjunction with the US 1 Force Main Abandonment project noted above.

Riverbend Park: A PBC project to upgrade park facilities. The project includes two PBC owned and maintained lift stations with a connection to the District's 6" force main in Indiantown Road.

Collections/Reuse Departments:

Staff completed Preventative Maintenance on all assigned lift stations and associated underground assets.

Special note: Starting in March work orders in Collections will be performed in the EAM system.

Lift Stations :1,9,11,14,44,53,95,145,160,162,164,200,206,207,208,221,222,226,231,261 and 301



Vaccon #15 assisting the District Construction crew on the plant site to investigate work for future corrective work order



Collection crew training for the EAM system prior to launch of work order task in March

For reporting month, (8) new low pressure systems came online in the District low pressure pump station system.

The District's Vac-Con Crew cleaned the following lift stations in February 2017; #1,34,57,160,157,158 and performed work at the Chlorine Contact chamber.

Pictures below: A “typical” confined space entry set up with a senior collection crew member ready to enter. All that work in this Industry understand a confined space entry is never “typical” and all safety rules and guidelines must be followed.





Pictures above: show the unloading and inspection of two (2) new portable 50 KW Wacker-Neusen Generators.

Reuse: Staff completed monthly assigned Preventative work orders associated with entire IQ Distribution system of Golf course customers and Abacoa Development and daily data input into Hach Wims data base:

- **Special Note:** The Reuse Department's work orders went through EAM electronically for the month of February. Everything went well.



Above picture:

Shows early day quiet of Roger Dean Stadium looking pretty and ready for the start of Baseball Spring practice for professional teams with the daily games to start March 1,2017.

Below pictures: depict Plant IQ 511 Master Reclaimed Water Pump Station and crews performing scheduled 335 HP submersible pump pull and rotation for budgeted pump Factory authorized rebuild.



*During the month of February there were no major systems interruption in Collection/Transmission/Reuse systems that caused an emergency or the system to not operate normally.

Loxahatchee River District

Water Reclamation | Environmental Education | River Restoration

2500 Jupiter Park Drive, Jupiter, Florida 33458-8964

Telephone (561) 747-5700 • Fax (561) 747-9929 • www.loxahatcheeriver.org



D. Albrey Arrington, Ph.D., Executive Director

MEMORANDUM

TO: Albrey Arrington, Executive Director

FROM: Waldo Cruz, Director of Operations

DATE: March 7, 2017

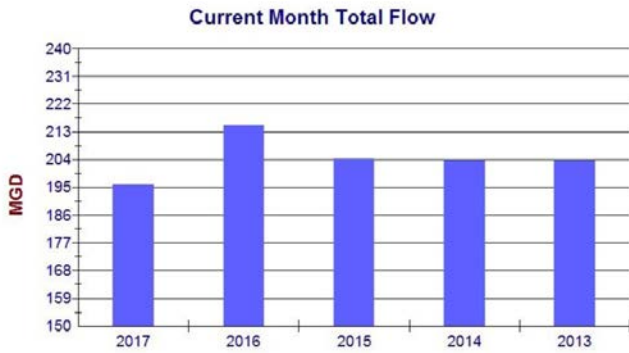
SUBJECT: Operations Department Monthly – Report for February 2017

Treatment Plant Division

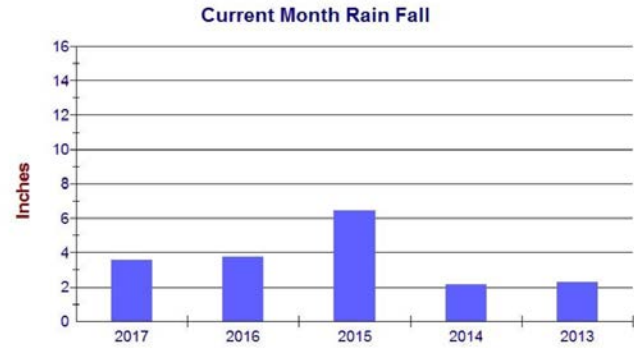
The Dewatering upgrade project is currently in full swing. Operation's is assisting the contractor in installing new VFD drive units that control the sludge pumps for the belt presses. These new drives will help us to run more efficiently and we will be able to quickly diagnose any issues in dewatering. This upgrade is just one more step that operation's is taking to ensure a fully automated system. We are excited to see the many ways in which this will permit us to have better control over this area of the plant.



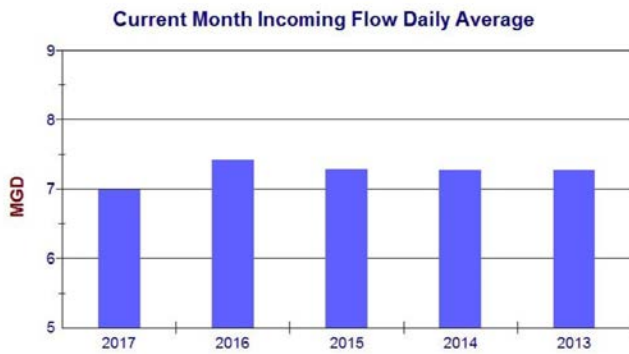
We have had another great month of no Permit exceedances.



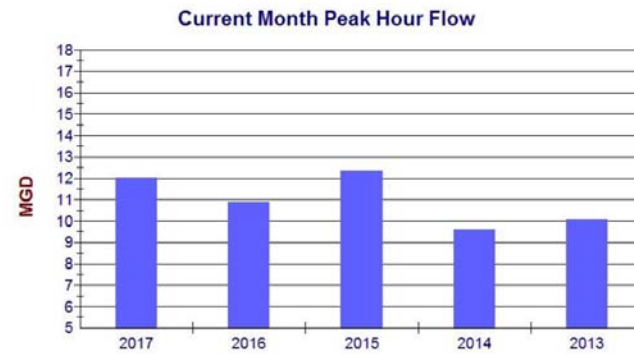
The plant total flow for the month of February was 195.72 million gallons.



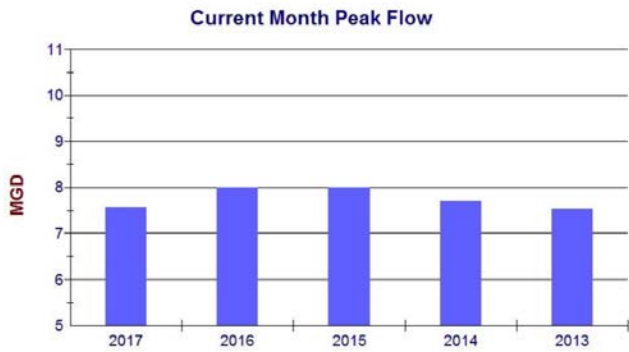
3.55 inches of rainfall were recorded at the plant site during the month of February.



The treatment plant incoming flow for the month of February averaged 6.99 MGD compared to 7.42 MGD one year ago for the same month.

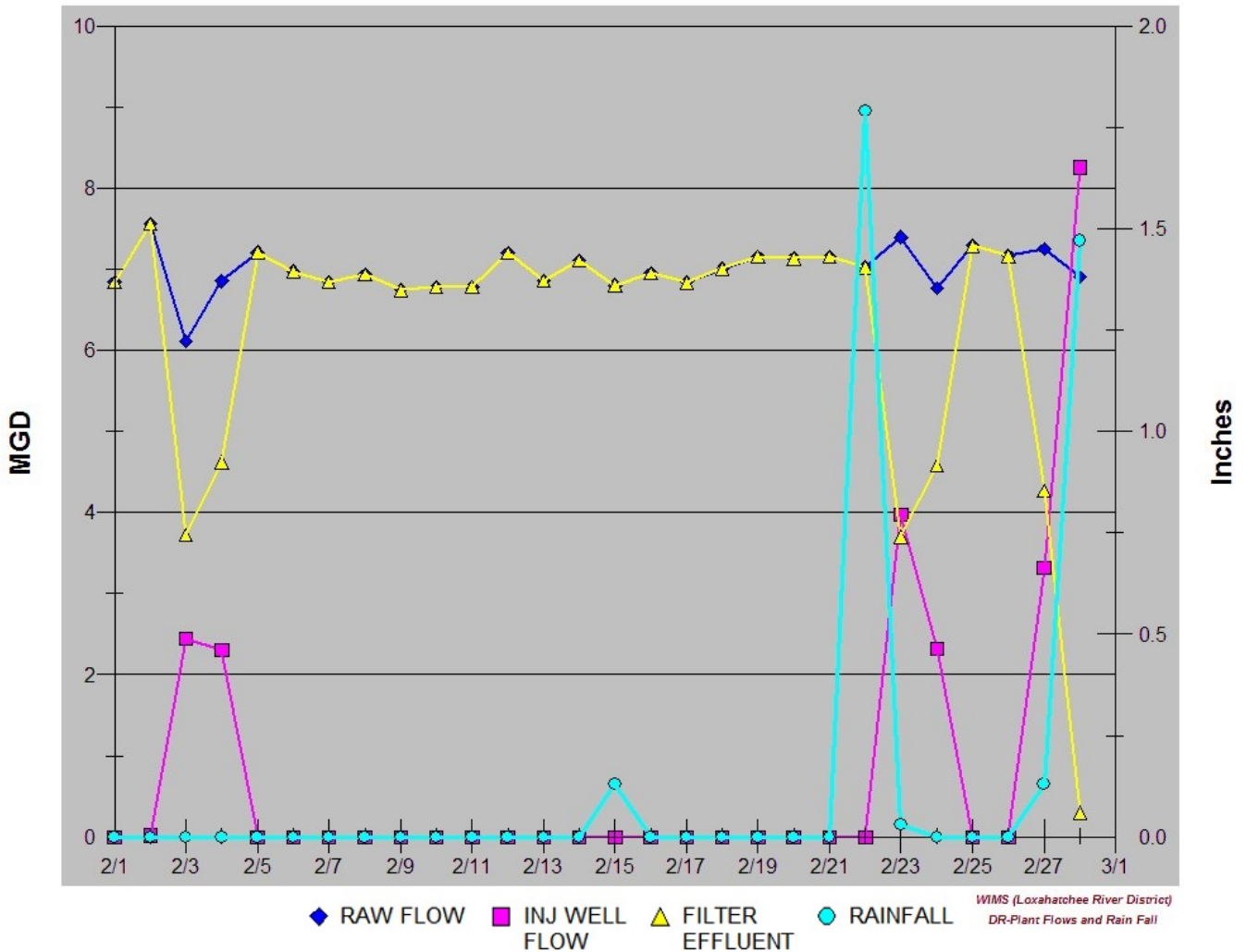


The peak hourly flow rate in February was 12.02 MGD.



The greatest single day average flow in February was 7.57 MGD.

The plant received 195.72 MG of influent flow of which 175.62 million gallons were sent to the IQ storage system where they were dispersed as needed to the various golf courses and the Abacoa development sites. We received 3.55 inches of rain during the month and 22.64 million gallons of blended effluent was diverted to the Injection Well. Overall, 89.73% of incoming flows was recycled for IQ use and the plant delivered 178.25 million gallons of IQ water to the Reuse customers.



For the year 2017, the plant recycled 83.70% of all incoming flow and the total amount of IQ water delivered to reuse customers stands at 363.90 million gallons.

All required monthly reporting has been submitted on time.

Safety / Compliance

SAFETY TRAINING. Safety training for the month of February included the annual review of Fire Extinguishers. The training objectives included how employees must identify the different classes of fire. By understanding the type of fire, employees can be sure to choose the appropriate type of fire extinguisher to be used. A key reminder learned, when using a fire extinguisher, is the PASS system.

P. – Pull the pin

A. – Aim the nozzle

S. – Squeeze the handle

S. – Sweep the base of the fire

This annual training refresher keeps these important technics in District employee's minds in the event a fire extinguisher must be deployed.

SERC. The annual Tier II chemical inventory report was completed and submitted to our local Fire Departments, Local Emergency Planning Committees (LERC), and the State Emergency Response Commissions (SERC). This report aids these agencies in planning for an effective response during chemical emergencies.

The District also holds a close relationship with Palm Beach County Special Operations Fire Station #19. By conducting periodic plant site tours, it ensures that

Station #19 first responders are confident with where and what, their teams may face in the event of an emergency.



TRAINING. PLC (programmable logic controller) training was held in the Operations Education room with two courses. The “Anatomy of a Control System” which covered the components, including software and telemetry, and “Interfacing Software” which gave an overview of system operation and control basics.

D.E.P. The DEP continues to hold the Water and Wastewater certification courses here at the District.

These certifications ensure our employees are trained with the most current information to run our facility with the most efficient methods available.

The District has no lost time to report for the month of February.

Maintenance

BELOW. We are continuing the preservation of the facility. Any time an area is identified that needs repairs or just some refreshing, we try to address these areas as soon as possible. The corroded area depicted below is being prepped with an abrasive. Maintenance personnel are removing the rust without damaging the base metal. It is sealed with an epoxy primer and a final coat of paint.



TOUCH A TRUCK

The Touch-A-Truck event was held on Sunday Feb. 26th. This event has held at the Jupiter Community Center and allows people of all ages a chance to get up close to the exceptional equipment the District uses on a daily basis, as well as meet the people who operate them.

The District held pipe clearing demonstrations every half hour allowing attendees to see first-hand the capabilities of our equipment.

Employees attending:

Jason Argraves – Safety & Compliance

Charles Talledo – Collections Dept.

Kyle Shepherd – Vac-Con Operator

Nathan Jarvis – Treatment Plant Operator

Thanks to those who took time out of their Sunday, to make this District community outreach event a big success.



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D. Albrey Arrington, Ph.D., Executive Director

MEMORANDUM

TO: Albrey Arrington, Ph.D., Executive Director
FROM: Bud Howard, Director of Information Services
DATE: March 9, 2017
SUBJECT: Monthly Governing Board Update for February 2017

WildPine Ecological Laboratory

Riverkeeper Project

District and Town of Jupiter staff collected water quality samples from 31 monitoring sites in February. Nitrogen, Chlorophyll and Total Phosphorus levels were generally good with a slight improvement over January. However, bacteria levels in the Sims/Jones Creek drainage basins were high with the majority (94%; n=16) of the stations over the “poor” water quality standard. We are sampling these stations twice a month for fecal coliforms and enterococci to improve our understanding of bacteria in these areas. The upper extent of Jones Creek (JCU) had the highest bacteria levels both times we sampled. On February 9th, the enterococci were 8,664 and the fecals were 4,106 MPN per 100 mL water sample. On February 23rd, one day after nearly 2 inches of rain, the enterococci were 10,462 and the fecals were 12,997 MPN per 100 mL water sample. We routinely observe high bacteria accounts immediately following a rain event that is preceded by several weeks with no rain as accumulated pollutants are “washed off” the landscape. We strive to collect samples during outgoing tide to capture the theoretical poorest conditions as flow comes through the basin. The other stations in the southwest fork followed a similar pattern between sampling events. The monthly, main channel river and estuary stations sampled on February 13th scored in the “good” range.

New Laboratory Technician

This month we welcome Chris Sullivan as our new Laboratory Technician. Chris comes to us from Florida International University (FIU) where he obtained a BA in Environmental Science and Sustainability. He has been working for the past 3 years as a Senior Research Assistant/Crew Chief in the Southeast Environmental Research Center of FIU under the direction of Tiffany Troxler, PhD, where he gained valuable field work and nutrient analysis experience. Chris will be handling the daily compliance monitoring for the wastewater treatment plant that includes the Total Suspended Solids (TSS) and Carbonaceous Biological Oxygen Demand (CBOD) analyses.



Gordon M. Boggie
Board Member

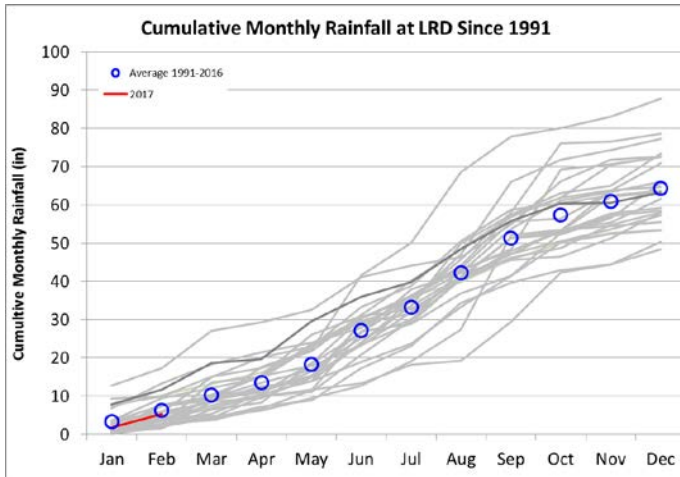
Stephen B. Rockoff
Board Member

Harvey M. Silverman
Chairman

Dr. Matt H. Rostock
Board Member

James D. Snyder
Board Member

Hydrologic and Datasonde Monitoring



Cumulative graph of annual rainfall measured at LRECD. Blue circles indicate mean accumulative annual rainfall since 1991. The slightly darker gray line shown is cumulative rainfall for 2016 for comparison.

The big story of the watershed continues to be the trend of lower than average monthly rainfall which began in June 2016. In the period of June 2016 to January 2017, the mean deficit of monthly rainfall was 35% below the 25 year average. For February we finally received higher than average rainfall with 3.55” of rain, a bit higher than the 25 year mean of 2.9”. Much of the monthly rainfall came on February 22, which totaled 1.8”.

The overall lack of rain has had an effect on the river flows that continues to oscillate around the established Minimum Flow and Level (MFL) of 35 cfs. Water managers are providing supplemental water through Grassy Water Preserve at a rate of 20 cfs to help maintain the MFL. Despite these supplemental flows, February

had nine days that mean daily flow was less than 35 cfs. Salinity values, measured at Kitching Creek, continue to be higher than the 2 ppt threshold preferred for the freshwater habitats (see figure below).

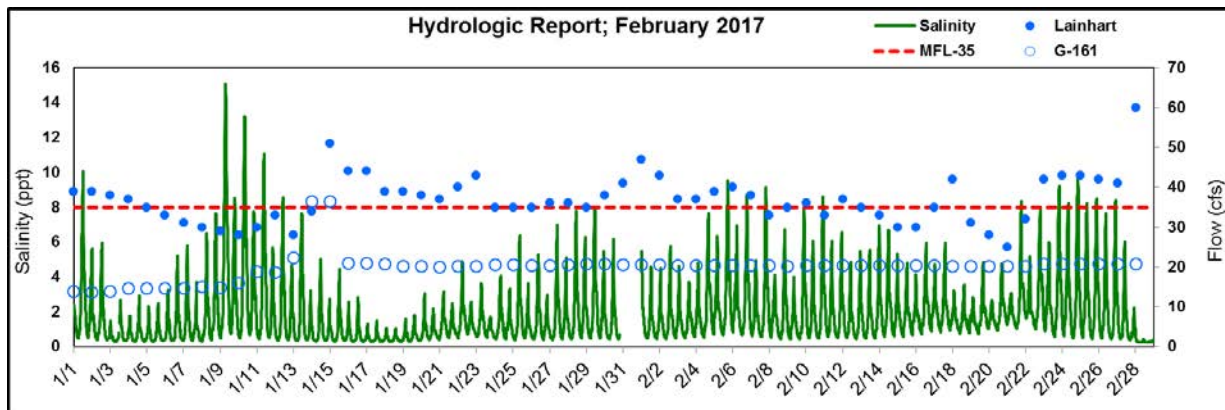
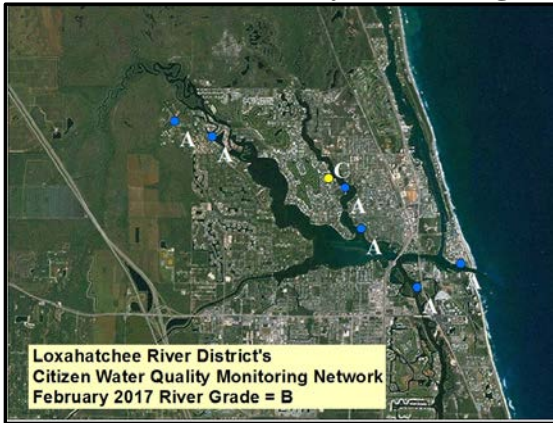


Figure shows comparison of salt water intrusion up to Kitching Creek (LRD) monitoring station to change in flow over Lainhart Dam structure over a two month period. Blue dots represent mean daily flow at Lainhart Dam and blue circles show supplemental flows measured at G-161 control gate. Lainhart flow data from USGS; G-161 flow data from SFWMD.

Volunteer Water Quality Monitoring Program



The Volunteer water quality scored a high “B” for the month of February. The lower score was driven, in part, by the “C” grade at the station in the canal in the North Fork from higher than optimal salinity levels, and several less than optimal water clarity results. The other sites scored well for each parameter, except for salinity, which were generally higher than normal for this time of year.

Information Technology

Electronic Compliance Submittal

Alan has been busy working with Operations staff to develop systems to automatically reformat datasets for the new web-based compliance reporting systems for FDEP and EPA.

Computerized Maintenance Management System (CMMS)

Staff training for the new CMMS is ahead of schedule. Staff have commented how they appreciate the digital work orders for the clarity of work order assignments, accountability and reporting dashboards. At this point Reuse and Operations teams are fully paperless for work orders, with Engineering soon to make the switch. Staff are gradually implementing more functions of the CMMS as they gain proficiency.

Internet Connectivity Outage

A contractor performing a directional bore severed an important fiber optic line that provides our Internet access, causing a 5 hour service interruption. It provided a good learning opportunity to evaluate our functionality given our increasing dependence on Cloud/Internet solutions including email, phones, etc. and improve our preparedness.

Customer Service

Payment Processing

First quarter bills were due February 15 and staff processed a whopping 16,500 payments totaling over \$2.2M for the month with no backlog.

Delinquent Accounts

For this months watershed status we will provide update on the significant progress we have made implementing new procedures to manage delinquent accounts.

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D. Albrey Arrington, Ph.D., Executive Director

MEMORANDUM

TO: Governing Board
FROM: Administration Staff
DATE: March 9, 2017
SUBJECT: Consultant Payments

The following amounts have been reviewed, and approved for payment to our consultants for work performed during the prior month.

	<u>Prior Month</u>	<u>Fiscal YTD</u>
DeSantis, Gaskill, Smith & Shenkman	\$10,115.76	\$82,950.08
Arcadis	\$0	\$84,453.36
Hazen	\$17,323.24	\$193,166.36
Holtz	\$5,314.00	\$54,454.15
Mathews	\$36,834.88	\$79,581.79

Should you have any questions in regard to these items, please contact Kara Peterson concerning the attorney's invoice, and Clint Yerkes concerning the engineers' invoice.

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Stephen B. Rockoff
Board Member

Dr. Matt H. Rostock
Board Member

Harvey M. Silverman
Chairman

Gordon M. Boggie
Board Member

James D. Snyder
Board Member



Future Business

Neighborhood Sewering:

Other:

- Lift Station 114 Rehabilitation construction contract
- Loxahatchee River Road Wastewater and IQ Force Main construction – waiting on permits
- Audit Services Contract
- US 1 Force Main Relocation