

**ANNUAL LANDOWNERS MEETING
MAY 11, 2017 @10:00 A.M.**

The annual public meeting of the Landowners of the Fellsmere Water Control District was held at the office of the District 109 N. Willow Street, Fellsmere at 10:00 a.m., Thursday May 12, 2016, pursuant to public notice published in the Vero Beach Press Journal on April 25, 2017 and May 1, 2017. The meeting was called to order by the Secretary of the Board of Supervisors, Joyce Hertel.

She welcomed everyone to the 98th Annual Landowners Meeting.

Others present were Michael Monroe, Jeff Bolling, Richard Carnell, Michael O'Haire, Marvin Carter, George Simons, Rodney Tillman and Joyce Hertel. Michael Monroe was elected temporary chairman and Joyce Hertel temporary secretary of the meeting, whereupon they assumed the duties of their offices.

Joyce reported representation of 17,564 acres present.

Upon motion duly made, seconded and carried, Chairman Mike Monroe and Secretary Joyce Hertel were made permanent officers of the meeting.

Notice of Landowner's Meeting

Notice is hereby given to all it may concern that the Annual Meeting of the Landowners of the Fellsmere Water Control District will be held at the office of the District 109 N. Willow Street, Fellsmere, Florida Thursday May 11, 2017 at 10:00 a.m. At such meeting, one Supervisor will be elected. Each owner shall be entitled to one vote in person or by proxy in writing, duly signed for each acre of land owned by him in said District. The Department of Environmental Protection, at any such meeting, may represent the state, and shall have the right to vote for Supervisors or upon any matter to come before said meeting to the extent of acreage owned by the state in such District, provided such acreage is subject to assessment to water control district, which vote may be cast by any person designated by said Department.

Guardians may represent their wards, executors, administrators & personal representatives may represent estates or deceased persons and private corporations may be represented by their officers or duly authorized agents. The owners and proxy holders of District acreage who are present at a notice meeting shall constitute a quorum for the purpose holding such election. If a person decides to appeal any decision made by the Board, with respect to any matter considered at such meeting or hearing, she/he will 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. Anyone who needs a special accommodation for this meeting may contact the District's office at (772)571-0640 at least 48 hours in advance of meeting. There will be a

meeting of the Board of Supervisors immediately following adjournment of the Landowners Meeting.

Board of Supervisors
Richard Carnell
Mike Monroe
Jeff Bolling

The Secretary stated that said call had been published according to law in the Vero Beach Press Journal and that she had received affidavit of publication, and the District Attorney Michael O'Haire reviewed the affidavit.

Upon motion duly made, seconded and unanimously carried, reading of the minutes of the previous Landowners Meeting of May 4, 2015 were waived as copies were circulated and adopted with no corrections noted. Joyce then read the roll call of the Landowners presented as follows:

Personal Acres

Marvin Carter	1
Mike Monroe	1
Richard Carnell	1
Jeff Bolling	2
Total individuals in person	5

Michael Monroe Proxy for:

- | | |
|---------------------------|--------|
| • Fellsmere Joint Venture | 15,551 |
| • Bernard Egan Groves | 2,008 |
| TOTAL Corp. by | 17,559 |

TOTAL Acres	17,564
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The annual report of the Treasurer was given by Rodney Tillman. It was reported to the Landowners that the financial affairs of the District are in order. Mr. Tillman stated that according to the audit by Kmetz, Nuttall, Etwell, Graham and company CPA the District is in reporting compliance with Chapter 120.553.C of the rules of the Auditor General. Mr. Tillman brought to the Boards attention, the Statement of Revenue and Cash Disbursement" noting there was one posted on the Bulletin Board and in the District's master file and website. This report has been approved and sent to the proper agencies. The report was ordered filed and spread upon the minutes.

Attorney's Report:

No report at this time.

Engineers Report:

Marvin presented the written Engineer's Report and then turned the report over to George Simons who briefly explained several of the items covered.

ANNUAL ENGINEER'S REPORT MAY 2017

We are pleased to submit this annual engineer's report as a yearly summary of the engineering related activities involved in the operations and functions of the Fellsmere Water Control District (F.W.C.D.), as required under Chapter 298 of the Florida Statutes.

CLIMATOLOGICAL REVIEW.

The 2016 Atlantic hurricane season was the most active and costliest Atlantic Hurricane Season since 2012, as well as the deadliest since 2005. The season was an above average one that produced a total of fifteen named storms, seven hurricanes and three major hurricanes. The season officially started on June 1st and ended on November 30th. The season began nearly five months before the official start, with the first storm, Hurricane Alex forming in the Northeastern Atlantic in mid-January, the first Atlantic January hurricane since Hurricane Alice in 1955. The final storm, Otto, crossed into the Eastern Pacific on November 25th .

The strongest, costliest and deadliest storm of the season was Hurricane Matthew, the southernmost Category 5 Atlantic hurricane on record, and the first Category 5 hurricane to form in the Atlantic since Felix in 2007. With up to 1,659 deaths attributed to it, Hurricane Matthew was the deadliest Atlantic hurricane since Stan of 2005. Following the development of Hurricane Nicole, which reached major hurricane status, it was the first time that two Category 4, or stronger, hurricanes had formed in the month of October, with the other being Hurricane Matthew. Unusually late activity occurred in this season as well, with the formation of Hurricane Otto during late November in the southwestern Caribbean Sea, which became the latest Category 2 hurricane in the Atlantic since 1934, as well as becoming the first Atlantic tropical cyclone to survive the crossing to the Eastern Pacific intact since Hurricane Cesar-Douglas in 1996.

Most forecasting groups predicted above average activity due to a developing La Niña and warmer than normal sea surface temperatures. Overall, the forecasts were fairly accurate. Thirteen of the sixteen developed tropical cyclones (except Fiona, Ian and Lisa) have impacted land, and nine of those storms caused loss of life, directly or indirectly. At least 1,765 people died as of the season's end on November 30th, making the 2016 season the deadliest since 2005.

Five named storms made landfall in the United States during 2016, the most since 2008 when six storms struck. Tropical Storm Bonnie and Hurricane Matthew struck South Carolina.

Tropical Storms Colin and Julia, as well as Hurricane Hermine, made landfall in Florida. Hermine was the first hurricane to make landfall in Florida since Hurricane Wilma in 2005.

Several Atlantic storms made landfall outside of the United States during 2016: Tropical Storm Danielle in Mexico, Hurricane Earl in Belize, Hurricane Matthew in Haiti, Cuba and the Bahamas and Hurricane Otto in Nicaragua.

Four of these storms, Colin, Hermine, Julia and Matthew directly impacted the State of Florida. Colin: Remained a tropical depression/storm, never reaching a hurricane status, and made landfall in Florida's Big Bend region on June 7th. Much of Florida experienced heavy rainfall, flash floods and tornados.

Hermine: Developed from a tropical wave off Cape Verde on August 8th, and entered the Caribbean Sea providing gale-force winds on August 24th. On August 28th, the convection increased and became more organized and the National Hurricane Center issued Tropical Storm Advisories. Hermine rapidly intensified into a Category 1 hurricane and accelerated northeastward making landfall in Florida's Big Bend area on September 2nd .

Julia: Developed from a concentrated area of thunderstorm activity east of the Leeward Islands. The disturbance increased in organization as it moved through the northwestern Bahamas late on September 12th. On September the 14th, the system maintained sufficient organization to be declared Tropical Storm Julia. (The first tropical storm on record to form over Florida). Following formation, Julia drifted northward and to the East off the shore of North Carolina. Widespread flooding from the storm occurred in North Carolina and Virginia as remnants of the storm looped around offshore.

Matthew: The strongest and longest lived storm of the season was Matthew, which reached maximum sustained winds of 160 MPH and lasted as a major hurricane for eight days, from September 30th to October 7th .

Forming from a tropical wave emerging off the coast of Africa on September 22nd, and moving rapidly westward, the disturbance acquired sufficient organization to be declared Tropical Storm Matthew on September 28th, just southeast of St. Lucia. On September 30th, the cyclone winds doubled from 80 MPH to 160 MPH making it a Category 5 hurricane. The storm's small eye became less distinct on October 1st, prompting the National Hurricane Center to downgrade Matthew to a Category 4 hurricane. Matthew made landfall in Haiti on October 4th and Cuba on October 5th and weakened to a Category 3 hurricane as it accelerated northward through the Bahamas. Re-strengthening occurred as Matthew, with the storm passing Freeport, with winds of 140 MPH (Category 4 hurricane). Concentric eyewalls were noted at this time as Matthew began to weaken as an eyewall replacement cycle began. Matthew began to decelerate,

with its weakened eye passing about 12 miles East of Cape Canaveral on October 6th with eyewall winds of 130 MPH. Matthew continued to drift northward passing East of Georgia as a Category 3 hurricane and finally making landfall at Cape Romain National Wildlife Refuge in South Carolina as a Category 1 hurricane. In Indian River County wind gusts in excess of 70 MPH were observed during Matthew's nearest passing, resulting in lots of downed limbs, debris and beach erosion with minimal structural damage. See attached U.S. National Weather Service 2016 North Atlantic Hurricane Tracking Chart.

Beyond the 2016 hurricane summary, other climatic records were set during the year. On May 17th, a record rainfall occurred across the area, measuring 6.55 inches at the District office, and 11.22 inches at the Vero Beach Municipal Airport, the highest 24 hour rainfall total ever on record. This rainfall event resulted in severe flooding of streets, several schools, businesses and residences within the County.

During December of 2016, several days of record high temperatures were broken or tied, with no freeze events occurring throughout the recent fall, winter or early spring seasons.

A drought condition has persisted throughout the past winter and spring (normal dry season). From the first of November 2016 through April of 2017, a total of 7.28 inches of rainfall was observed at the District offices, compared to 25.5 inches over the same period of the previous year (an unusual "wet" dry season).

Rainfall intensity and distribution varies significantly across the District in any given rainfall or storm event.

Total rainfall as observed at the F.W.C.D. office/shop complex for the Year 2015 totaled 67.90 inches, nearly 16 inches above the long-term average annual rainfall.

MAY 12, 2016 - ANNUAL LANDOWNERS AND BOARD OF SUPERVISORS MEETING At the May 12, 2016, Annual Landowners Meeting, Richard Carnell was nominated and re-elected to the Board of Supervisors for a three year term.

At the following Board of Supervisors Organizational Meeting, the following officials were elected/appointed to serve for the following year:

President Richard Carnell Vice-President Mike Monroe Secretary Joyce Hertel Treasurer Rodney Tillman Deputy Secretary Dawn Cosner Deputy Treasurer Judy Warga F.W.C.D.

ANNUAL PERMIT SUMMARY Sixteen (16) permit applications (Numbers 155-16 through 170-17) have been submitted since the prior year's annual engineer's report. All sixteen permits submitted have been reviewed, approved and issued. Seven of the sixteen permits were for

utility construction crossings of District canal rights-of-way with five permits issued to Florida Power & Light Company and two to Florida City Gas Company.

Five permits were issued for new culvert crossing/driveway installations, and four permits were issued for drainage outfall/discharge culverts into District sub-lateral canals.

A re-submittal for the proposed Fountains of Fellsmere project was received by the FWCD Engineer on May 5, 2017, and is currently in the review process. The permit application originally included the North Regional Stormwater Lake, however the City of Fellsmere took ownership of the land on which the North Regional Lake is located and submitted a FWCD permit application as a stand-alone project. The North Regional Lake project was awarded and construction started in April 2017.

Another on-going permit process is for the modification of the proposed Florida Organic Aquaculture site plan. The original permit was issued in 2013 and work was started. The F.O.A. applicant/developer decided to revise the plan shortly after starting the work and submitted a permit modification request with plans and calculations prepared by a new Engineer, The Milcor Group, Inc. We have reviewed plans and issued "request for additional information" letters for multiple submittal revisions. The permit modification has not been issued. This is due to the lack of an adequate response to the FWCD concerns about the potential discharges into the FWCD system of the salt water used in the shrimp raceways and the developer's on-going redesign of the site plan. The project construction has been placed on hold as the project's funding is being restructured.

A permit application from the F.D.O.T. from 2012, pertaining to replacement of the I-95 Bridge over the Main Canal remains open pending resolution of disputed design and construction issues. The F.W.C.D. requires additional fill and rock rip rap slope stabilization treatment for the transition sections of the realigned F.W.C.D. maintenance road. This requirement is to maintain a safe maintenance road under the bridge for FWCD. The contractor has demobilized without constructing the required rip rap. Therefore the as-built condition is not acceptable and through the F.W.C.D. Attorney, the matter continues through a legal process.

CITY OF FELLSMERE (C.O.F.)

The City of Fellsmere continues to develop strategies and implement improvements to its street and drainage infrastructure, including additional paving and drainage grants and developing a city-wide drainage swale plan for driveway culverts. The City has established a Stormwater Utility to aid in funding the projects.

The C.O.F. Stormwater Management Utility Program primarily addresses the secondary drainage system within the City and water quality issues mandated by other jurisdictional agencies, but does not overlap or duplicate the responsibilities of the F.W.C.D. in the maintenance and operations of the District's primary drainage ditches, canals and flood protection functions.

The City of Fellsmere completed the Fellsmere Master Stormwater Plan in late 2012. Two of the Master Plan regional lake systems are currently being implemented. The City of Fellsmere retained Carter Associates to prepare construction plans and obtain the permits to construct the South Regional Lake. This project is currently in the permitting phase. As noted in the Annual Permit Summary above, the North Regional Lake, permitted by the Milcor Group, is currently under construction.

Carter Associates has completed the design, and permitting, associated with the Fellsmere CDBG Phase 6 Project. The project was bid and came in over budget, and is currently in a value engineering process with the low bidder. This project includes the paving and drainage improvements along Wyoming and South Carolina Avenues and Hickory and Pine Streets. The CDBG Phase 6 project will have to be re- approved for Grant funding with the value engineering changes. Assuming the approval is granted, construction is expected to start during the summer of 2017.

ST. JOHNS RIVER WATER MANAGEMENT DISTRICT (S.J.R.W.M.D.)

The construction of the new levee along the eastern boundary of S.J.R.W.M.D. property acquired from Fellsmere Joint Venture (FJV) is now complete. The levee is part of the "Fellsmere Water Management Area" which is now substantially complete. This levee will be the east levee of the newly created stormwater management area and will serve as the new western levee of the F.W.C.D.

The levee is reported to be constructed to U.S.A.C.O.E. standards, and as such, can be designated as a U.S.A.C.O.E. certified levee when the project is completed. The U.S.A.C.O.E. certification is important for F.E.M.A. flood zone mapping, as the levee will be recognized for flood protection and result in F.W.C.D. landowners receiving reduced flood insurance rates. The F.E.M.A. flood insurance rate maps will not be changed to recognize the benefits of a levee protected flood zone until a "certified levee system" is completed around the entire F.W.C.D. levee system. The balance of the perimeter levee system including the north, south and portion of the east boundary will have to be upgraded and certified to complete the F.E.M.A. certification process. At some point in the future, we anticipate this land will be developed and the benefits of the F.E.M.A. certification may justify the cost. FWCD has requested, and SJRWMD has agreed to provide a levee certification for the completed section of the levee.

The S.J.R.W.M.D. Governing Board has budgeted monies for a pilot project within the FWCD. The land owner and the SJRWMD staff have completed contract negotiations and the dispersed water storage project is in the design phase. When constructed it could provide significant reductions in the volume of water being discharged to the IR Lagoon.

WATER QUALITY IN MAIN CANAL

Representative Water Quality sampling for the F.W.C.D. are taken nearly quarterly (approximately every three months) at County Road 507 (Babcock Road) bridge from the Main Canal. Currently, and for some time now, the sampling, field analyses, and laboratory analyses are conducted by Pace Analytical Services, Inc. out of Pompano Beach, Florida. The discussion of Water Quality for this report is based on samples taken during: the 1st quarter of 2016 through the 1st quarter of 2017.

Over the past year, the F.W.C.D. Water Quality results from the first 2 quarters of 2016 indicate exceedances of the acceptable Florida Nutrient Numeric Threshold Limits (0.12 mg/L) for phosphorus, 0.18 mg/L and 0.23 mg/ respectively. The 3rd , and 4th quarter of 2016 and the 1st quarter of 2017 however indicated results within the limit, at 0.11 mg/L, 0.12 mg/L, and 0.072 mg/L respectively.

The Nutrient Numeric Threshold Limit for Total Nitrogen in the Florida Peninsula region is a maximum concentration of 1.54 mg/l. This past year, the quarterly samples were near the Threshold Limit, or below.

ANNUAL ENGINEERING RELATED ACTIVITIES

Engineering time during this past year continues to be expended on the non-compliance design and construction issues of the F.D.O.T. Interstate 95 Bridge across the F.W.C.D. Main Canal. This matter currently remains unresolved and Carter Associates, Inc. continues to assist F.W.C.D. and legal counsel in on-going litigation.

Attendance at the public/stakeholders forums as scheduled and conducted by the FDEP to represent and assist the F.W.C.D. in addressing mandates to reduce the pollution currently being discharged into the Indian River Lagoon. The pollution reduction allocations assigned to FWCD will take effect in the adoption of the second five year phase of the Best Management Action Plan. FDEP has notified stakeholders that the pollution allocations will be necessary due to the less than desirable sea grass inventories obtained recently.

Permitting issues with the Florida Organic Aquaculture project continues to remain unresolved. Technical engineering review and assistance to F.W.C.D. on this matter continues.

Attended a pre-construction meeting for the Fellsmere North Regional Lake project and provided FWCD drainage permit requirements to the contractor.

FWCD Board of Supervisors authorized Carter Associates to prepare a permit manual. The permit manual was prepared and the draft was reviewed by the Board. On November 12, 2015 the Board approved the permit manual after additions were made subject to approval by the Engineer, Attorney and President of the Board. The final edits are still pending. When completed and adopted the manual will be posted on the FWCD website and will be available for land owners and developers to review.

On-going annual engineering activities include the following:

- 1) Attend all regularly scheduled meetings of the Board of Supervisors and maintain a District Engineering file.
- 2) Remain on daily call to provide technical assistance and information to District personnel, supervisors, landowners and other governmental and public agencies concerning the operations, functions and regulations of the District.
- 3) Continue to provide technical permit review assistance to Superintendent Rodney Tillman, and project consultants, in the submission and issuance of all permit applications to assure compliance with F.W.C.D. policies and requirements.
- 4) Attendance at pre-construction meetings for significant site plan or subdivision type projects in the FWCD. Also, provide limited construction inspection to check compliance with FWCD permit conditions and to minimize the discharge of turbidity from construction sites.
- 5) Review the County wide alternative water supply report.
- 6) Review the quarterly stormwater quality analysis from the District.
- 7) Monitor and review the actions and activities of other jurisdictional agencies and related organizations that may affect the operations and functions of the District.
- 8) Review records and files in preparation of the Annual Engineer's Report as required under Florida Statutes - Chapter 298.

Once again, we are pleased to report that Superintendent Rodney Tillman and his staff, under the direction, guidance and support of the District's Board of Supervisors, continues to

maintain and protect the works of improvement of the District, and to provide the landowners within the District a cost-effective level of service for flood protection.

Respectively submitted,
CARTER ASSOCIATES, INC.

By: _____
George Simons, P.E. Marvin E. Carter, Consultant

The Annual report of Marvin Carter and George Simons CAI, by motion duly made, seconded and unanimously approved, as submitted was ordered filed and spread upon the minutes. The annual report of Board of Supervisors, was unanimously deferred to the report given by the Engineer,

Chairman Richard Carnell then stated the meeting was now in order to proceed with the nomination and election of one Supervisor for a three year term, and called for nominations.

Jeff Bolling was nominated for a three year term. There being no further nominations made, the Secretary was instructed on motion duly made, seconded and unanimously carried to cast the entire vote of 17,564 acres in behalf of Jeff Bolling for a three (3) year term.

Oath of Supervisor
State of Florida
Indian River County

I, Jeff Bolling, do hereby solemnly swear that I will honestly, faithfully and impartially perform the duties involving upon me in office as Supervisors of Fellsmere Water Control District to which office I have been elected, and that I will not neglect any of the duties imposed upon me, Chapter 6458 of laws of Florida (acts of 1913), and all amendments thereto.

Jeff Bolling
Signature
Sworn to and subscribed before me this 11th day of May 2017.

Personally Known _____
Produced Identification Notary Public
State of Florida My commission expires

Statement of Net Assets
September 30, 2016

Assets

Cash collateralized	\$ 885,273
Capital Assets	99,500
Total assets	\$ 984,773
Deferred outflows of pension earnings	128,558

Liabilities

Accounts Payable	12,432
Noncurrent net pension liability	268,755
Total Liabilities	\$ 281,187

Deferred inflows of pension earnings	6,358
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NET position

Net Invested in capital assets	99,500
Unrestricted, reported in:	
Governmental Activities	136,286
Designated for contingencies	<u>590,000</u>
TOTAL Net Assets	\$ 825,786

**Statement of Revenues, Expenditures, and
Changes in Fund Balance-General Fund
Year Ended September 30, 2016
General Fund**

Revenues

Taxes, net of discounts	\$ 268,845
Interest	954
Other income	7,235
TOTAL REVENUE	<u>277,034</u>

Expenditures

Current operating:	
• Aquatic Weed Control	141,894
• Ditch Maintenance	101,713
• General Administrative	362,178
Capital outlay	
Total Expenditures	605,785
Net Decrease in Fund Balance	(328,751)
Fund Balance beginning of year	<u>1,201,592</u>
Fund Balance end of year	\$ 872,841

Annual Report of the Supervisors:

The Board deferred its' report to that information included in the Engineers Report filed above.

The Landowners meeting adjourned at 10:14 a.m. and proceeded into the Supervisors Meeting.

Annual Supervisors Meeting May 11, 2017

A public meeting of the Fellsmere Water Control District was held at the office of the District 109 N. Willow Street, Fellsmere, Florida at 10:00 a.m. Thursday May 11, 2017, pursuant to public notice published in the Vero Beach Press Journal.

Present were Supervisors: Richard Carnell, Mike Monroe and Jeff Bolling.

Also present were Michael O'Haire, Marvin Carter, George Simons, Rodney Tillman and Joyce Hertel.

Motion was made by Marvin Carter and seconded by Mike Monroe that the Minutes of March 9, 2017 were approved as mailed.

The Election of Officers is as follows:

President Richard Carnell 2 year

Vice President Mike Monroe 1 year

Supervisor Jeff Bolling 3 year

Secretary Joyce Hertel

Treasurer/Superintendent Rodney Tillman

Deputy Secretary Dawn Cosner

Deputy Treasurer Judy Warga

The Appointment for the ensuing year was:

District Engineer will be George Simons Principle and his Engineer firm will be Carter Associates.

District Attorney will be Michael O'Haire, and his firm being Law Offices O'Haire, Quinn, Candler and Casalino Chartered.

- **Employment Agreement with Attorney**

(Chapter 298.18 F.S.)

Mr. Michael O'Haire agrees to undertake representation of the Fellsmere Water Control District on an Annual Basis for a monthly retainer of \$450.00 and other services billed at the rate of \$500.00 per hour, must be pre approved. This retainer will cover attendance at

meetings and will assure that no-conflicting employment is undertaken by Michael O'Haire, all services performed by his firm.

This agreement will be in affect from May 2017 - May 2018.

Accepted May 11, 2017

Accepted May 11, 2017

Richard Carnell, President
Corporate Seal

Michael O'Haire

Attest: _____ District Secretary
Joyce Hertel

• **Employment Agreement with Engineer Rate Schedule**

(Chapter 298.20 F.S.)

George Simons of Carter Associates agrees to undertake representation of the Fellsmere Water Control District on an annual basis for a monthly retainer of \$400.00 other work at a rate of:

Engineer * Principal	\$ 145.00 per hour
Engineer (consultant)	140.00
Engineer I registered	135.00 per hour
Engineer II	125.00 per hour
Engineer III	100.00 per hour
Engineer Tech	90.00 per hour
Surveyor I Principal	145.00 per hour
Surveyor (Consultant)	140.00 per hour
Surveyor I registered	135.00 per hour
Surveyor II registered	125.00 per hour
Survey Crew (4men)	150.00 per hour
Survey Crew (3men)	140.00 per hour
Survey Crew (2men)	130.00 per hour
CADD technician	85.00 per hour
Secretary/Word Processor	45.00 per hour
Inspector	62.50 per hour
Recording and permit fees	cost plus 10%
Materials	cost
Travel	Current standard IRS rate
Sub consultant	cost plus 10%
Postage long distance calls.	
Federal express	cost

Blue prints	.025	sf.
Mylar	1.75	sf.
Photocopy 8.5x11	.15	ea
Photocopy 8.5x14	.25	ea
Photo copy 11x17	.35	ea

Note: Hourly rates are (2X) double the above rates for legal proceedings, ie Depositions, trials, hearings. Preparation time will be at standard rate.

All work authorizations not to exceed \$6,000 per year without approval of the Board of Supervisor's.

This retainer will cover attendance at meetings.

This agreement will be in affect from May 2016 to May 2017.

Accepted May 11, 2017

Accepted May 11, 2017

Richard Carnell /President

George Simons/Principle, Carter Associates

Corporate seal

Joyce Hertel
Secretary

The Repositories for the Funds of the District are Bank of America, P.N.C Oculina Bank.

RESOLUTION;

At a regular meeting of the Board of Supervisors of the Fellsmere Water Control District held on May 11, 2017, the following resolution was unanimously adopted by the board;

WHEREAS, Fellsmere Water Control District holds an money market account with PNC Bank and would like to open a checking to write checks for general expenses incurred by the District;

WHEREAS, several District Members are listed on the account and have authority to write checks;

WHEREAS, the District is required to change some of the signatories on said account;

WHEREAS, THE District needs signatories on account, the following individuals are to be named new signatories to account:

Michael Monroe, Jerry R. Tillman, Richard Carnell, Judy Warga.

RESOLVED, that Michael Monroe, Richard Carnell, Jerry R. Tillman and Judy Warga shall be signatories on the checking account.

Attorneys report:

- Michael updated the Board on the Lawsuit with FDOT. FDOT built the bridge over Main Canal without a permit from FWCD. At this time Michael has other trials scheduled and will schedule the FDOT as soon as possible.
- The County and FWCD extended the Intergovernmental Agreement including additional roads to be graded. These additions will need to be re-negotiated in future years.
- Apportionment of Assessments in the District was discussed at a previous meeting the Superintendent, Engineer and Attorney were tasked to review the assessments. George and Rodney both have reports concerning the apportionment of assessments for the District and the separation line appears to be the Lateral U Canal.
- Michael advised that he had prepared a special resolution for the Property Appraiser and Tax Collector for the Non Ad Valorem Assessment Resolution.

Engineer's Report:

George spoke about the Engineers Report and stated there was no weather that affected the District this year.

- The city of Fellsmere continues to be aggressive concerning stormwater and has established a Stormwater Utility to aid in funding the projects. The City of Fellsmere completed the Fellsmere Master Stormwater Plan in late 2012. Two of the Master Plan regional lake systems are currently being implemented. When completed these lakes will give additional storage for FWCD.
 - CDBG Phase 6 project: The project was bid and came in over budget, and is currently in a value engineering process with the low bidder. This Project included the paving and drainage improvements along Wyoming and South Carolina Avenues and Hickory and Pine Streets. The CDBG Phase 6 project will have to be re-approved for grant funding with the value engineering changes. Assuming the approval is granted, construction is expected to start during the summer of 2017.
- George discussed his report concerning the apportionment study as defined in Florida Statute 298.225(8), Apportionment involves a minor insubstantial change to the Plan of Reclamation now the water control plan. There is no change in the flow of the water. No additional improvements such as pump stations, or canals being constructed. Just normal ordinary maintenance.

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- Rodney agreed with George with his findings for the apportionment study.

ENGINEER'S REPORT FOR THE APPORTIONMENT OF ASSESSMENTS EXECUTIVE SUMMARY OF THE APPORTIONMENT OF ASSESSMENTS

The FWCD has evolved over many years into a Water Control District that has two distinct watershed areas. Lateral U divides the FWCD into the west watershed which is pumped to the SJRWMD Upper St John's Basin and the east watershed which gravity drains either partially or completely into the Indian River Lagoon via the Fellsmere Main Canal. SJRWMD has funded the purchase of land for reservoirs from the Fellsmere Joint Venture, (FJV) and the development costs of converting large tracts of agricultural land lying in the original FWCD to create large reservoirs adjacent to the west watershed area which reservoirs are part of the SJRWMD Upper Basin Project. SJRWMD funded the levees and pump infrastructure to divert all the water from the remaining FWCD lands lying in the west watershed into the Upper Basin Project. FJV is the entity that has funded and will continue to fund the operation and maintenance costs associated with pumped drainage in the west watershed.

Recently, Carter Associates, Inc., (CAI), the FWCD Engineer of Record has been asked by the FWCD Board of Supervisors to prepare an Engineer's Report per Chapter 298.225(8), to review the of existing Water Control Plan improvements to assist the Board in the appropriate assessment rates for the two watershed areas. Chapter 298.54 provides for the process of apportioning the costs on the basis of net assessment of benefits to each watershed.

This report is part of a minor, insubstantial change to the Water Control Plan, to address the apportioning of the FWCD operation and maintenance costs. There are no proposed changes to the flow of water at this time. No additional improvements such as pump stations, canals, etc. are proposed. Assuming an addition of Fellsmere Estates LLC to the FWCD, this report simply outlines the cost and benefits to the east and west watershed areas within the FWCD. The cost of the maintenance of the FWCD works and the benefits to each watershed are presented in the spreadsheet below.

Superintendent Report: Apportionment of District land Assessments

Rodney gave a brief report to the Board regarding the historical facts of the District.

In 1911, Fellsmere Farms Land Sales Company attempted to drain 118,000 acres of land, or 184 square miles in the upper basin out one canal to tide through the north fork of the St. Sebastian River. This failed and the Company defaulted in 1918. Fellsmere Water Control

District was formed to take over the drainage plan. The Districts Plan of Reclamation reduced the size of the land from 118,000 acres to 50,000 acres or 80 square miles.

Sales of Lands of District and right of ways

year	acres	Acres left	R.O.W.sold \$\$\$\$
	50000	acres	
1985	6500	43500	\$788,750
1999	2200	41300	\$157,483
1999	1754	39546	\$409,360
2002	10000	29546	\$690,357
Total	29546		*****\$2,045,950

***** fund now at \$566,857.14

1. In November 1985, 6,500 acres was sold by FJV and the FWCD to St. Johns Water Management District (SJRWMD). Today this land is known as the Stick Marsh/Farm 13. It resulted in \$788,750 from right of way sales and was invested.
2. In November 1999, 2200 acres inside of District was sold by the Carson Platt Estate to SJRWMD. It resulted in \$157,482.79 from r.o.w.s sales and was invested.
3. In March 1999, 1754 acres inside of District was sold by Jack M. Berry, Corp. to SJRWMD. It resulted in \$409,359.94 from r.o.w.s sales that the District invested.
4. In June 2002, 10,000 acres inside of District was sold by FJV to SJRWMD. It resulted in \$609,357.00 from r.o.w.s. sales that the District invested.

TOTAL invested \$2,045,950. In 1985 the interest rate was 5% it has declined to .02% today. Various Boards of Supervisors throughout the years felt that the Landowners rate should be supplemented by the investment fund to pass the benefit of land sales to the Landowners.

Due to low interest rates and the loss of nearly 50% (land sold) of the Districts assessment the fund has been depleted by supplementation which resulted in a benefit to landowners by keeping assessments lower. Therefore, in the future, to balance the

budget the assessment must be raised without supplementing from the fund. Staff recommends working toward balancing the budget by apportionment assessments and looking at possibility of apportioning assessments based on District activity and expense.

In meetings, during the past 18 months or so, the Board has directed Staff, Engineer and Attorney to analyze the proportional costs and assessments both east and west of Lateral U and changes to the water control plan, if any. Staff determined the water control plan does not need to be significantly amended since there would be no changes and an apportionment approach is a minor, insubstantial amendment.

During the fact finding analysis, along with the completion of the Fellsmere Water Management Area (FWMA), it is now apparent, that the majority of water, if not all of the water, west of Lateral U Canal will be moved west to the FWMA by pumping. The study showed that the District's activities and expenses incurred east of Lateral U is greater than west of Lateral U. The cost west of Lateral U includes pumping all water west to the FWMA by FJV. The District is not involved with the pumping process. The cost of which is approximately \$138,672.00 annually.

The present FWCD assessment rate is based on a budget of \$656,608. Of that number only \$268,845 is generated by assessments based on a per acre or fraction thereof.

Currently and historically, the landowners are subsidized by using the funds from previous right of way land sales to offset the assessment rate and delay any increases in assessment rate. Landowners pay \$10.00 per acre or fraction thereof and the fund subsidizes \$387,763.

Rodney went on to explain that there were three budgets and spreadsheets in the meeting packets provided as options. He explained the three different budgets and the amount.

At this time, he stated that during the signing of the Resolutions for the year the Board must make a decision regarding the apportioning of assessments so that the budget can be balanced per Florida Statute 189.016(3). The fund has now been depleted to a point it can no longer subsidize the landowners as in the past. The assessment rate should be funded 100% by the landowners starting with the 2017-2018 Fiscal Year or if not 100%, much closer to 100%. The proportional rates would be determined by Resolution of the Board of Supervisors.

The Board asked questions concerning Georges report. He explained his spreadsheet in detail as to his apportionment analysis. Jeff asked how much, if any, the District would have to expend from the fund to balance the budget. George pointed out the line item that showed that amount.

Mike asked whether the 1770 + or - acres of Fellsmere Estates LLC Property was included in George's spreadsheet. George replied yes and explained the line item in spreadsheet.

- Rodney discussed his report concerning the apportionment study as defined in Florida Statute 298.225(8) and the tax in Florida Statute 298.54. He found that no changes to the Plan of Reclamation, now the Water Control Plan, with the flow of the water would be required. He found that no additional improvements such as pump stations, or canals being constructed. Just normal ordinary maintenance. Therefore, the apportionment of assessments based on the District's activities and incurred expenses would only be a minor, insubstantial amendment.

At this time, the Resolutions were presented for signatures by the Board of Supervisors. The final Resolution to be signed was the Non-ad Valorem Assessment. This was discussed in great length with the Supervisors having many questions for the Attorney, Engineer, and Superintendent. The Board took into consideration the increase of the apportionment assessments to the landowners, but because of the audit and the need to balance the budget the following Non Ad Valorem Assessment was adopted by the Board of Supervisors.

NON AD VALOREM RESOLUTION

WHEREAS, BE IT RESOLVED THAT

THE BOARD OF SUPERVISORS OF FELLSMERE WATER CONTROL DISTRICT;

Resolution

There is hereby levied for the year of 2017-2018, a Non-Ad Valorem Assessment of the rate of \$12.50 per acre against all land in the Fellsmere Water Control District located westerly of Lateral U and County Road 512 and a Non Ad Valorem Assessment of the rate of \$ 29.00 per acre on all lands located easterly of Lateral U in order to maintain and preserve the ditches, drains and drainage works of this District and to repair and restore the same whenever needed, as well as, for the purpose of defraying the current expenses of this District. The said Non-Ad Valorem shall be equal and uniform in amount upon each acre of land assessed separately westerly of Lateral U/ County Road 512 and separately east of Lateral U/ County Road 512 and the minimum Non-Ad Valorem Assessment shall be not less than a one acre rate established above the minimum Maintenance tax shall apply to any one parcel separately assessed.

BE IT FURTHER RESOLVED, that when said Assessment is so levied or extended and assessment by the Property Appraiser of Indian River County, he shall certify the same to the Tax Collector of Indian River County Florida who is directed to demand and collect the Non-Ad

Valorem Assessment as levied and to make return of such tax to the District, as provided by law, and,

BE IT FURTHER RESOLVED THAT, a certified copy of this Resolution shall be furnished to the Property Appraiser of Indian River County, Florida, and to the Tax Collector of Indian River County, Florida.

Resolution adopted at the Fellsmere Water Control District Board of Supervisors meeting May 11, 2017.

Richard Carnell

Mike Monroe

Jeff Bolling

Treasurer Report May 11, 2017

As of March 31, 2017, the Checking account balance is \$418,928.57 with interest amount in checking account is .20 %.

Money Market Balance is \$451,891.69.

(unavailable Appropriation- contingency\$125,000 GASB: \$146,000 =\$271,000)

Available money market balance is \$147,928.57 0.05 %

March 31, 2017 available funds \$ 566,857.14

NOTE: CONSIDERATION SHOULD BE TAKEN FOR FUNDING ANOTHER ATTEMPT AT CONVERSION. THE LAST ATTEMPT COST \$110,000.

Rodney reported that the affairs of the District are the same as reported in the Landowners meeting. Rodney recommends that Kmetz, Nuttall, Etwell, Graham (K.N.E.G.) CPA be appointed the auditors for the next years audit. Upon motion duly made and seconded KNEG, CPA are the auditors for the next years audit.

Rodney presented to the Board of Supervisors a Budget reflecting a \$12.50 west apportionment assessment rate and \$29.00 east apportionment assessment rate for FY 2017-2018.

Motion duly made by Jeff Bolling and seconded by Mike Monroe that the non ad-valorem apportionment assessment rate will be \$12.50 per acre for the west and \$29.00 for the East apportionment assessment rate for the land located in Fellsmere Water Control District.

Annual Budget

October 1, 2017—September 30, 2018

Revenue

3100	revenue		\$600,462.38	
3101	less tax discount			
3200	interest income			
3601	Appropriation /contingency	\$125,000.00	\$56,145.62	
3600	supplement			
<u>total revenue</u>				\$656,608.00

Expense

4002	aerial spraying		\$40,000.00	
4003	mech.contract maintenance		\$37,322.00	
4005	water testing		\$1,210.00	
<u>Total Contract Services</u>				\$78,532.00

4031	equipment R & M		\$2,070.00	
4032	supplies services		\$880.00	
4033	gas & oil		\$2,000.00	
4036	insurance		\$2,000.00	
<u>TOTAL Spray truck Control</u>				\$6,950.00

4063	Rodeo/roundup		\$50,000.00	
4067	invert blend		\$4,400.00	
4068	chemical misc		\$9,776.00	
<u>TOTAL Chemicals</u>				\$64,176.00

4111	labor Equipment operator		\$43,460.00	
4121	payroll taxes		\$3,350.00	
4122	state retirement		\$3,723.00	
4123	workers compensation		\$1,900.00	
4124	group medical insurance		\$9,907.00	
4131	equipment R & M		\$50,000.00	

4132	supplies & services	\$4,500.00	
4133	diesel, oil	\$12,000.00	
4136	insurance	\$7,200.00	
4137	transportation	\$4,000.00	
TOTAL			\$140,040.00
	cont		
4502	appropriation	\$125,000.00	
TOTAL			
	salaries		
5001	administration	\$132,000.00	
5006	payroll taxes	\$11,000.00	
5007	state retirement	\$20,000.00	
5008	workers compensation	\$6,100.00	
5009	group medical insurance	\$50,000.00	
5013	legal & professional	\$55,000.00	
5014	insurance	\$20,000.00	
5037	transportation	\$21,000.00	
5053	property appraiser fees	\$3,000.00	
5074	property taxes	\$1,500.00	
5075	sundry	\$500.00	
5076	license, permits	\$1,500.00	
5077	memberships	\$6,500.00	
5078	advertising	\$500.00	
5082	maintenance building	\$19,500.00	
5083	utilities	\$2,500.00	
5086	telephone	\$7,350.00	
5090	office supplies	\$8,960.00	\$366,910.00
TOTAL		expenses	\$656,608.00
		budget	\$656,608.00
		revenue	\$656,608.00
			\$0.00

Mr. Tillman presented and read the following resolutions and asked the Board for their approval:

FIXED COMPENSATION RESOLUTION

Whereas, the Board of Supervisors of Fellsmere Water Control District are required by Chapter 298.20 F.S. to Fix Compensation for work and employees, therefore the supervisors adopt the following compensation schedule for work and employees to be in effect from the Supervisors meeting in May 2017 until the following Supervisors Meeting in May 2018, at which time it can be reviewed and updated:

NOW THEREFORE BE IT RESOLVED THAT:

- a. Supervisors are not compensated
- b. Treasurer is not compensated:

Be it further resolved that the bond amount of \$5,000 is set for the Treasurer and the Travelers Casualty and surety company of United States is hereby approved.

- c. Engineer Retainer \$400.00 per month, Senior Engineer 150.00 per hour, junior engineer 145.00 per hour, Secretary \$45.00 per hour, survey crew 143.00 per hour not to exceed 6,000 per year without approval from Board. A specific engineer rate schedule is in the file.

d. Attorney Retainer of \$450.00 per month, all other \$500.00 per hour. Legal Assistants range from \$85.00 to \$150.00 per hour: Reimbursement of the firm for all cost advanced and expenses incurred that are directly related to the performance of the legal services undertaken. There include the cost of investigations, filing, etc.

- e. Auditor

Not to exceed \$9,200 per year without Board of Supervisors Approval.

- f. Superintendent

Salary \$55,000 to 75,000 per year

- g. Secretary/Bookkeeper

\$14.00 to \$30.00 per hour 40 hour week

- h. Equipment Operator

1. \$15.55 to \$20.00 per hour 40 hour week

2. \$ 9.45 to \$13.00 per hour 40 hour week

- i. Aquatic Applicator

\$10.00 to \$15.00 per hour 40 hour week

- j. LaborTruck driver

\$10.00 to 15.00 per hour 40 hour week

BE IT FURTHER RESOLVED THAT ALL DISTRICT EMPLOYEE AND PAYROLL POLICIES ARE ADOPTED.

Signed: by the Secretary of the District this 11th Day of May 2017.

Joyce Hertel District Secretary

Fixed Compensation Resolution

Whereas, the Board of Supervisors must Fix Compensation for work and employees (Chapter 298.20 F.S.) Relating to Employee Benefits and Payroll policies.

Now therefore, be it resolved that the employee Benefit and Payroll policies as provided at date of hiring and as located in District employee Personnel file will emended for physical year 2017-2018.

May 11, 2017

Richard Carnell

Michael Monroe

Jeff Bolling

Treasurer Bond Resolution

Whereas, the Treasurer is required by (Chapter 298.16 and Chapter 298.17F.S.) to give bond in an amount fixed by the Board of Supervisors and the Supervisors are to approve the surety of the Treasurers bond.

Now therefore, be it resolved that, the Bond of the Treasurer of the District be fixed at the amount of \$5,000. The surety of the bond number 70089834 is with the CNA Insurance Company, Bond Term 5-20-15- 5-20-18 and remains in force until cancelled by either the principal (Jerry R. Tillman) the oblige (Fellsmere Water Control District).

May 11, 2017

Richard Carnell

Michael Monroe

Jeff Bolling

Mileage Resolution

Whereas, the Board of Supervisors of Fellsmere Water Control District under the General Provisions of Chapter 112 F.S. may grant the use of privately owned vehicles for official use in lieu of publicly owned vehicles or common carriers, and

Whereas, the Board of Supervisors under the General provision hereby fixes the mileage rate for privately owned vehicles at the federal standard mileage rate that is provided in Chapter 112 at the current rate of \$.55 cents per mile and such District shall increase the per mile rate as the federal rate does for official travel

by District employees. This will take effect October 1, 2007.

District Benefits and Payroll policies

Group Insurance:

Will be covered by the Blue Cross Blue Shield of Florida or similar such company as Board selects. The plan is a comprehensive major medical plan with \$250.00 deductible for single coverage. Eligibility is six months of full employment.

Employee contribution:

- A. employee coverage is \$2.00 per week
- B. Family is \$5.00 per week.

Aflac Insurance Policy:

Aflac coverage is voluntary by each individual contributions will be deducted by employee request bi-weekly.

Life insurance:

Vision Insurance:

Prescription Drug benefits:

Covered generic drugs are \$15.00 deductible, all other covered drugs \$20.00 and \$35.00 deductible.

Dental Insurance:

\$50.00 deductible provided subject to cost review each year.

FI Retirement System Employee Contribution:

- 1. 3% of gross PR before taxes

Vacation:

After 1 year of employment	5 working days
After 2 years of employment	10 working days
After 7 years of employment	15 working days
After 12 years of employment	20 working days

Vacation time must be approved by management. After 12 years of employment, five (5) working days must be taken each quarter per year or is forfeited by employee unless extension is granted by the Board of Supervisors or Superintendent. For purposes of termination,

retirement or resignation, vacation pay for unused days cannot exceed a total of 20 days in the year the employee leaves district employment.

Any vacation earned but not taken annual employment anniversary date is forfeited by the employee unless an extension is granted by the Board of Supervisors or Superintendent.

Holidays 12 days

Presidents Day

Good Friday

Memorial Day

Independence Day

Labor Day

Thanksgiving Day (2 days)

Christmas Eve and day

New Year's Day

Floating day at employees discretion six months after continuous employment) Employee must work the day prior to and the day subsequent to be paid for any holiday.

Approved vacation will count as a work day for the purpose of this policy.

Payroll period: fulltime

2 weeks Monday thru Sunday Payday every other Friday

Normal Hours 7:30 a.m. to 4 pm

Monday thru Friday

1 week part time

Overtime Policy

The District as a general policy will pay overtime. The following hours of labor shall be deemed to be overtime hours:

1) All hours over forty (40) per work week

2) All off schedule work

Overtime hours will be paid except as otherwise provided for herein at one and one half ($\frac{1}{2}$) times the regular straight time hourly rate.

Work on second rest day;

A) Nothing in this policy shall be construed as requiring the District to work an employee on both of the employee's rest days.

B) When an employee is required to work on any two (2) consecutive rest days, all hours worked on second rest day thereafter shall be paid for at double the straight-time hourly rate until, such time that the employee has either observed rest day off or works back into the employee's normal schedule

Call out prearranged overtime

When an employee is required to report for work at a time other than the employee's regular work schedule, it shall be considered:

A call out if the employee has less than twelve (12) hours notice, or

1) prearranged overtime if employee has twelve (12) hours or more notice

- a. On call-out the employee shall be allowed actual time required for traveling from employees home to the job and the actual hours worked shall be allowed.
- b. Any employee called out before the employee has had eight (8) consecutive hours office duty since the end of the employee's last scheduled work period will be paid at the overtime rate for all hours worked thereafter until the employee has had eight (8) consecutive hours off duty.

Work on Holidays

All hours worked on a holiday as observed by the District shall be paid for at double the straight time hourly rate.

Sick leave:

All employees, after one (1) year of continuous service shall be entitled to one and a quarter ($1\frac{1}{4}$) working days paid sick leave per month up to a maximum of fifteen (15) working days per year. All or any remaining portions of unused sick leave days shall be accumulated from year to year until a maximum of ninety (90) days has been reached. For the purpose of compensation at retirement, resignation or dismissal shall not be greater than ninety (90) days. The employee shall advise the District office in writing or by phone before the end of the first day of such absence; otherwise he/she forfeits his/her right to paid sick leave unless it can be shown that it was not possible for him/her to give such notice or cause such notice to be given. Time spent by an employee during a period when he/she is served from the active payroll, due to termination, layoff or unauthorized leave of absence shall not constitute service for the purpose of acquiring or obtaining sick leave benefits. Sick pay will not be paid on holidays, Saturdays, or Sundays even if the employee was scheduled to work. In the application of this sick leave rule, the employer will require evidence of sickness being bonafide in the form of a written statement from a physician if from a physician if the sickness is over 3 days or 24 hours per week (Monday thru Friday). If there is not a physicians written statement the maximum sick leave paid per week will be 3 days.

Bereavement Leave:

All employees with six months of continuous service shall be entitles to paid leave of absence to attend funerals. Three (3) days will be granted for immediate family members. For the purpose of this policy, immediate family members will be defined as the employee's spouse, children, mother, father, sister, brother, mother-in-law, and father-in-law. The day of the funeral will be the last paid day of leave.

One (1) day will be granted for other family members. For the purpose of this policy other family will be defined as the employee's sister in law brother in law aunt, uncle or grandparents. The day of the funeral will be paid day of leave.

Salary review Annual in May each year, to take effect in October.

Richard Carnell

Michael Monroe

Jeff Bolling

Supervisor's Comments: no comments

Public Comments: No Comments

A motion was made and seconded to adjourn this meeting. Meeting adjourned at 11:29 A.M.

The Next Board meeting will be July 13, 2017 at 10:00 A.M.

Richard Carnell
President

Joyce Hertel
District Secretary