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August 26, 2004

VIA ELECTRONIC TRANSMISSION

Francine L. Ramaglia
Director of Administrative and Finance Services
Village of Wellington
14000 Greenbriar Blvd.
Wellington, Florida 33414

Re: Village of Wellington (Village) Basin A and B Drainage Projects (Work Order No. 04-01)

Dear Francine:

The Village of Wellington (Village) has engaged Nabors, Giblin & Nickerson, P.A. (NG&N) pursuant to the existing Retainer Agreement between NG&N and the Village to provide specialized services in the review of proposed programs to fund various capital costs and maintenance services including:

- Basin A and B Drainage Projects (Work Order No. 04-01)
- Neighborhood Parks capital and maintenance costs (Work Order No. 04-02)
- Privately-owned golf course acquisition (Work Order 04-03)
- Neighborhood Wall capital costs (Work Order 04-04)

NG&N has subcontracted with Government Services Group, Inc. (GSG) to assist in the analysis of these programs. GSG specializes in government finance and taxation issues by working with cities, counties, special districts and state agencies to develop unique funding and service delivery solutions for critical infrastructure and service needs.

This document is the memorandum summarizing the findings and recommendations regarding the Basin A and B Drainage Projects (Memorandum), which is the project deliverable specified in the scope of services that is incorporated in Work Order No. 04-01. The objective of this analysis is to determine the Village's ability to use Village-wide assessments through the Acme Improvement District to fund the proposed Basin A and B Drainage Projects. Specifically, the Village requested an analysis of the need for a separate assessment unit for Basin B for the proposed Basin B improvements.

**PROJECT
BACKGROUND**

The Acme Improvement District was originally created in 1953 as the Acme Drainage District. The original purpose of the Acme Drainage District, as provided in Chapter 28557, Laws of Florida (1953), was to reclaim and drain lands within the district and to protect district lands from the effects of water by means of the construction and maintenance of canals, ditches, levees, dikes, pumping plants and other drainage works and improvements in order to make the district lands available for settlement and agriculture.

In furtherance of this purpose, the Acme Improvement District has broad powers "to construct, operate, and maintain canals, ditches, drains, levees, and other works for drainage purposes; to acquire, purchase, operate, and maintain pumps, plants, and pumping systems for drainage purposes; to construct, operate, and maintain irrigation works, machinery, and plants." See Laws of Florida, Ch. 28557 § 3 (1953) (recodified in Laws of Florida, 2003-330 § 3 (2003)).

On March 28, 1996, the Village of Wellington was incorporated and the Acme Improvement District was made into a dependent district of the Village of Wellington. Accordingly, pursuant to a plain reading interpretation of the Acme Improvement District's special act authority, the Village may provide for drainage facilities and services by invoking the Acme Improvement District's special act authority. The Acme Improvement District, and later the Village through the Acme Improvement District, has historically imposed assessments against the lands within the district to fund its drainage projects. These assessments were imposed in conformance with the procedures provided in Chapter 298, Florida Statutes, and as outlined in the Acme Improvement District's Water Control Plan.

The Acme Improvement District, as governed and controlled by the Village of Wellington, is responsible for the operations, management and maintenance of the surface water management system serving the district. The Acme Improvement District is divided into two interconnected drainage basins, Basin A and Basin B, within the Village of Wellington. Basin A is comprised of the geographic area south of Southern Boulevard and north of Pierson Road. Basin B is comprised of the geographic area south of Pierson Road and north of 60th Street. Basin A and B are interconnected with six gravity control structures which can transfer flows between basins on an "as needed basis". Basin A is 16 square miles in area and discharges into the C-51 Canal. Basin B is 13.6 square miles and discharges via two pumps into the Loxhatchee National Wildlife Refuge. The Basin B historical water quality data has been identified as exceeding the interim goal for long term, flow weighted mean total phosphorous concentrations from areas contributing to the Everglades Protection Area as defined in the Everglades Forever Act. Numerous options have been investigated to achieve the goals established in the Everglades Forever Act.

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The Village entered into an interlocal agreement for Basin B solutions in February 2004 with the South Florida Water Management District (SFWMD). The agreement acknowledges the need for improved water resource management facilities for the combined Basins A and B that will provide regional multi-purpose objectives including environmental restoration, flood protection, water quality enhancement and recreation. The key elements of the agreement are as follows:

- Project to be completed by 2006
- Wellington's cash contribution for the phosphorous solution is capped at \$3.0 million
- Wellington receives a credit of \$3,250,000 for in kind services
- SFWMD agrees that Section 24 recreation and open space benefits can be included in Wellington's Comprehensive Plan

DESCRIPTION OF PROPOSED PROJECTS

As a result of the interlocal agreement, the Acme Basin B Discharge Project has been recommended. The project includes a constructed wetland and upland habitat area with temporary flood storage, canal conveyance improvements and structural improvements of culverts and pump stations as follows:

- On the western boundary of Basin B, a 410-acre wetland and upland habitat is located in Section 24 where temporary flood storage is available.
- The C-1 canal along the western boundary of Basin A and B will be improved.
- At the northern end of the C-1 canal, a new pump station #7 will be constructed to discharge directly into the C-51 canal.
- Culverts #40, #42, #43, #44 and #45 all located along Pierson Road (the dividing line between the two basins) and Culvert #23 will be removed and replaced with larger culverts with gate control.
- At the C-2 and C-23 canals, a new pump station #8 will be constructed to discharge water from Basin B into Basin A in the C-2 canal.
- Culvert #123 will be outfitted with a flap gate on the west side to prevent flow to the east that would occur when pump station is discharging into C-2.
- Six culverts in Basin B will be replaced with one six-foot diameter culvert at each location.

Total costs of the proposed projects exceed \$20 million with the Village of Wellington contribution of \$3.0 million.

**ANALYSIS AND
RECOMMENDATIONS**

To conduct the analysis and provide recommendations, GSG and NG&N reviewed the following documents:

- Resolutions regarding Basin B
- Memorandum of Understanding between the SFWMD and the Village
- Legislative Briefing on Surface Water Management Issues
- Draft of the Acme Basin B Discharge Project Implementation Report

GSG and NG&N did not review the existing apportionment methodology for the surface water improvement assessments currently imposed within Basins A and B pursuant to Chapter 298, Florida Statutes.

As described within the Draft Acme Basin B Discharge Project Implementation Report, although a majority of the improvements will be constructed within Basin B, the tentatively recommended plan will require the surface water management system of the Village to operate differently than it is currently designed as follows:

- The proposed improvements are designed to create a consolidated Basin A and B system.
- The plan provides temporary flood storage that in a storm event will serve both basins.
- Improvements to canal C-1 to improve the surface water flow, will benefit both Basin A and B.

Additionally, conversations with the Village engineering department indicate that the projects contemplated as a part of the Basin B Discharge Project will provide district-wide benefits by creating a consolidated system to manage the surface water burden. In addition to the surface water improvements, the lands of all or parts of the project will be counted toward the Village's Recreation and Open Space and the Conservation Element of the Comprehensive Plan.

Based upon the information we have received to date, the special benefits enumerated above appear to be sufficient to support a district-wide assessment program to fund the Village's portion of the Acme Basin B Discharge Project. As described within the next section, an analysis of the existing assessment apportionment methodology outlined in the latest Water Control Plan is recommended to determine the Village's ability to use the apportionment methodology to assess for the proposed improvements. This process is conducted each year through the annual budget process and is provided for reference.

NEXT STEPS

Based on the information gathered in this analysis, the following provides the next steps for the project.

Task 1: Develop Specific Information on Proposed Projects

The Village should identify the specific projects to be constructed within each basin and determine funding responsibilities between the Village and the SFWMD. In relation to the Village funded projects, the Village should analyze the geographic areas of the Village to be benefited by each specific project to determine the assessable properties.

Task 2: Identify Full Costs (Revenue Requirements) of the Proposed Projects

Evaluate the full cost of the proposed projects using the Village's most current financial information. This full cost analysis will include the costs of constructing, maintaining and operating the Village's proposed projects.

Task 3: Develop a Method of Apportioning the Costs

Using the current ad valorem tax roll and the identified benefit areas, review existing apportionment methodology to develop a method of apportioning the costs of the proposed projects. Review and revise the assessment methodology for legal sufficiency.

Task 4: Determine Actual Base Billing Units

Calculate the billing units for the rate calculations and identify the number of such units in the Village based on the preliminary methodology.

Task 5: Develop Pro Forma Rates

Calculate pro forma rates or proforma revenue generation, based on data collected through the execution of Task 4.

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Task 6: Implementation of Assessment Program

The assessments must be implemented pursuant to the procedures provided in Chapter 298, Florida Statutes.

We hope that this analysis and recommendations regarding the proposed drainage projects in Basins A and B assists the Village in developing these important projects and we look forward to working with the Village of Wellington in implementing these recommendations. If you or any other Village officials have any questions, please contact us.

Sincerely,



Heather J. Encinosa
NG&N



Camille P. Tharpe
GSG