

NORTHERN PALM BEACH COUNTY IMPROVEMENT DISTRICT



SEPTEMBER 2009

A LETTER FROM THE PRESIDENT - DEBORAH A. DIAZ



As President of the Northern Palm Beach County Improvement District, I would like to present to our landowners a summary of current activities and events that have been undertaken by us during the last few months. Let me preface my comments by saying that the Board of Supervisors understands that you—our taxpayers and stakeholders—have a keen interest in our financial and operational decisions, as they impact you directly.

We continue to focus on the future, carefully watching and reacting to the current economic challenges that we all face. This proactive approach has resulted in policies and procedures that are both efficient, effective, and transparent. We have successfully reduced our staffing requirements over the past three years, implemented salary freezes, implemented software programs and training which reduced operational inefficiencies and strengthened our competitive bidding practices.

As a consequence, the proposed 2009/2010 Budget reflects decreased assessments for 32 of our active units of development. Assessments for 7 units will remain the same as they were in 2008, and only 7 units will experience an increase in their rate of assessment. The District's Budget & Banking Committee convened in May 2009 to carefully consider all aspects of spending contemplated in the proposed budget and subsequently recommended approval to the Board of Supervisors later that month. In an effort to fully communicate our spending plan to our constituents, the District's staff held 31 meetings with unit representatives, which included Property Managers, Homeowner Association Representatives and landowners. ***It is important to us that you are able to participate in the budget process and have the information necessary for your decision making processes.***

The Five Year Capital Improvement Plan plays a significant role in the development of annual budgets. The financial impact of current and future infrastructure replacements and repairs has been carefully considered and planned by our engineering staff and consultants. Projects contemplated in the 2009/2010 proposed budget include the replacement and renovation of pump stations and roadway milling and overlay projects. The continued investment in maintaining necessary infrastructure is a critical responsibility for us and one that we take very seriously.

The preparation of the 2009/2010 Budget follows on the heels of the District's annual audit for the year ended September 30, 2008. Our financial statements were audited by Rachlin, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that our financial statements are free of material misstatement. We received an unqualified opinion which indicates the financial statements, in all material respects, fairly present the financial position and the respective changes in financial position of the District.

In conclusion, I want you to know that our Board of Supervisors and Staff will continue to work efficiently and use a fiscally responsible approach in all that we do. You have entrusted us with this responsibility; we understand this responsibility and will continually strive to do the best job that we can do.

Deborah A. Diaz

President, Board of Supervisors

NORTHERN BATTLES THE SILENT INVADERS



Non-native invasive plants are waging a silent war as they try to take over Florida’s native ecosystems. Invasive Exotics include both plants, such as Hydrilla, old world climbing fern, Melaleuca, Brazilian Pepper, Schefflera, and Australian Pine, as well as animals, such as Tilapia, fire ants, killer bees, and the snakehead fish. These exotic invaders are kept in check in their native ranges by natural plants and animals that evolved with them over thousands of years. When these exotic flora and fauna are released into a new country or continent they can quickly dominate the local flora and fauna because of the lack of natural enemies to keep them in check. The newly established exotic plant or animal can displace native populations causing the long established relationships that kept the ecosystem in balance to degrade. This degradation can lead to the displacement and

possible extinction of a native population. Palm Beach County’s Unified Land Development Code contains requirements for removal of specific non-native species and ongoing maintenance to keep properties clear of invasive plants. Many of the areas within Northern’s jurisdictional boundaries must meet these requirements. The current budgets for aquatic weed, man-made marsh, preserve, upland maintenance and canal and lake restoration are directly affected by exotic species that have become established in South Florida. Huge portions of these budgets go toward the control and removal of invasive species.

Many of the plants people see are of foreign origin. Not all are considered invasive; however, most exotics have no natural enemy, so they have the potential to reproduce uncontrollably. Indigenous plants cannot keep up because they have natural controls and can be physically displaced. Invasive plants are found in every form (trees, shrubs, herbaceous plants, grasses on land and emergent, submerged and floating aquatic plants in lakes and canals) so they impact the South Florida environment in every area. Ornamentals are being introduced into wildlife areas and preserves due to birds depositing their seeds. Ornamental plants established in yards can move into adjacent preserve areas and out-compete native plants. Another example, Hydrilla, sold for home aquariums, infested aquatic habitats as homeowners dumped their tanks into nearby lakes. Hydrilla has displaced native aquatic communities in over 50% of the state. It represents one of the major threats to the native habitat.

In the animal world, Tilapia reproduces prolifically. They compete with native fish for bedding sites which can lead to displacement. Peacock bass were then introduced to control the Tilapia, and the Peacock Bass is also non-native. Armor plated catfish burrow into the lake and canal banks and cause additional erosion problems.

There are two types of non-native species. Category 1 non-native species invade natural areas displacing or disrupting the natural community structure or function. These include Carrotwood, Melaluca, Brazilian pepper, old world climbing fern (the worst), Australian pine, and water hyacinth.

Category 2 non-native species have potential to become Category 1 invasives. Category 2 invasives are not yet known to be disrupting communities and natural areas or have not yet been moved to Category 1 status. Category 1 status is revised every two years by the Florida Exotic Pest Plant Council.

Sam Payson, Northern’s Staff Biologist, has worked to manage preserves, uplands, lakes and canals in Florida for over 25 years. Sam works with several contractors to monitor and manage approximately 3,800 plant species that reproduce on their own with approximately 1,200 (or 31%) being classified as non-native or exotic species. Many residents know Sam and see him working in and around the preserves and natural areas. A devoted ecologist, Sam strives to impart information to residents regarding ways to work in conjunction with preserve systems, and to embrace responsible landscaping practices.

Northern’s Board



Adrian M. Salee, Seat No. 1
Adrian is a resident of Palm Beach Gardens & brings management consulting expertise from a wide range of industries & organization types. With a B.M.E. & M.B.A., he specializes in planning, writing & implementing needed computer software.



Marilyn Lew-Jacobs, Seat No. 2
Marilyn resides in Palm Beach Gardens and is the first popularly elected Board Member. She is a certified public accountant with Goldberg, Jacobs & Company, LLP, specializing in taxation, audit, and financial review with 25+ years of experience.



Deborah Diaz, Pr
Deborah resides in J certified public accou Rampell, P.A. where prehensive services t financial & pe rforma tional analysis, intern process improvement

Another Northern Staff Member, Randy Cross, Right-of-Way Manager, works extensively in the area of aquatic weed control in Northern's 40 miles of canals. Plants can become resistant to chemical treatment. New treatments are constantly being tested to overcome the resistance problem. Bio-controls are potential tools to control exotics on a very limited basis. Tri-ploid (grass-eating) carp continue to be successfully used, but the challenge is to manage the carp after the exotic species have been eliminated. Grass-eating carp successfully eliminate Hydrilla and are much more effective than chemical or manual treatments. The subject treatment area must be a contained water body so the grass-eating carp do not move into natural water bodies and exert their nonselective eating habits in an area that may need native plant populations for the support of native fish and animal populations.

Other bio-control agents that have been released in Florida include animals from the insect world. Several species of weevils have been used to control water hyacinth and water lettuce. Water lettuce breeds the species of mosquito that carries encephalitis. The eradication of water lettuce greatly helps in controlling this disease vector.

An effective strategy has been to attack the problematic aquatic weed problems hard during spring when water levels are down and less chemical is needed for effective control. By having these aquatic weeds controlled at this time there is less chance of these plants causing trouble during the rainy and hurricane season. In contrast to this, the best time to kill Torpedo grass is in the fall, at this time the plant is still actively growing and begins to store starches in the root system in anticipation of a cooler season when it does not grow. In the fall torpedo grass is more likely to take in herbicide than in winter when it is not actively growing or in the summer when it is growing so fast that little of the herbicide gets to the roots.



Before cleanup



After cleanup

Northern prepares an annual National Pollutant Discharge Elimination System ("NPDES") report. NPDES is a federal program designed to eliminate stormwater pollutant discharges to receiving waters of the United States. In 1987, under Section 402 (p) of the Clean Water Act (N40CFR Part 112.26), the EPA required local governments to establish final regulations governing storm water discharge permit application requirements. In 1980, the Federal Register indicated that Palm Beach County was to begin compliance with the program. The County has a cooperative program now involving 39 co-permittees, including Northern (which serves as the lead co-permittee), the Florida Department of Environmental Protection and the United States Environmental Protection Agency (EPA). Northern requires their Annual Contractors to attend an NPDES seminar to receive training on illicit discharge. They are required to submit monthly along with their invoice, a form indicating if there have been any illicit discharge incidents. This "Best Management Practice" greatly helps expand surveillance and monitoring.

The silent invasion will continue, but there is significant progress on many fronts. The South Florida Water Management District spent nearly \$20 million on the prevention, control and management of invasive plants in South Florida. Northern continues to include aquatic weed control, preserve and upland maintenance, and canal cleaning and restoration in various areas as part of the annual budget process. These widespread efforts are critical to managing and controlling non-native plants and animals.

Northern's Board

President, Seat No. 3
 Jupiter and is a
 consultant with Rampell &
 she provides com-
 to local governments,
 nance audits, organiza-
 tional control reviews, &
 ts.



Ronald M. Ash, P.E., Vice President, Seat No. 4
 Ron is the Florida marketing director for Brown & Caldwell serving public, private & federal agencies across Florida for 30+ years. Ron holds a B.S. in civil engineering, an M.S. in environmental engineering, and is a Florida Registered Professional Engineer, former Surveyor & Real Estate Broker, & Arbitrator & Mediator.



Matthew J. Boykin, Seat No. 5
 Matthew is the second popularly elected Board Member and is a Certified Public Accountant with Florida Power & Light Co. He is a member of the American Institute of Certified Public Accountants

Celebrating 50 Years of Service! 1959 - 2009

Northern Palm Beach County Improvement District ("Northern") is an independent special district created pursuant to Chapter 59-994, Florida Statutes filed with the Florida Secretary of State's Office on June 18, 1959. Northern encompasses approximately 128 square miles of land in the northeastern portion of Palm Beach County and employs 18 full-time employees.

Northern consists of two basic divisions – Administration & Finance with six Staff, and Operations & Engineering with 12 Staff. These Staff manage numerous contracts with Consultants, Project and Consulting Engineers, and Annual Contractors to perform the work and services for each Unit of Development.

Please visit Northern's website – www.npbcid.org – for information including the Meeting Schedule, the current Board Agenda, the Audit, the Budget, the Engineering Standards Manual, and the Accounting Manual.

LEFT TO RIGHT, STARTING WITH THE BOTTOM ROW:

Kathleen E. Brunk, C.P.A., Finance Director; Susan P. Scheff, Executive Assistant; Layle Ayshea M. Knox, Senior Engineering Aide; Pietro G. Corrias, Field Technician II; Laura L. Ham, C.P.A., Budget & Assessment Roll Manager; C. Danvers Beatty, P.E., Deputy Director; Tanya W. Quickel, Deputy Director; O'Neal Bardin, Jr., Executive Director; Victoria B. Loeb, Fiscal Specialist & Customer Service Representative; JoAnn R. Osborne, Administrative Assistant; Kenneth R. Roundtree, Director of Operations; Timothy A. Helms, Construction & Permit Coordinator; John R. Musgrove, Operations Supervisor; Jonathan H. Iles, Operations Manager; Eric A. Vincent, Operations Manager; Jared J. Kneiss, Road Right-of-Way Manager; Samuel K. Payson, Staff Biologist; Randy E. Cross, Canal Right-of-Way Manager



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