**MEMORANDUM**

TO: Governing Board

FROM: Tom W. Brown, General Counsel

DATE: December 2, 2009

RE: Enforcement Status & Litigation Report

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**ADMINISTRATIVE MATTERS WITHIN THE DISTRICT:**

Frank Soucinek/Countryside Estates (CE07-0050)

Received July 19, 2007. Failure to submit as-built certification forms Sections A, B and C. Counsel sent an enforcement letter on August 1, 2007 seeking submission of Section C, an assessed penalty, administrative costs and attorneys' fees. As-built Section C was submitted on August 29, 2007. District staff will conduct a final site inspection to determine if there are problems to be addressed by permittee. Upon inspection by District staff, a few problems exist that must be corrected and a subsequent as-built Section C must be submitted. Counsel notified Mr. Soucinek of the corrections that are required and the necessity of a follow-up Section C by letter dated September 25, 2007. Once the problems are corrected and District approves, Section C will be resubmitted. District staff conducted a site inspection on December 27, 2007 and February 20, 2008. No work has been done to bring the project into compliance. Counsel will initiate proceedings by April 30, 2008. Counsel has had several contacts with Mr. Soucinek and believes that he is making diligent effort to correct the matter. Calculations for the change to the retention area have been furnished to the District and a permit to modify the retention area was received by the District June 4, 2008. Thereafter, staff requested additional information because the modifications were not sufficient to make a wet pond in the limited area. Mr. Soucinek's engineers contacted the District on July 23rd and are working with staff to resolve the issue. Attorney will continue to monitor. Owner agreed to remove muck and fill in with sand to make retention area functional. Will complete work as soon as area is dry enough to allow. On October 29 the retention ponds were cleaned out pursuant to the permit modification application and when the water recedes, the applicant is to complete the rest of the work. We should have a follow up report within 30 days. No work done in November. Staff to give him 30 days to clean out retention pond. Staff met with Mr. Soucinek November 21, 2008. A new engineer is coming on board and staff will follow up. As of May 27, 2009, Mr. Soucinek has failed to retain an engineer. Matter referred back to Counsel on May 20, 2009, to pursue further enforcement action. Recommend that Board authorize institution of Circuit Court action to enforce rules. Board has authorized civil action; because of pending discussions with Soucinek's contractor, staff has asked we hold up until August 10. District staff instructed counsel to proceed with filing of a complaint in Circuit Court. Complaint filed in circuit court in Columbia County on October 20, 2009. Complaint currently out with process server

to be served on Frank Soucinek. **Complaint served on Frank Soucinek on November 9, 2009. At request of his attorney, we granted Soucinek until Monday December 21, 2009 to respond to complaint.**

Kathleen Allred (CE07-0053)

Received January 28, 2008. Notice of Violation, Unpermitted Construction within 75-foot setback. Counsel sent enforcement letter on February 8, 2008 seeking assessed penalty, administrative costs and attorneys fees to be paid on or before February 26, 2008. The work required to bring the property into compliance must be completed on or before March 11, 2008. Received information week of February 3, 2008 that Kathleen Allred is in the military currently stationed out of the country. Staff has given her an extension until July 1, 2008 to correct the issues. At Allred's request, an additional extension was granted to August 1, 2008. The unpermitted construction of a home within the 75-foot setback was corrected by removal of the home; however, the deck and dock remain. On August 25, 2008, staff contacted Ms. Allred and gave her until September 8, 2008, to either remove the deck and dock, or apply for a permit. Ms. Allred is back overseas and was given until December 31, 2008 to apply for a permit. Staff met with Ms. Allred's mother and brother on December 20, 2008 regarding permitting the remaining violations (they are permittable). Received letter on December 31, 2008 stating that Allred redeployed, wants another extension until late spring. On January 8th, staff sent letter to family requesting husband, brother or mother to act as agent to complete the process. **(Same)**

Ronald Berg (CE09-0059)

Received file from District July 29, 2009. Counsel prepared and mailed a Notice of Violation via certified mail to Ronald Berg regarding the unpermitted sea wall that was constructed on his property in Dixie County prior to him purchasing the Property. Mr. Berg was provided a deadline of September 21, 2009, in which to respond to counsel's Notice of Violation.

Mr. Berg did not respond to the notice of violation, but a Contractor requested a copy of the notice of violation and inquired about the work required to bring Mr. Berg's property into compliance. If no further action is performed towards bringing Mr. Berg's project into compliance by November 11, 2009, counsel will move forward with filing a complaint in circuit court of Dixie County.

**Counsel allowed Mr. Berg an additional thirty (30) days in which to bring his project into compliance. Counsel will file a complaint in the Circuit of Dixie County on or before December 18, 2009.**

Shaun and Christina Ritch and Roy Baker (CE08-0020)

Received file from District July 17, 2009. After the fact ERP issued for mud bogging August of 2007; but system has not been properly maintained; neighbors have been flooded; staff has not been able to have permitees complete remedial work. Counsel is evaluating District's enforcement options.

File was referred back to District counsel for further enforcement. On August 12, 2009, District counsel received instruction via email of steps necessary to bring the site into compliance. On August 31, 2009, District counsel sent a letter to the Ritchs regarding removing the berms and stabilizing the area with written confirmation that the same has been performed within 30 days. If the same is not timely completed, then District counsel will pursue further enforcement action.

File was referred back to District counsel for further enforcement. On August 31, 2009, District counsel sent a letter to the Ritchs regarding removing the berms and stabilizing the area with written confirmation that the same has been performed within 30 days. If the same is not timely completed, then District counsel will pursue further enforcement action.

File was referred back to District counsel for further enforcement. On August 31, 2009, District counsel sent a letter to the Ritchs requesting removal of the berms and stabilization of the area within 30 days. The Ritchs have not responded or completed the removal of the berms. On October 27, 2009, District Counsel spoke to District Staff as to how the District wishes to proceed regarding further enforcement. Upon instructions from the District, District counsel will pursue further enforcement action appropriately.

**As of December 1, 2009, Ritchs have not responded or completed the removal of the berms and stabilization of the area as per their agreement with the district. District staff is working up a cost projection to consider having the work performed directly. Upon instructions from the District, District counsel will pursue further enforcement action appropriately.**

Deerhaven Citgo/Gary Almond (CE09-0054)

Received September 17, 2009. Counsel mailed a notice of violation to Gary Almond, Almond Oil Company on September 22, 2009 regarding permit condition violations and unpermitted construction occurring on Mr. Almond's property. The notice of violation requires a response from Mr. Almond on or before October 9, 2009.

Mr. Almond contacted District staff regarding the notice of violation and is currently working with staff toward bringing this project into compliance with District rules. Staff will notify us when and if agreement is reached so we can prepare a Consent Order. **(Same)**

## ADMINISTRATIVE MATTERS WITH DIVISION OF ADMINSTRATIVE HEARINGS:

Steven Midyette (CE07-0065)

Received September 10, 2008. On March 16, 2002, the District discovered that Steven Midyette was clearing wetland vegetation within a riverine wetland slough without a permit. Mr. Midyette was notified that these activities required a permit. Mr. Midyette agreed to restore the integrity of the natural system but failed to do

so. On September 5, 2007, the District discovered that Mr. Midyette was filling in wetlands and constructing a boat ramp within a riverine wetland slough without a permit. On September 7, 2007 the District issued a Notice of Violation and Stop Work Order. A consent agreement was prepared for both violations and was sent to Mr. Midyette. Mr. Midyette was ultimately given extensions until September 5, 2008 to sign and return t he consent agreement. He failed to sign. Counsel spoke to and sent a letter to Mr. Midyette in September 2008 regarding returning the signed consent agreement. Mr. Midyette advised he would do so after his attorney reviewed the same. The signed consent agreement was never received. Counsel forwarded an Administrative Complaint and Order to the District on December 8, 2008 to be signed. The Administrative Complaint and Order was filed on or about January 26, 2009. On February 25th, complaint was sent to Duval County Sheriff to serve.

Complaint was served on Defendant on March 9, 2009. Defendant filed a Petition for Hearing on March 27, 2009. On April 15, 2009, District entered an Order Dismissing Defendant's Petition for Administrative Hearing without Prejudice as the Petition was procedurally defective and gave Defendant fourteen days to file an Amended Petition for Hearing. Defendant's Amended Petition for Hearing is due to be filed with the District on or before April 28, 2009.

Defendant filed an Amended Petition for Hearing dated May 2, 2009 which was received by the District on May 4, 2009. District forwarded the same to DOAH on May 18, 2009. DOAH issued its Initial Order on May 19, 2009. District counsel responded to the Initial Order on May 27, 2009. District counsel will commence with Discovery.

As per the District, District counsel filed a Motion to Continue the trial and stay further proceedings for 30 days on June 25, 2009. On June 26, 2009, DOAH granted the motion canceling the hearing set for July 30 and placing the case in abeyance. The parties are to notify DOAH of status of proceedings by July 27, 2009. District counsel will continue to work with Defendant's counsel to resolve the matter without further court action. Since June 26, 2009, this matter has been continued four additional times for thirty days each. On October 30, 2009 District counsel spoke to Dennis Price, Defendant's engineer/expert, who advised District counsel that he is scheduled to perform his site inspection on Monday, November 2, 2009. He also indicated that he anticipates having a proposed restoration plan to the District within two weeks of his inspection. District counsel will continue to work with Defendant's counsel to resolve the matter without further court action.

**On hold as per the District. District counsel filed a 6th Motion to Continue the trial and stay further proceedings for another 30 days on November 25, 2009. District counsel received the proposal from Dennis Price, Defendant's engineer/expert, on November 23, 2009. District counsel is drafting a proposed consent agreement and order. District counsel will continue to try to work with Defendant's counsel to try to resolve the matter without further court action.**

## CIRCUIT COURT MATTERS:

Suwannee River Water Management District v. El Rancho No Tengo, Inc.

On May 26, 2006, District counsel filed a complaint in circuit court for Columbia County for injunctive relief, civil penalties, and attorney's fees and costs against Defendant Corporation.

The trial on the District's action for injunctive relief was conducted on November 7, 2006, and February 7 and 8, 2007. The Court granted District's request for a temporary injunction on July 11, 2007, and converted the temporary injunction to a permanent injunction in a Final Order dated August 6, 2007.

On April 16, 2008, after hearing testimony and argument of counsel on the District's action for civil penalties, the Court entered a Judgment for Civil Penalties against Defendant in the amount of $100,000.

On April 17, 2008, an Order was entered denying Defendant's motion to stay, pending appeal, the requirement that the impoundment be immediately drained to the lowest feasible level. However, the remainder of the injunctive relief was stayed conditioned on the Defendant posting a $100,000 bond. Defendant separately appealed the injunction order and the civil penalty order. In February 2009, the First District Court of Appeal *per curiam* affirmed both orders. No bond was ever posted by Defendant and Defendant has failed to comply with any of the Court ordered permanent injunctive relief designed to ensure the integrity of the dam.

In August 2008, a Writ of Execution was issued by Columbia County Sheriff's Office to levy on real property owned by Defendant as a means of enforcing the final order imposing the $100,000 civil penalty. Sale of the property was scheduled for November 21, 2008, however, on November 19, 2008, El Rancho No Tengo, Inc., filed for Chapter 12 Bankruptcy proceedings in the United States Bankruptcy Court, Middle District of Florida, resulting in a stay. Ultimately, Bankruptcy counsel for the District filed a Motion to Dismiss El Rancho No Tengo's Chapter 12 Case, which the bankruptcy court granted on May 14, 2009, after evidence and testimony was presented.

On March 30, 2009, based on information obtained during the bankruptcy proceeding, counsel for the District propounded upon Defendant a Second Request for Production requiring Jeffrey Hill to produce corporate tax returns and other financial information. The Defendant has failed to comply with the District's request. Consequently, District counsel filed a Motion to Compel document production, which is now scheduled to be heard on December 10, 2009 (previously set for October 13, 2009).

District staff continue to periodically monitor the water level of the impoundment and condition of the dam. Actions necessary to maintain the lowest feasible water level have been taken by District staff several times during the past year as authorized by the Court.

An attempt to meet to try to voluntarily negotiate a settlement was made in June 2009, but failed.

On July 15, 2009, an amended motion for order to show cause why El Rancho No Tengo, Inc., should not be found in contempt of court was served on Defendant and filed with the clerk of court.

On August 28, 2009, counsel for District filed a Motion for Assessment of Appellate Attorney's Fees in the amount of $52,173.01 pursuant to law and the First District Court of Appeal's orders *per curiam* affirming the trial court's final orders and granting the District's motions for attorney's fees. Counsel for District also filed an Amended Motion for Costs and Attorneys' Fees under sections 373.129 and 373.136, *Florida Statutes,* seeking to recover its investigative and administrative costs in the amount of $49,584.91, and reasonable attorneys' fees in the amount of $159,241.55, expended in prosecuting this action in circuit court.

On October 7, 2009, Paul Smith, counsel for Defendant, filed a Motion to Withdraw and noticed it to be heard on October 13, 2009, in conjunction with the hearing on the District's motion to compel.

The following District motions were set for hearing on December 10, 2009:

Motion for Order to Show Cause Why Defendant should not be held in Contempt; Amended Motion for Costs and Attorney's Fees for the trial proceedings; and Motion to Assess the Amount of Attorney's Fees for the appellate proceedings.

A seven (7) hour block of time was set aside on Judge Johnson's docket.

However, on October 13, 2009, Judge Johnson disqualified herself, *sua sponte*, from hearing any further matters in this cause. As a result neither the District's Motion to Compel nor Paul Smith's Motion to Withdraw as Defendant's counsel was heard on October 13, 2009.

**Chief Judge, David Fina, recently reassigned this matter to Judge Greg Parker. A hearing on the District's Motion to Compel production of documents and Defendant's Counsel's Motion to Withdraw have been scheduled before Judge parker on December 10, 2009, in Columbia County. Additionally, the Motion for Order to Show Cause Why Defendant should not be held in Contempt; Amended Motion for Costs and Attorney's Fees for the trial proceedings; and the Motion to Assess the Amount of Attorney's Fees for the appellate proceedings have all been scheduled for March 26, 2010, commencing at 9:00 a.m.**

Breck Sloan/Beck Chrysler Dealership (CE07-0100)

Received October 24, 2007. The dry retention pond on the property is not functioning as permitted and needs to be redesigned as a wet pond or a filter/underdrain must be designed to draw down the seasonal high water table. Counsel sent an enforcement letter on October 29, 2007 seeking an assessed penalty, administrative costs and attorneys' fees. The letter also instructed Mr. Sloan as to the permit modification that will be required in order to bring the pond into compliance. A deadline of November 14, 2007 was provided. Breck Sloan responded on November 13, 2007 and proposed a four-month monitoring plan. District staff agreed to said plan. A written report is to be submitted to District on April 7, 2008, which shall show all findings and proposed modifications. Report was not filed on April 7, 2008 with District. The penalties, administrative costs and attorney's fees were not paid and Staff has returned the file back to attorneys for enforcement. On July 30, 2008, Mr. Breck Sloan, by phone, claimed he thought the work had been done and promised immediate action. Counsel followed up with a letter to Mr. Sloan. On August 26, 2008, District staff received a call from Engineer Rudd Jones, new to the project, promising a proposal to fix the pond. Staff will follow up with him within ten (10) days. Owner given until October 15, 2008 to have plan filed with District. Owner has not contacted counsel or staff; the matter will proceed with administrative enforcement. On November 19th, Mr. Sloan's new engineer contacted District and should meet with staff and pay penalties this month. This did not happen; counsel is to file suit in Circuit Court in Bradford County. Defendant's registered agent was served on February 19, 2009.

On March 16, 2009, we filed for a Default and the Clerk entered the order on the same on March 17, 2009. Defendant filed an Answer in the wrong county on March 12, 2009. Defendant forwarded correspondence to the Bradford County clerk referencing the error on March 18, 2009. A telephone conference was held between District counsels, Defendant, Defendant's counsel, and Defendant's engineer on March 24, 2009. Defendant's counsel advised that he would submit a proposal on behalf of the defendant as to the actions to bring the pond into compliance along with the timeframe in which to do so. No action by defendant's counsel or engineer as of April 28, 2009. We therefore are proceeding with the lawsuit that has already been filed.

Defendant's engineer has been in contact with District staff and submitted an application along with the application fee. However, Defendant failed to pay the past penalties, attorney's fees, and costs. District counsel will advise Defendant's counsel that the Defendant needs to pay the past penalties, attorney's fees, and costs by June 12, 2009. If he does so and then timely and properly completes the work thereafter, then the District will consider reducing the penalty. However, if we do not receive the past penalties, attorney's fees, and costs by June 12, 2009 we will proceed with continued enforcement proceedings. On June 10, 2009, the District met directly with Defendant's engineer and reached an agreement to resolve the violations, waive the penalties, and pay reduced attorney's fees and costs. Defendant has ninety days from the issuance of the ERP to get the project into compliance. Defendant is to pay the reduced attorney's fees and costs by July 3, 2009.

Defendant paid reduced attorney's fees and costs. Defendant has ninety days from the issuance of the ERP to bring the project into compliance. Enforcement is on hold pending completion of work. On September 17, 2009, District staff advised District counsel that everything was proceeding appropriately and to maintain the case on hold status.

On October 27, 2009, District staff advised District counsel that defendant has begun the work to bring the project into compliance and everything appears to be proceeding appropriately. Therefore, District Counsel was instructed to maintain the case on hold status.

**On hold as per the District. On June 10, 2009, the District staff met directly with Defendant's engineer and reached an agreement to resolve the violations, waive the penalties, and pay reduced attorney's fees and costs. District staff advised District counsel that the Defendant paid the reduced attorney's fees and costs. Defendant has ninety days from the issuance of the ERP to bring the project into compliance. On November 25, 2009, District staff advised District counsel that Defendant is nearing completion of the work to bring the project into compliance and everything appears to be proceeding appropriately. Therefore, District Counsel was instructed to maintain the case in an "on hold" status.**

Linda Fennell/Stephen Buckles (CE06-0107)

Received September 13, 2007. Mr. Buckles constructed a building, dock and walkway within the 75' setback and floodway of the Suwannee River without a permit. Counsel sent an enforcement letter on September 14, 2007 seeking assessed penalties, administrative costs, attorneys' fees and either removal of all unpermitted structures located within the 75' setback or complete the application process and seek a variance if there are unpermittable structures located within the 75' setback. Mr. Buckles contacted counsel on October 1, 2007 and assured his cooperation in correcting the violations. Mr. Buckles was instructed that he has until October 31, 2007 to submit a petition for variance and apply for a permit. This file will be transferred back to District for a site inspection and to oversee the permit application process. District staff is to conduct a site inspection on October 3, 2007. A site inspection was conducted on October 3, 2007 wherein District staff and Mr. Buckles discussed the violations and ways to cure the problems. It was discovered that the violations at issue encompass Mr. Buckles land as well as an adjoining landowner. Therefore, District staff is to resend Notice of Violation letters to both parties on or before December 7, 2007. District received Petition for Variance on January 23, 2008 and it is under consideration. Staff requested additional information on February 27, 2008. Mr. Buckles has until April 25, 2008 to answer. The Petition was submitted only by Mr. Buckles and it appears that there is another owner involved who is not joined in the Petition named Linda Fennell. Staff will be recommending denial of the permit application as well as Mr. Buckles' request for a variance. District acted on a Petition for Variance by denying the request on June 10, 2008. Mr. Buckles met with staff on August 11, 2008 at the District. He was

given thirty (30) days to respond to three (3) different options in order to come into compliance. A staff follow-up report will be given after September 12, 2008. Negotiations with staff are at a standstill. Will most likely refer back to attorney. The Governing Board, at the November meeting denied his petition for variance and Mr. Buckles agreed to furnish staff with previously requested information. Not received as of January 5, 2009. Still seeking information from Lafayette County officials. Attorney determined Ms. Linda Fennell is owner of property based on copies of Deeds furnished to him. On January 28th, Ms. Fennell, as owner, was sent notice of violation with requests for action. She was given ninety (90) days to comply – due on April 30, 2009. Received response from Ms. Linda Fennell on April 27, 2009, wherein she stated, "I, Linda Fennell, do not recognize that there has been any violation as alleged by any SRWM staffers. Sincerely, Linda Fennell." Recommend that Board authorize institution of Circuit Court action to enforce rules.

Board authorized institution of Circuit Court action on May 14, 2009. Counsel is preparing Circuit Court complaint to be filed in Lafayette County on or before June 9, 2009.

After further review, the question of ownership arose as to whether Stephen Buckles or Linda Fennell owned the property containing the structures in violation of District rules. Counsel deferred the matter to staff to determine the appropriate entity to pursue. District staff determined and informed Counsel on June 29, 2009, that Linda Fennell owns the land containing the structures in violation of District rules. Counsel will file a complaint in the Circuit Court of Lafayette County against Linda Fennell within ten (10) days.

July 29, 2009, a complaint was filed in the Circuit Court of Lafayette County against Linda Fennell for unpermitted structures constructed within the regulatory floodway of the Suwannee River and also within the 75 foot setback of the Suwannee River. Summons to process server 8/13/09. Process server made numerous attempts to serve Ms. Fennell; however, Ms. Fennell no longer resides on the property. Process server is to update counsel once Ms. Fennell's current location is discovered.

Process server has attempted service at Ms. Fennell's Lafayette County address on numerous attempts and at several Jacksonville area addresses believed to belong to Ms. Fennell. Despite these numerous attempts at service, the process servers have been unable to locate the whereabouts of Linda Fennell.

Process server will make one last attempt at serving Ms. Fennell and if unable to locate the whereabouts of Ms. Fennell, counsel will seek authority from the Court to have Ms. Fennell served by publication.

**Complaint still out with processor who is attempting to locate Ms. Fennell at newly discovered addresses in Jacksonville.**

Charlie Hicks, Jr. (CE07-0087)

Received November 1, 2008. District discovered a violation on Mr. Hicks' property in Madison County On September 26, 2007--which was construction of a structure in the floodway, without obtaining a works of the District permit. A notice of violation followed and several meetings with Mr. Hicks and various communications until the final contact when Mr. Hicks advised staff on October 28, 2008 to leave him alone, stating that he would not comply with any of District's requests. Counsel sent a demand letter on February 2, 2009 to Mr. Hicks, with a 30-day deadline to pay administrative costs, attorney's fees, penalties and to take corrective action. Certified letter unclaimed and returned. Letter then served on Mr. Hicks by process server on February 26, 2009. Administrative costs increased to include service fee and deadline now is Monday, March 30, 2009 for response. No response has been received from Mr. Hicks or his counsel and staff recommends that counsel be authorized to proceed against Mr. Hicks in Circuit Court to enforce our rules.

Board authorized institution of Circuit Court action on May 14, 2009. Counsel preparing Circuit Court complaint to be filed in Madison County on or before June 5, 2009.

Counsel filed a Complaint in Circuit Court in Madison County on June 4, 2009. Charles E. Hicks, Jr. was served with the Complaint on June 24, 2009. Mr. Hicks has until July 14, 2009 to file an Answer to District's Complaint.

Mr. Hicks contacted counsel on July 8, 2009, regarding the pending litigation against him in Madison County. During the conference, counsel informed Mr. Hicks the actions required in order to bring his project into compliance with Florida law. Mr. Hicks was given until August 7, 2009, to pay the assessed penalty, administrative fees, and legal fees to date in good faith effort toward settlement of this matter. If Mr. Hicks fails to make this good faith gesture, counsel will proceed with the litigation rather than pursuing settlement.

Mr. Hicks has failed to contact counsel regarding this matter and has also failed to file an Answer to the Complaint filed in Madison County. Prior to moving the Court for a default against Mr. Hicks, counsel has given Mr. Hicks an additional two (2) weeks in which to file an Answer to the Complaint in Circuit Court. If Mr. Hicks fails to file an Answer to the Complaint in Madison County, counsel will have no choice to but seek a default against Mr. Hicks.

Mr. Hicks failed to file an answer to the complaint and a default was entered against Mr. Hicks by the court on September 14, 2009.

Counsel is setting the matter for trial. We are requesting four hours for Trial. **(Same)**

**MATTERS CURRENTLY WITH OUTSIDE COUNSEL:**

Jeff Hill/Smithfield Estates, Phase I and Haight-Ashbury Subdivision

Haight-Ashbury Subdivision: On February 25, 2008, District counsel filed a Petition to Enforce the Governing Board's Final Order in circuit court for Columbia County. A hearing on pre-trial motions was held on November 17, 2008, at which time the Court granted El Rancho No Tengo's Motion to Dismiss without any finding concerning ownership of the stormwater basin on the property; ordered the parties to mediation; and postponed ruling on the other motions. When mediation failed to occur, on March 17, 2009, a case management conference was held and upon the District and the County each agreeing to pay one-half of the Hills' cost of mediation, the Court again ordered the parties to mediation.

On June 30, 2009, formal mediation occurred and although a tentative settlement was reached, the Hills ultimately failed to agree to its terms. On August 11, 2009, an impasse was declared by the mediator.

Another case management conference was scheduled to occur on October 13, 2009; however, prior to the hearing on that date, Judge Johnson entered an order, *sua sponte*, disqualifying herself from hearing any further matters in this case.

**On November 4, 2009, Chief Judge, David Fina, reassigned this matter to Judge Greg Parker. A hearing on Respondent's Amended Answer and Motion to Dismiss and on Petitioner/Districts Motion to Strike Respondent's combined "Amended Answer and Motion to Dismiss" has been scheduled for December 10, 2009, in Columbia County.**

In the Smithfield Matter: On February 25, 2008, District counsel filed a Petition to Enforce the Governing Board's Final Order in circuit court for Columbia County. A hearing on pre-trial motions was held on November 17, 2008, at which time the Court ordered the parties to mediation and postponed any rulings on the motions. When mediation failed to occur, on March 17, 2009, a case management conference was held and upon the District and the County each agreeing to pay one-half of the Hills' cost of mediation, the Court again ordered the parties to mediation.

On June 30, 2009, formal mediation occurred and although a tentative settlement was reached, the Hills ultimately failed to agree to its terms. On August 11, 2009, an impasse was declared by the mediator.

Another case management conference was scheduled to occur on October 13, 2009; however, prior to the hearing on that date, Judge Johnson entered an order, *sua sponte*, disqualifying herself from hearing any further matters in this case.

**On November 4, Chief Judge, David Fina, reassigned this matter to Judge Greg Parker. A hearing on Respondent's Amended Answer and Motion to Dismiss and on Petition/District's Motion to Strike Respondent's combined "Amended Answer and Motion to Dismiss" has been scheduled for December 10, 2009, in Columbia County.**

Richard Cole/Grandview Village Units 3 & 4 (CE06-0086)
(The following is a summary): On September 9, 2008, the Governing Board, on the basis of counsel's Motion to Dismiss, denied Respondent's Petition for Administrative Hearing and Amended Petition for Administrative Hearing with leave to file a second amended petition within 10 days. Respondent failed to file a second amended petition. Since September 2008, District staff have been trying to voluntarily resolve this matter with Respondent by using city-owned property to construct a missing ditch that was required under the permit.

A staff inspection on February 26, 2009, revealed that adequate maintenance work was completed on existing pipes, ditch, and pond, however, easements for maintenance access still need to be granted by affected lot owners to Lake City. In the meantime, Counsel for Respondent, Stephen Smith, and District counsel have been negotiating the civil penalty amount, and payment of the District's investigative costs and attorney's fees.

On June 30, 2009, counsel for the District received a letter from Mr. Smith stating that he had learned that some of the lot owners upon whose property the existing drainage ditch is located have been contacted and refuse to provide any type of an easement. Therefore, an alternative arrangement was agreed to whereby the County would give an easement along the adjoining boundary of its property to the City, the current operation and maintenance entity, so that a new drainage ditch could be constructed within that area.

On July 24, 2009, a revised, proposed consent order was sent to the Trust containing the following remedial action:

a) Within 30 days of execution of this Consent Order, Respondent must submit a draft drainage easement to the District for review and approval prior to recording, which allows for construction of a new ditch on adjacent Columbia County property, and operation and maintenance by Lake City of the portion of the stormwater management system located on County property.

b) Within 60 days of execution of this Consent Order, Respondent must construct a new drainage ditch, which complies with the permitted plans, within the immediately adjacent County easement area to replace the existing drainage ditch.

c) Within 90 days of execution of this Consent Order, Respondent must submit certified as-built drawings for the new ditch.

d) Upon District approval of the as-built drawings, Respondent must timely complete the process to transfer the operation and maintenance permit to Lake City.

A penalty of $5000.00 and $2074.40 in administrative costs and attorney's fees was proposed; however, in the event the work is completed in a timely manner and to the satisfaction of the District, the District would agree to reassess the penalties and provide a refund in the amount of $5000.00. Once the Trust signs the consent order, it must also be approved by the Governing Board.

After further negotiations, Mr. Smith has orally agreed that the Trust will reimburse the District its costs and attorney's fees and District staff have agreed to recommend that no monetary penalty be assessed. The easement from the County to the City has been approved, executed and recorded.

**Construction of the new replacement ditch by Lake City is nearly complete. Reimbursement of the District's costs and attorney's fees has not been received.**

Cannon Creek Airpark ERP Violation

On January 17, 2008, Leroy Marshall, Mark Wiencek, President of the Cannon Creek Airpark HOA, and other Board members met at the site. At the end of the site visit it was agreed that the HOA would advise District counsel shortly if there were areas that required work but were not owned or maintained by the HOA. Staff met on-site with the homeowners. Subsequently, counsel received correspondence and supporting documentation from the HOA requesting 180 days to develop a proposal. Counsel met with Staff and thereafter responded in writing agreeing to the HOA request for additional time. The District previously agreed to a July 29, 2008, deadline for the homeowners to propose a resolution. To date, no proposal has been received. Therefore, District counsel will send a letter advising that enforcement action is imminent.

District counsel spoke to officers of the Homeowner's Association by telephone on August 7, 2008, and confirmed that no progress has been made. District staff subsequently learned that Columbia County officials are working on a stormwater project that may alleviate the practical need to obtain compliance with the existing District permit, but instead would require that the permit be modified to reflect the system as constructed. Therefore, District counsel is postponing the initiation of formal enforcement action at this time.

District staff met with Greg Bailey of Bailey, Bishop & Lane who stated that he is working on the flooding problem as part of a master plan for the entire basin. In the event Mr. Bailey's plan is approved and constructed, it will also address the compliance issue under this permit. District staff will monitor the development and progress of the proposed master plan. **(Same)**

Country Landings (within the Cannon Creek area) ERP Violations

In February 2009, the District served an administrative complaint on Faye Carroll, Raymond and Stephen Austin Session, and K&M Development, L.L.C., by certified mail. On February 20, 2009, Respondents Carroll and both Sessions answered the Administrative Complaint and requested a formal administrative hearing.

Thereafter, Ray Sessions attended the March 10, 2009, Governing Board meeting, and met with Mr. David Still, who also met with Mr. Sessions at the Country Landings site prior to the March Board meeting and discussed the site work required to bring the project into compliance with the permit. Counsel for the District suggested to Respondents' counsel that the operation and maintenance issues be negotiated with the current residents/lot owners in Country Landings and approved by the District. The District agreed to postpone referring the petition to the Division of Administrative Hearings pending renewed efforts by Respondents to voluntarily resolve this matter with the District.

Under the oversight of a District engineer, the required site work was completed in compliance with the permit, while Respondents' attorneys worked on the access easements and revising the homeowners' association documents. Bill Freeman, P.E., was retained to survey the work and provided an As-Built Survey to the District, which showed that the work was satisfactorily completed. Easements for access to the retention basin and amendments to the Declaration of Covenants were drafted by Mr. Sessions' attorney, Martin Friedman, and approved by District counsel and recorded.

Amendments to the Articles of Incorporation for the homeowners association have also been prepared by Mr. Friedman and Vicki Berman, attorney for Faye Carroll, in accordance with the District's requirements. Once the operation and maintenance documents are fully executed, recorded and filed, the permit will be transferred to the homeowners' association.

During August and September 2009, meetings and discussions between all parties and their attorneys, including the residents regarding long-term maintenance and operation issues have been held. Mr. Sessions and the residents conceptually, orally agreed to execute the legal documents needed to allow access to an undeveloped area of Cannon Creek, in exchange for control by the residents of the existing homeowners' association (HOA). Since the beginning of October 2009, draft documents have been exchanged and negotiations continued to finalize the agreement. Once amended articles for the HOA are executed and filed with the Department of State, the District will complete processing of Mrs. Carroll's request to transfer the operation and maintenance permit to the HOA.

**(No change)**

<u>Captain's Quarter's (within the Cannon Creek area) and Cannon Creek Drainage Structure ERP Violations:</u>

On June 22, 2009, the District received a letter from John Wallace, Esq., attorney for Faye Carroll, regarding Permit No. 4-91-00089 (Captain's Quarters Subdivision), Permit No. 4-89-00133 (Cannon Creek Drainage Structure) and Permit No. 4-91-00174 (Country Landings). Regarding Permit No. 4-91-00089, Mr. Wallace concluded that because the operation and maintenance responsibility was transferred by the District to the homeowners association (known as "Cannon

Creek Homeowners' Association II, Inc.") on August 23, 1993, that it eliminated any future obligations of Faye Carroll to operate and maintain the surface water system. In reference to Permit No. 4-89-00133, Mr. Wallace asked that the District verify that it had received the as built certifications for the project associated with this permit.

On July 22, 2009, counsel for the District responded to Mr. Wallace's letter to Jon Dinges. Mr. Wallace was advised that research conducted by counsel uncovered the following information in connection with Permit No. 4-91-00089 (Captain's Quarters Subdivision):

a. The original permit was issued to Faye Carroll on October 10, 1991. Ms. Carroll was listed on the application for this permit as the property owner.
b. Documents regarding the proposed long-term operation and maintenance entity were submitted as part of the application and also approved by the District on October 10, 1991.
c. On August 27, 1993, based upon the as-built certification submitted to the District, the District transferred the permit to the operation and maintenance entity, "Cannon Creek Homeowner's Association II, Inc." The project name on the application and permit was "Cannon Creek Airpark Unit II."
d. However, it also appears that the articles submitted to and approved by the District were never filed with the Department of State (DOS).
e. On August 9, 2005, articles of incorporation for Captain's Quarters Homeowner's Association, Inc. (HOA) were submitted to the District but never approved and the permit was not transferred to this entity.
f. Articles of incorporation for Captain's Quarters HOA were filed with the Department of State on December 6, 2004, and it remains active.

Based on this research counsel for the District concluded that the original permittee, Faye Carroll, is still the permittee and the person responsible for operation and maintenance of the stormwater management system. Amendments to the articles of incorporation and restrictive covenants need to be made before the District can approve a transfer of the permit to the current homeowners association.

Mr. Wallace was advised that research conducted by counsel for the District uncovered the following information in connection with Permit No. 4-89-00133 (Cannon Creek Drainage Structure):

a. The original permit was issued to Faye Carroll on September 19, 1990, for a drainage structure to serve an airport runway project.
b. No long-term operation and maintenance entity was proposed as part of the permit application.
c. One large culvert has been installed at the location where three culverts were proposed and authorized by the District.
d. The required as-built certification has never been submitted to the District.
e. A request to transfer the permit has never been received by the District.

f. The Columbia County Property Appraiser's website indicates that the property is now owned by Cannon Creek Airport, Inc., which was formed in 1978 and remains active.

Counsel for the District informed Mr. Wallace that in order to transfer the permit to the current property owner for operation and maintenance, the District needed an as-built certification that demonstrated the one culvert as installed provided the same capacity as the three, permitted culverts would have provided. In lieu of this, a request for a permit modification authorizing the one culvert could be submitted. Thereafter, with the current owner's assent, Ms. Carroll can request that the permit be transferred to Cannon Creek Airport, Inc.

**The necessary amendments to the articles of incorporation for Captain's Quarters have been approved by District counsel and executed and filed by the permittee. A request by the permittee to transfer the permit to the homeowners' association for long-term operation and maintenance is currently pending with the District. District staff is currently responding to requests for additional information from Permittee's counsel concerning the drainage structure permit.**

## PENDING COMPLIANCE MATTERS

For a list of pending compliance matters, see the current Resource Management Regulatory Activity Report under the Resource Management section.