

**St. Lucie West Services District  
Board of Supervisors' Meeting Minutes  
October 5, 2010, at 9:00 a.m.  
Sunlight Community Church  
477 S.W. Cashmere Boulevard  
Port St. Lucie, Florida 34986**

(Please note: This is not verbatim. A CD recording of the Board Meeting is available on file.)

**Board Members Present**

Harvey Cutler, Chairman  
Everett Child, Vice Chairman  
Sal Mancuso, Secretary  
Charles B. Altwein, Supervisor  
David Kessner, Supervisor

**Staff Present**

Dennis Pickle, District Manager, St. Lucie West Services District ("SLWSD")  
Bill Hayden, Public Works Director/Assistant District Manager, SLWSD  
Maddie Maldonado, Administrative Assistant, SLWSD  
Dan Harrell, District Counsel, Gonano & Harrell  
Bob Lawson, District Engineer, ARCADIS-US, Inc.  
Peter Pimentel, Treasurer, Special District Services, Inc. ("SDS")  
Jason Pierman, Assistant District Treasurer, SDS  
Laura Archer, Recording Secretary, SDS

**Guests Present (Sign-In Sheet Attached)**

**A. Call to Order**

Chairman Cutler called the meeting to order at 9:00 a.m.

**B. Pledge of Allegiance**

**C. Invocation**

**D. Roll Call**

Ms. Archer took roll and it was noted that all 5 Supervisors were present.

**E. Approval of Minutes -**

**1. September 21, 2010, Board of Supervisors' Regular Board Meeting**

Vice Chairman Child requested that his last name be inserted in the motion approving the minutes of the September 7, 2010, Public Hearings and Board of Supervisors' Regular Board Meeting. Ms. Archer stated that she would make the revision, as requested.

A **motion** was made by Supervisor Altwein, seconded by Vice Chairman Child to approve the minutes of the September 21, 2010, Board of Supervisors' Regular Board Meeting, as amended. The **motion** carried 5 to 0.

#### **F. Public Comment**

There were no comments from the public.

#### **G. District Attorney**

##### **DA 1 - Status Report/Update**

Mr. Harrell stated he had no updates at this time.

#### **H. District Engineer**

##### **DE 1 - Approval of Work Authorization No. 7B1-08-1002-SU between the District and Indian River State College for the Construction of the Indian River State College Stem Building**

Mr. Lawson explained that this application is for the construction of an institutional building on an 8.5 acre site within the existing IRSC Campus at St. Lucie West located on the west side of NW California Boulevard, north of NW University Drive, noting that there was one special condition the applicant must meet in order to receive approval, to wit:

The applicant shall grant an easement in favor of the St. Lucie West Services District for access to the water meter and back flow preventer adjacent to the building. Final copies of the recorded easement must be provided prior to the issuance of the Work Authorization. Mr. Lawson stated that Staff recommends approval.

A **motion** was made by Supervisor Altwein, seconded by Secretary Mancuso to approve Work Authorization No. 7B1-08-1002-SU between the District and Indian River State College for the Construction of the Indian River State College Stem Building, subject to one condition: The applicant shall grant an easement in favor of the St. Lucie West Services District for access to the water meter and back flow preventer adjacent to the building. Final copies of the recorded easement must be provided prior to the issuance of the Work Authorization.

Under discussion, Secretary Mancuso asked if there were any fees associated with the application and if so, why were they not listed under "B. Schedule of Fees". Mr. Lawson explained that there were fees associated with the application, but because

they were fees the applicant paid, that information was never included in the Work Authorization in the past. Mr. Lawson did note, however, that, in the future, if the Board so desires, he will include the Schedule of Fees in Work Authorizations.

Supervisor Altwein asked for clarification of the location of the new pond, to which Mr. Lawson responded that its location was further north of University and California Boulevards.

Supervisor Altwein's **motion** was reiterated, seconded by Secretary Mancuso to approve Work Authorization No. 7B1-08-1002-SU between the District and Indian River State College for the Construction of the Indian River State College Stem Building, subject to one condition: The applicant shall grant an easement in favor of the St. Lucie West Services District for access to the water meter and back flow preventer adjacent to the building. Final copies of the recorded easement must be provided prior to the issuance of the Work Authorization. Upon being put to a vote, the **motion** carried 5 to 0.

**I. District Manager  
Action Items**

**DM 1 - Approval to Enter into a Contract with a Mailing Service Company**

Mr. Pickle presented the item and explained that the District currently had a contract with Pitney Bowes for mailing equipment to stuff envelopes and mail statements, final notices, newsletters and water quality reports. He further noted that the District's 60 month lease ends October 30, 2010, and staff has researched other alternatives in order to reduce costs and listed 2 options: 1) to continue performing this task in-house; or 2) outsource the process of printing and mailing to another company. After careful consideration, Mr. Pickle noted that Staff was recommending approval of outsourcing the services to Best Bill for a term of 2 years.

A **motion** was made by Supervisor Altwein, seconded by Vice Chairman Child approving the District to enter into a contract with mailing service company, BestBill for a 2 year term.

Under discussion Supervisor Altwein asked if there were any figures for the labor savings for the in-house option. Mr. Pickle responded that labor accounts for approximately 6 hours per month at approximately 5¢ per envelope. Attention was brought to the fact that the contract appeared to indicate all obligations on the District to which Mr. Pickle noted that all the information obligations fall on the District to provide BestBill with the correct information in which BestBill must act, but that BestBill has a time period in which they must adhere once they receive that information. A brief discussion ensued, after which:

Supervisor Altwein's **motion** was reiterated, seconded by Vice Chairman Child approving the District to enter into a contract with mailing service company, BestBill for a 2 year term. Upon being put to a vote, the **motion** carried 5 to 0.

#### **DM 2 - Fiscal Year 2008/2009 Audit**

Bernadette Brito-Parker, Technical Review Partner of James Moore & Company, introduced herself along with her colleague, Zach Chalifour, and then proceeded to present the Fiscal Year 2008/2009 Audit. Ms. Brito-Parker gave a brief snapshot of where the District was as of September 30, 2009, and noted that it was a clean audit and that the District had positive financial indicators. She further noted that her firm had prepared a report and went over some of the comments and recommendations.

Upon discussion, Secretary Mancuso noted that Customer Deposits are shown as a liability when the District returns those deposits according to District procedures. He further stated that he did not feel that the deposits should be shown in the report because they are given to the District, only to be returned. Ms. Brito-Parker noted that the deposits are shown as a liability because they are included in cash and as the auditors, they have a responsibility to report all transactions. Secretary Mancuso reiterated that he believes the Customer Deposits should be held in a separate account.

A **motion** was made by Vice Chairman Child, seconded by Supervisor Altwein accepting the Fiscal Year 2008/2009 Audit, as prepared by James Moore & Company, as presented. Upon being put to a vote, the **motion** carried 5 to 0.

#### **DM 3 - Consider Ratification of Two Year Extension of Worker Comp Contract**

Mr. Pickle presented the item, explaining that Staff had been presented with the opportunity to lock in the current Workers Comp rates for two years. He further indicated that the National Council on Compensation Insurance (NCCI) estimates that rates will increase by as much as 8% next year and that at the current amount paid for workers comp insurance, locking in at this year's rate will result in a potential savings of approximately \$4,000.

A **motion** was made by Supervisor Altwein, seconded by Secretary Mancuso ratifying the two year extension of the worker comp contract, as presented. Upon being put to a vote, the **motion** carried 5 to 0.

#### **DM 4 - Other Items/Updates**

Mr. Pickle then presented a Memorandum prepared by Mr. Harrell with respect to the Use of Funds Derived from Maintenance Special Assessments. Mr. Harrell gave a synopsis of his findings, noting that the lawful use of the funds derived from these assessments is very broad in nature, citing, "Lawful expenditures from the General

Fund, in turn, include any operating, administrative, or maintenance activity that is both authorized under Chapter 190 (and in particular Section 190.11 or Section 190.012), Fla. Stat., and not directly related to the District's utility system."

Chairman Cutler noted that he hoped Mr. Harrell's Memorandum answers any questions the Board had with regard to this maintenance special assessment.

Mr. Pickle then presented a letter and agreement from the State of Florida Division of Emergency Management regarding the grant money for the reconfigure/reconstruction of the storm water system, drainage project Phase 1, the engineering, design and bid process. He explained that Phase 1 required Board approval in order to expedite to Phase 2 which is the actual construction phase.

A **motion** was made by Supervisor Altwein, seconded by Secretary Mancuso approving execution of the FEMA agreement for Phase 1 in order to expedite and move on to Phase 2 of the project. Upon being put to a vote, the **motion** carried 5 to 0.

Mr. Pickle then advised those in attendance that land clearing for the new building had begun. He further stated that if the building permit is issued by the end of next week, he will proceed to ordering the building and hopes for its delivery during the first week of December. With that anticipated schedule, Mr. Pickle is optimistic that they will be in the new facility sometime between Christmas and the New Year.

Sue Snyder, a resident of the District, suggested that a ribbon cutting ceremony be scheduled to mark this important occasion.

Presidential Cove resident, Michael Verdi, wished to address the \$106 maintenance special assessment, indicating that the term "special assessment" gives the perception that it will be collected for an allotted period of time. He asked how long it is intended to be assessed until the goal amount is accomplished; why was it brought about; and how much does it bring in annually? Mr. Harrell explained that the term "special assessment" is used in the statute and is an operation and maintenance assessment. Mr. Harrell went on to state that is anticipated to be a continuing matter because it is funding a continuing cost, noting that once a project is completed, it must be maintained in perpetuity, covering ongoing expenses. Mr. Verdi asked if it could be considered a "bridge loan" to which Mr. Harrell stated that it was not a bridge loan, but it is maintaining an asset. Mr. Verdi then asked why the amount does not fluctuate from year to year to which Mr. Harrell responded that approximately 10 years ago, a serious budget review of the General Fund adopted an amount from \$90 to \$106 and that the District has been fortunate enough to not have to increase that amount since. Chairman Cutler noted that approximately one year ago he met with Mr. Imperato and seriously discussed lowering the amount from \$106 to \$103 annually. However, after careful consideration, it was felt that it would be prudent to leave the amount alone due to the real estate situation and the state of the economy.

Tony Stachewicz, a resident of Sun Terrace at the Lakes, stated that he wants to revisit the city interlocal agreement. A discussion ensued.

Secretary Mancuso requested that SDS calculate approximately how much money the District receives from the City of Port St. Lucie and when does the District begin to use their funds once the funds from the City have been exhausted.

#### **J. Supervisors' Requests**

Supervisor Kessner had no requests.

Vice Chairman Child requested that discussions be kept as brief and succinct as possible.

Chairman Cutler had no requests.

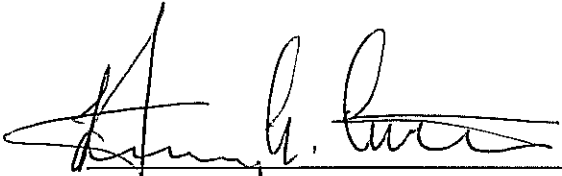
Supervisor Altwein asked Mr. Pickle about the newspaper article he was working on with regard to the District not increasing rates for the fiscal year. Mr. Pickle noted that he had tried to reach Laura at Scripps, but had not received a return phone call as of yet; he indicated he would follow up with her again this week.

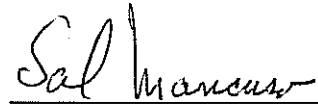
Secretary Mancuso had no requests.

#### **K. Adjournment**

There being no further business to come before the Board, a **motion** was made by Supervisor Altwein, seconded by Secretary Mancuso to adjourn the Regular Board Meeting at 10:50 a.m. There was no opposition.

Meeting Minutes Signature Page

  
Chairman/Vice Chairman

  
Secretary/Assistant Secretary

Date Approved 10-19-10