

St. Lucie West Services District
Regular Board Meeting Minutes
March 4, 2014, at 9:00 a.m.
450 SW Utility Drive
Port St. Lucie, Florida 34986

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

Board Members Present

Harvey Cutler, Chairman
Everett Child, Vice Chairman
Charles B. Altwein, Secretary
Vincent D'Amico, Supervisor
Sal Mancuso, Supervisor

Staff Present

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

Guests Present (Sign-In Sheet Attached)

A. Call to Order

Chairman Cutler called the Regular Board Meeting to order at 9:00 a.m.

B. Pledge of Allegiance

C. Roll Call

Ms. Archer took roll, noting that all 5 Supervisors were present.

D. Approval of Minutes

- 1. February 3, 2014, Workshop**
- 2. February 4, 2014, Regular Board Meeting**

A **motion** was made by Vice Chairman Child, seconded by Supervisor D'Amico approving the minutes of the February 3, 2014, Workshop, as presented, and the February 4, 2014, Regular Board Meeting, as amended at yesterday's Workshop. Upon being put to a vote, the **motion** carried 5 to 0.

E. Public Hearing 1
1. Call to Order

Chairman Cutler then called to order Public Hearing 1 at approximately 9:04 a.m.

2. Roll Call

Attendance of all 5 Supervisors was confirmed.

3. Receive Public Comment on Amending the Drug-Free Workplace Policy of the St. Lucie West Services District

There was no public comment on Amending the Drug-Free Workplace Policy of the St. Lucie West Services District.

- **PH 1 – Consider Resolution No. 2014-01 – Amending the Drug-Free Workplace Policy of the St. Lucie West Services District**

Resolution No. 2014-01 was presented:

RESOLUTION NO. 2014-01

A RESOLUTION AMENDING THE DRUG-FREE WORKPLACE POLICY OF THE ST. LUCIE WEST SERVICES DISTRICT; PROVIDING AN EFFECTIVE DATE.

Mr. Pickle briefly went over the specifics of the resolution, indicating that it had previously been discussed at yesterday's Workshop. He recommended its approval.

A motion was made by Secretary Altwein, seconded by Vice Chairman Child approving Resolution No. 2014-01, Amending the Drug-Free Workplace Policy of the St. Lucie West Services District, as presented. Upon being put to a vote, the motion carried 5 to 0.

4. Close the Public Hearing

Chairman Cutler then closed Public Hearing 1 at approximately 9:06 a.m.

F. Public Comment

There was no public comment at this time.

G. District Attorney

DA 1 – Notice of Qualifying Period – Elections of Members of the Board of Supervisors

Mr. Harrell presented the item, requesting approval for the publication of the Notice of Qualifying Period, as presented.

A **motion** was made by Secretary Altwein, seconded by Vice Chairman Child authorizing the publication of the Notice of Qualifying Period, as presented. Upon being put to a vote, the **motion** carried 5 to 0.

H. District Engineer

DE 1 – Consider Approval of Work Authorization No. 2B-05-1402-R between SLWSD and PGA St. Lucie, Inc.

Mr. Lawson presented the item noting that it had been discussed at yesterday's Workshop. He noted that it was a right-of-way work authorization due to the golf course winding in and around some wetland areas that the District is responsible for maintaining and preserving. The golf course has come forward to advise that there is some excess exotic vegetation growing along the perimeter of the Wetland 102B, which is in front of Hole #16 and they would like the authorization to go in and hand clear some of the exotics to gain a better line of sight for the golfers. Mr. Lawson noted that he had discussed this matter with Mr. Hayden and District staff and indicated that no one has a problem with their request and we recommend approval with the two special conditions, as outlined in the Workshop.

A **motion** was made by Vice Chairman Child, seconded by Secretary Altwein approving Work Authorization No. 2B-05-1402-R between SLWSD and PGA St. Lucie, Inc.

Under discussion, Secretary Altwein asked if, in the event, they remove something that is not to be touched, can we compel them to replace it? Can we add that condition? Mr. Lawson indicated he would be happy to add that as a third condition.

Supervisor Mancuso asked who be removing the exotics to which Chairman Cutler indicated that PGA St. Lucie, Inc.'s vendor would be removing them.

Vice Chairman Child noted that his motion should include Secretary Altwein's comments regarding Condition 3, the replacement of anything that is inappropriately removed. Secretary Altwein accepted the amendment to the motion.

Vice Chairman Child's **motion** was reiterated, seconded by Secretary Altwein approving Work Authorization No. 2B-05-1402-R between SLWSD and PGA St. Lucie, Inc., subject to the three conditions, as discussed. Upon being put to a vote, the **motion** carried 5 to 0.

DE 2 – Approval of Work Authorization No. 2B-06-1402-R between SLWSD and PGA St. Lucie, Inc.

Mr. Lawson presented the item indicating that the application is, again, for the removal of excess exotic vegetation, this time from Wetland 9B to the left of Hole #14

to allow a line of sight to the golf hole. Mr. Lawson indicated that he would add Condition 3 to this work authorization, if it was the Board's desire. He noted that Condition 3 would indicate restoration/replacement of any native material deemed removed without cause by the District.

A **motion** was made by Secretary Altwein, seconded by Supervisor D'Amico approving Work Authorization No. 2B-06-1402-R between SLWSD and PGA St. Lucie, Inc., subject to Conditions 1, 2 and 3, as outlined previously. Upon being put to a vote, the **motion** carried 5 to 0.

Mr. Lawson then gave a brief update on the 2014 Water Management Improvement Project. He indicated that he had attended the Site Plan Review Committee meeting last Wednesday and noted that it was the first step in the District's request to amend the Lake Forest PUD to allow for the District's work to occur within the boundaries of Lake Forest. He indicated that several comments had been brought up; only one of any significance which has since been worked out. He indicated the issue was regarding the original PUD stated that there would be a pedestrian path/trail that would be constructed and it was shown as coming off the sidewalk area, within Lake Forest, traveling through two of the upland areas that the District owns and maintains. It would go between 4 different sets of houses and would wind its way through two upland preserve areas owned by the District. After discussion with the Assistant Planning Director, Mr. Lawson indicated that it was not, in our opinion, best for any pedestrians to be walking on a trail in the middle of woods that the District owns and maintains out of the sight of the public and public safety officials, they asked us to get with the owners of the PUD with the Lake Forest HOA. In discussing that with the President, they sent an e-mail to Mr. Lawson indicating that during turnover from the Master Developer to the HOA that pedestrian trail had been negotiated out of the required improvements; however, it had never been communicated to the City. I sent that e-mail along to the Assistant Planning Director who indicated that we can incorporate the removal of that path in the PUD amendment we are working through with the City. In addition, part of that negotiation between the developer of Lake Forest and the HOA was that instead of the pedestrian path, they would build a quite significant playground for the children in that particular neighborhood, which they have done. It turned out to be fine and we expect to be re-submitting later this week.

In addition, I will be attending a Lake Forest Pointe HOA Meeting on the evening of March 12th. The purpose of the meeting is to explain the program, what the benefits of the 2014 Water Management Improvement Project are and address any concerns regarding the construction of the lake to lake interconnect and the stormwater gate. Mr. Lawson indicated he would report back to the Board on how that meeting goes.

Mr. Lawson had no further updates.

H. Consent Agenda

CA 1 - Monthly Report on Public Works Operations

CA 2 - Monthly Report on Utilities Operations

CA 3 - Monthly Report on Capital Improvement Projects

CA 4 - Monthly Report on Billing and Customer Service

CA 5 - Financial Statements for December, 2013

CA 6 - Consider Approval to Transfer Funds for the R&R Account, the WCF Account and the WWCF Account Requisitions for Fiscal Year 2013/2014

Mr. Pickle presented Consent Agenda Items CA 1 through CA 6 and recommended approval.

A **motion** was made by Vice Chairman Child, seconded by Supervisor D'Amico approving Consent Agenda Items CA – 1 through CA – 6, as presented. Upon being put to a vote, the **motion** carried 5 to 0.

**I. District Manager
Action Items**

DM 1 - Consider Agreement for Deferred Payment of Service Availability Fees for Riteway Linen Services

Mr. Pickle presented the item and invited Riteway CEO, Juan Marcano, to speak. Mr. Marcano explained his business and noted that they had moved their operations from Club Med in Port St. Lucie to St. Lucie West. He noted that they were considered a “green plant” and that he was not aware of incurring any impact fees. He went on to explain that in their move to a larger plant, he purchased a recycling water system that recycles 80% of the water they use. He further explained that the \$100,000 system failed and incurred approximately \$200,000 in losses. Mr. Marcano noted that allowing Riteway to defer the payments over a period of 18 months will enable them to purchase a different recycle water system and will not require him to lay off any employees. He noted that deferring the payments over a period of 6 to 12 months will result in him having to lay off some of his staff. Mr. Marcano asked the Board if they had any questions.

Supervisor D'Amico had no questions for Mr. Marcano.

Secretary Altwein asked about the failed water system to which Mr. Marcano indicated that he had been advised that the company he purchased the system from had bootlegged the system and they were not knowledgeable about it. Mr. Marcano indicated that his company have experienced extreme financial hardship with the move from Port St. Lucie to St. Lucie West.

Chairman Cutler asked Mr. Marcano what his gross sales were last year to which Mr. Marcano responded that they were \$1.3 Million.

Vice Chairman Child surmised an 18 month deferral period would allow Mr. Marcano's company to break even; a 12 month deferral period would stress the company's finances and result in layoffs; and a 6 month deferral period would be out of the question. Vice Chairman Child asked Mr. Marcano if he had any other source of fund to pay these fees off to which Mr. Marcano replied that his company sells textiles (sheets and towels to hotels) which helps daily operations. Vice Chairman Child advised Mr. Marcano of the Board's predicament, noting that the District was not a lending institution, but indicated that the District benefits from the proposed set up, but stated that it was at the Board's discretion. Vice Chairman Child asked how many people Riteway employed to which Mr. Marcano replied that he employed 30 full time employees and 20 part time. He noted that if the Board approves an 18 month deferral period, he will only have to lay off 1 or 2 people.

Supervisor Mancuso asked if Mr. Marcano rented the facility to which Mr. Marcano replied that he did. Supervisor Mancuso asked if he could not pay his rent, would the landlord kick him out to which he replied he would. Supervisor Mancuso asked if there was any way he could negotiate the rent with the lessor to which Mr. Marcano explained that the landlord is aware of the situation who has advised him that they are willing to work with him.

Chairman Cutler advised Mr. Marcano that the District likes to encourage small business, but that this is taxpayers' money and that a precedent is being set to which Mr. Marcano acknowledged.

A **motion** was made by Supervisor D'Amico, seconded by Supervisor Mancuso approving the Agreement for a 12 month Deferred Payment of Service Availability Fees for Riteway Linen Services.

Under discussion, Supervisor Mancuso asked Mr. Harrell for guidance. Mr. Harrell indicated that it was a business decision and policy judgment.

Chairman Cutler asked Mr. Pickle for his opinion. Mr. Pickle indicated it was a business policy matter and he does not see a problem with a 12 month deferral; noting an 18 month deferral might be a little excessive.

Supervisor Mancuso asked for Mr. Marcano's opinion to which Mr. Marcano replied that they can use all the help they can get.

Vice Chairman Child reminded the Board of the potential layoffs and asked that the Board consider an 18 month deferral, proposing an amendment to the motion. Supervisor D'Amico did not accept the 18 month amendment. Vice Chairman Child withdrew his amendment. Supervisor Mancuso seconded Vice Chairman Child's amendment and he was advised that Vice Chairman Child had withdrawn his amendment.

Supervisor D'Amico's **motion** was reiterated, seconded by Supervisor Mancuso approving the Agreement for a 12 month Deferred Payment of Service Availability

Fees for Riteway Linen Services. Upon being put to a vote, the **motion failed** on a vote of 1 to 4 with only Supervisor D'Amico voting affirmatively.

A **motion** was made by Vice Chairman Child, seconded by Supervisor Mancuso approving the Agreement for an 18 month Deferred Payment of Service Availability Fees for Riteway Linen Services.

Under discussion, Mr. Ney expressed his feeling that the Board should support local business.

Chairman Cutler advised that he was not happy with bringing this type of industry to the District because of increased traffic, but noted that it was a business decision and that he is impressed with the "green" aspect of the operation.

Discussion ensued as to whether the same consideration would be given to someone who was building a home within the District to which Mr. Pickle explained that change of use is only applicable to commercial property, not residential. Secretary Altwein then asked about short sales with fees piling up. He asked what the District would do if someone could not afford to pay the accrued fees. Mr. Pickle indicated that in bankruptcies, the debt is written off, but in short sales, it is absorbed into the closing costs.

A question arose as to who paid for the agreement to be drawn up to which Mr. Harrell responded that it was a replica of the one for Golden Corral and required a minimal amount of time, an inconsequential amount.

Vice Chairman Child's **motion** was reiterated, seconded by Supervisor Mancuso approving the Agreement for an 18 month Deferred Payment of Service Availability Fees for Riteway Linen Services. Upon being put to a vote, the **motion** carried 3 to 2 with Supervisor D'Amico and Secretary Altwein dissenting.

Chairman Cutler wished Mr. Marcano luck in his business.

Vice Chairman Child expressed his appreciation for Mr. Marcano's explanation.

DM 2 - Water and Wastewater Rate Comparison

Mr. Pickle presented the item noting that at the 3,000 gallon usage level, the District is cheaper than the City. He reminded the Board that there has not been a rate increase since 2009. He also noted that the base rate is higher for the District because the City has more customers.

Secretary Altwein indicated that the public's perception is that the District is higher because irrigation water is included.

DM 3 – Wastewater Treatment Plant Chief Operator Position

Mr. Pickle presented the item indicating that the District had initially received 2 internal applicants for the position, one of which had withdrawn after interviewing. After advertising the position and receiving seven qualified applications, he interviewed the top two applicants and was confident in his nomination of Thomas Stirtzinger for the position of Wastewater Treatment Plant Chief Operator.

A **motion** was made by Secretary Altwein, seconded by Vice Chairman Child approving the District Manager's nomination of Thomas Stirtzinger for the Wastewater Treatment Plant Chief Operator position at an hourly rate of \$24.52, as presented.

Under discussion, Supervisor Mancuso expressed his sorrow in the District having to seek outside sources in order to fill this position. He thanked the District Manager and staff for their time and effort in seeking a qualified person for the job.

Secretary Altwein's **motion** was reiterated, seconded by Vice Chairman Child approving the District Manager's nomination of Thomas Stirtzinger for the Wastewater Treatment Plant Chief Operation position at an hourly rate of \$24.52, as presented. Upon being put to a vote, the **motion** carried 5 to 0.

DM 4 -- 2013 Annual Drinking Water Quality Report

Mr. Pickle presented the report and requested Board acceptance.

A **motion** was made by Secretary Altwein, seconded by Supervisor D'Amico accepting the 2013 Annual Drinking Water Quality Report, as presented. Upon being put to a vote, the **motion** carried 5 to 0.

Mr. Pickle updated the Board on the IQ takeover, indicating that the inspections had been completed. He noted that they were in the formulation stage now and would try to make a presentation to the Board in April, no later than May. It is his intention to include this item in the Fiscal Year 2014/2015 Budget.

Mr. Pickle's final matter was to wish Chairman Cutler a Happy 87th Birthday!!! Everyone present concurred.

J. Supervisor Requests

Supervisor D'Amico had no requests.

Secretary Altwein brought up an article in today's newspaper regarding fracking, indicating that no one knows what chemicals are being used in fracking. He also asked about the property near the bank and if we can turn it into a park or additional water storage. Chairman Cutler believes the District should keep the property as is in case the District can sell it in the future or use it for future mitigation.

Vice Chairman Child had no requests.

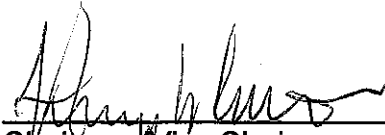
Supervisor Mancuso expressed his belief that public comment should not be allowed during the Board's discussion of matters in which they are in the middle of voting. He appreciates and welcomes public input, but believed there is an appropriate time for it. He asked Mr. Harrell's opinion to which Mr. Harrell referred to Robert's Rules, but noted that in small groups it becomes more relaxed and is generally left up to the Chairman.

Chairman Cutler indicated he was strong coming down on the City yesterday regarding rezoning. He noted, however, that the District should be notified of items on the City's agenda and would like the City to be made aware of that fact. Messrs. Lawson and Pickle will work on getting notification from the Planning Director of the Planning & Zoning Department.

K. Adjournment

There being no further matters to come before the Board, the Regular Board Meeting was adjourned at 11:04 a.m. There were no objections.

Regular Board Meeting Minutes Signature Page



Chairman/Vice Chairman



Secretary/Assistant Secretary

Date Approved 04/08/14