

St. Lucie West Services District
Workshop Minutes
April 7, 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

Staff Present

Dennis Pickle, District Manager, St. Lucie West Services District ("SLWSD")
Lisa-Marie Beans, Administrative Assistant, SLWSD
Jason Pierman, District Treasurer, Special District Services, Inc. ("SDS")

Guests Present (Sign-In Sheet Attached)

A. Call to Order

Chairman Cutler called the Workshop to order at 9:02 a.m.

B. Pledge of Allegiance

C. Roll Call

Mr. Pierman took roll and noted that Supervisor Mancuso was absent.

D. Approval of Minutes

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

Chairman Cutler asked if there were any changes or corrections. There being no corrections or revisions, Chairman Cutler went on to the next agenda item.

E. District Attorney

DA 1 – Memorandum No. 14-05 Notice of Qualifying Period – Elections of Members of the Board of Supervisors Supplement

It was noted that the only District Attorney item on the agenda will be the Notice of Qualifying Period. It was also noted that in the absence of Mr. Harrell, Ms. Shaddock (formerly Ms. Rottinghaus) would be present at tomorrow's meeting.

F. District Engineer

DE 1 – Consider Approval of Work Authorization No. 3B-30-1312-SU between SLWSD and Harbor Community Bank, FSB

Mr. Pickle presented the item indicating that Harbor Community Bank (the landowner) had purchased the property next to the Valero gas station and that Aldi will be the lessee. The application supports the construction of an Aldi store on Parcel A of the Home Depot site. He recommended approval of Work Authorization 3B-30-1312-SU with the following condition:

Condition 1 – This applicant shall provide an ingress/egress easement in favor of St. Lucie West Services District to allow access to the water meter and backflow prevention devices prior to issuance of the Work Authorization. Release of the water meter to service the site will be conditioned on review, acceptance and recordation of the easement.

There was no discussion regarding this matter.

DE 2 - Consider Approval of Work Authorization No. 4D-05-1402-S between SLWSD and Merin Development Companies, Inc.

Chairman Cutler asked for confirmation that this was The Crossings to which Mr. Pickle affirmed.

Mr. Pickle presented the item indicating that this application requests approval for the construction of a side train culvert under a new driveway into the Shoppes of St. Lucie West, not The Crossings, as he had previously stated. He noted that from the storm drainage perspective, the turn lane improvements would be reviewed and approved by the City of Port St. Lucie. Mr. Pickle recommended approval of Work Authorization 4D-05-1402-S with the following condition:

Condition 1 – Final issuance of Work Authorization 4D-05-1402-S shall be conditioned on receipt of the required \$1,000 Application Fee and a \$1,000 Work Authorization Deposit.

There was no further discussion regarding this item.

G. 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 February, 2014

CA 6 - Consider Approval to Transfer Funds for the WCF Account and the WWC Account Requisitions for Fiscal Year 2013/2014

There was no discussion regarding Consent Agenda items CA 1 through CA 6.

**H. District Manager
Action Items**

DM 1 - Consider Request to Advertise for a Public Hearing to Approve Amendments to Employee Job Descriptions

Mr. Pickle presented the item indicating that there were 2 job descriptions to be amended. He noted that one position had recently become vacant and before filling the position they wanted to change the description. Mr. Pickle indicated that the Vac-Con/Jet Truck Operator had recently resigned, taking a position with a firm who had done some work for the District in the past.

Mr. Pickle indicated that possible staffing changes would be discussed during the upcoming budget process.

There was no further discussion regarding this item.

DM 2 - Consider Approval of Water Treatment Plant Reroof Project

Mr. Pickle presented the item noting that reroofing of water treatment plant was necessary due to the age and condition of the existing roof. He further noted that repairs had been done several times, but that it was time for the roof to be replaced. Mr. Pickle indicated that three proposals had been received and it was staff's recommendation to award the contract to Seaside Roofing for the amount of \$66,200 and issue a Notice of Award.

There was no discussion regarding this item.

DM 3 - Consider Approval of SW072 High Service Pump and Hydro-Tank Expansion Project for the Water Treatment Plant

Mr. Pickle presented the item indicating that staff had accepted bids for the expansion of the High Service Pumps and Hydro-Tank located at the Water Treatment Facility with the associated piping, valving, instrumentation and electrical work. Mr. Pickle noted that this expansion is projected to meet the future capacity needs through the final stages of build-out and provide needed redundancy. Four bids were received and Baskerville-Donovan, as well as staff, is recommending the acceptance of the bid from Wharton-Smith, Inc. in the amount of \$654,000. Mr. Pickle noted that the project is over budget due to the need to build an MCC panel. He indicated that without this panel, the pumps would burn up regularly. Mr. Pickle also indicated that this project would be funded out of the Water Connection Fee Fund because it is expansion related.

Secretary Altwein asked if there were any other pressurization systems that could be used instead of including this portion of the project to which Mr. Pickle indicated that there were none he was aware of. Mr. Pickle noted that their intention is to take advantage of the current infrastructure. Referring to the redundancy, Secretary Altwein asked if the dual systems would be used alternately to which Mr. Pickle indicated that they would and that SCADA costs will be incurred doing so as well.

Chairman Cutler referred to global warming and asked how the District would monitor the possibility of salt water intrusion to which Mr. Pickle indicated that salt water is already in our water, which is why we do RO (reverse osmosis).

Supervisor D'Amico referred to the pre-bid meeting for this project, noting that 6 firms had attended and affirmed that the District had received 4 bids. He then asked if Mr. Pickle got the impression that there is some reluctance from other contractors to bid on District projects because of Wharton-Smith's relationship with the District. Mr. Pickle indicated that he did not believe that to be the case. He indicated that because Wharton-Smith is onsite, they are able to bid lower on District projects, which usually translates into an approximate 10% to 15% savings. He also noted that there could be additional savings if the District direct-buys some items for this project.

Chairman Cutler asked about the current bond interest rates to which Mr. Pierman indicated that rates appear to be going up; he noted that from the last time the District refinanced bonds, rates have gone up at least one full point. Chairman Cutler asked if the District had refinanced one bond at 2 ½% to which Mr. Pierman affirmed, but noted that it was a private placement. Mr. Pickle noted that he has been in contact with Kevin Mulshine and that Mr. Mulshine was looking into the District's financial stability and is gathering information regarding the refinancing of the 2004 bond, which is callable now. Chairman Cutler asked about the Cascades bond to which Mr. Pickle indicated he believed it was at 3% and is only until 2018.

There was no further discussion regarding this item.

DM 4 – Consider Approval of Contract Amendment between the Department of Corrections and the St. Lucie West Services District. Contract # WS828 Amendment #1

Mr. Pickle presented the item indicating that the contract would extend the current contract for approximately three (3) months to make it consistent with the District's fiscal year; revise the end of the contract referenced in Section 1. Contract Term; add their requirement, Section VII., Prison Rape Elimination Act; and replaces Addendum A with Revised Addendum A, effective July 19, 2014. Mr. Pickle noted that the program was going well (4 days per week, 10 hours per day) and that it is exceeding expectations.

There was no further discussion regarding this matter.

DM 5 – Other Items/Updates

Mr. Pickle presented information on the 2014 Florida Association of Special Districts (FASD) Annual Conference being held June 16 -19, 2014. He noted that he needed to know if anyone was planning on attending so that arrangements could be made. Chairman Cutler asked what benefit the District would get from having a representative attend the conference. Mr. Pierman noted that a lot of the programs were geared towards fire control and mosquito control, but the information provided is valuable. Mr. Pierman indicated that he would forward information on current legislative issues the FASD is lobbying. In addition, Mr. Pickle noted that in some cases the after-hours dinners/functions are sometimes more beneficial because of the networking involved. Secretary Altwein noted that he believed the District should have some type of representation at the upcoming conference. Mr. Pickle indicated he could bring information regarding the costs involved so that the Board could determine whether to send one or two Board Members to the conference.

Mr. Pickle presented the State of Florida Auditor General letter, explaining that Governor Scott has requested to have random audits performed on special districts; to wit the District has been randomly chosen to be audited. In particular, they are looking at the District's process in the hiring of the financial accountant who handles the annual audits. Mr. Pierman reminded the Board that the District had gone through the process, back in 2010, when the Board appointed itself as the Auditor Selection Committee, made an assessment, adjourned and came back to the Board with recommendations. He indicated that the entire process is very well documented within the District's minutes. Mr. Pickle also noted that the District's procedures regarding bond issues will also be audited; how Bond Counsel and Financial Advisors are hired; particularly with respect to the last bond issue which was done last year.

Supervisor D'Amico asked how quickly the audit would be completed to which Mr. Pickle indicated he believed they needed to complete the audits by July for all districts they are reviewing. He noted that they met with them last Thursday and subsequent to their meeting, he received a request and some information was provided to them on Friday and more information will be sent to them. Mr. Pickle assured the Board that it is merely procedural and that no financial issues will arise from the audit.

There was no further discussion regarding this matter.

Mr. Pickle then presented a draft of the District Staff Evaluation of the Homeowner Association Irrigation System within St. Lucie West indicating that the community of Paradise Villas had been missed. He indicated that there were minimal items to review within that community and he does not see it adversely affecting the report as it stands. It was noted that the report goes subdivision by subdivision and gave an overview of the report.

Chairman Cutler questioned why a full engineering report would be necessary to which Mr. Pickle indicated that it would be more for the District Engineer to present to

the Board a cost analysis for District to take over the responsibilities. It is Chairman Cutler's belief that staff could come up with an estimate of the costs involved.

Tony Roach, a District resident, questioned the grade of PVC pipe and indicated that information is necessary in order to price the project. Mr. Pickle agreed indicating that 4 inch and smaller come in a grade below schedule 40. He noted that there were 3 types of pipe, schedule 40, schedule 80 and C-900 and a lower irrigation grade pipe.

Chairman Cutler indicated that the District could take over this responsibility more economically than the HOAs. Mr. Pickle agreed and also noted that the District could do it quicker as well. Mr. Pickle noted that the District is already receiving phone calls when there are broken water lines and noted that residents do not know the difference between irrigation and potable water. Mr. Pickle indicated that the monthly irrigation rate may have to increase due to the District's takeover. At this point, Mr. Pickle recommended keeping the rate the same until we see what effect it has.

Gregg Ney, also a District resident, indicated that the residents are already paying for it; it just depends if that money goes through the HOA or the District. He supports the cheapest option and suggested replacing valves in sections because of the amount involved. Mr. Pickle noted that first it would need to be determined if they required replacement. Mr. Ney suggested putting into place a regular maintenance schedule for the valves.

Discussion ensued regarding the costs involved if the District were to take over the responsibility.

Chairman Cutler expressed belief that the more services the District takes over and does well, the better off the District is to contest the City from taking over.

There was no further discussion on the matter.

I. Supervisor Requests

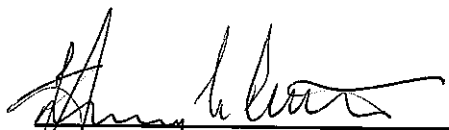
Vice Chairman Child referred to item DM – 2 – the reroofing project and asked what reroofing this year will do to next year's budget. Mr. Pickle indicated that they could move funds from next year to this year (a budget amendment). He also noted that the District is saving a little bit of money because he believes they budgeted about \$100,000 and this project came in at approximately \$66,000.

There were no further requests.

J. Adjournment

There being no further items to be addressed, the Workshop was adjourned at 10:41 a.m. There were no objections.

Workshop Minutes Signature Page



Chairman/Vice Chairman



Secretary/Assistant Secretary

Date Approved 05/06/14