St. Lucie West Services District
Workshop Minutes
June 6, 2011, 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 Board Meeting is available on file.)

Board Members Present

Harvey Cutler, Chairman
Everett Child, Vice Chairman
Charles Altwein, Secretary
David Kessner, Supervisor
Vincent D'Amico, 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
Jason Pierman, Assistant District Treasurer, Special District Services, Inc. ("SDS")
Laura Archer, Recording Secretary, SDS

Guests Present (Sign-In Sheet Attached)

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

Pledge of Allegiance

Roll Call

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

A. Approval of Minutes
1. **May 2, 2011, Workshop Minutes**
2. **May 3, 2011, Regular Board Meeting Minutes**

It was noted that the item discussing meeting room rental within the May 2, 2011, Workshop Minutes the reference to the rate for the use of the room of $50 should designate $50 per hour.

It was also noted that in the May 3, 2011, Regular Board Meeting Minutes that Chairman Cutler called the Regular Board Meeting to order, not the Workshop.

Ms. Archer noted that she would make the above referenced changes.

B. Consider Resolution No. 2011-01 – Adopting the Drug-Free Workplace Policy as a Rule of the St. Lucie West Services District

Mr. Pickle noted that the changes the Board had requested had been presented to the labor attorney to be sure all was covered. It was noted that the labor attorney made the requested changes and stated that it was a good policy. Discussion ensued regarding specific drugs or household items turned into drugs and the coverage of them. Discussion further ensued regarding regularly testing employees for drugs which was clarified that "certified" employees could be tested regularly, but other employees could be tested on suspicion only.

C. District Attorney
DA 1 – Status Report

Although Mr. Harrell was not in attendance, Chairman Cutler asked if there were any new developments on the Jean Joseph case to which Mr. Pickle replied that there were none.

D. 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 April, 2011
CA 6 - Consider Approval to Transfer Funds for R&R Fund and the WMB Bond Requisitions

Secretary Altwein asked if there was any decrease in irrigation violations. Mr. Hayden noted that violations had come down slightly, but not a lot. It was noted however, that irrigation violations are expected to increase due to the once per week irrigation schedule being recently instituted. Secretary Altwein questioned the number of new service customers indicated in the Underground Utilities Field Work Report (68) which number referenced was not necessarily due to non-payment, but could be attributed to numerous move-ins/move-outs. Secretary Altwein then asked why meter covers were not being used to which Mr. Pickle responded that the covers were not an issue, that they were wiped down each time the meter is read. A discussion ensued regarding the conditions of meter boxes. Mr. Pickle concluded by stating that the District was looking into the use of locking mechanisms for the lids.

E. District Manager
Action Items
DM 1 - Consider Approval of First Amendment to the District Manager's Employment Agreement

Mr. Pickle presented the item, reminding those present that during a Budget Workshop that it was decided that for financial reasons, he and Mr. Hayden would be

receiving a $600 monthly vehicle allowance instead of driving a District vehicle. Mr. Pickle noted that Mr. Harrell had made a few quick paragraph amendments regarding the vehicle allowance and indicated that if approved by the Board, would be effective October 1, 2011. Discussion ensued regarding "out of county mileage" and the standard language Mr. Harrell used which is from school district agreements. There being no further discussion regarding the matter, Mr. Pickle moved on to the next item.

DM 2 - Consider Approval of Contract for Continuous On Call Potable Water, Wastewater and Utilities Related Engineering Consulting Services with Baskerville Donovan, Inc.

Mr. Pickle reminded those present that 8 firms had submitted qualifications for the Continuous On Call Potable Water, Wastewater & Utilities Related Engineering Services and that the Selection Committee had ranked Baskerville Donovan as Number 1. He went on further to indicate that said ranking then enabled open negotiations with Baskerville Donovan and that the contract being presented was very similar to the previous contract with CPH. Mr. Pickle noted that Mr. Harrell reviewed the contract and gave his approval. Mr. Pickle noted that Mr. Brian Stahl was present today to answer any questions that might arise. Discussion ensued regarding the comparison of rates between CPH and Baskerville Donovan to which Mr. Pickle noted that their rates were comparable and he recommended approval of the item. Mr. Stahl then approached the Board and thanked them for the opportunity to serve the District. There were no further comments or questions regarding the item. Mr. Pickle then asked the Board if they wished for Mr. Stahl to be present at tomorrow's meeting and the Board consensus was that it was not necessary for Mr. Stahl to attend tomorrow's meeting.

DM 3 - Consider Authorization to Change Dental Insurance Provider

Mr. Pickle indicated that District employees were thoroughly using the dental plan. To that end Mutual of Omaha was proposing a 39.01% increase for the plan's renewal. Mr. Pickle noted that the District sought other proposals and after careful evaluation it was determined that Humana's proposed package was close to the same benefits at a 3.69% decrease from the current plan. That decrease was noted to reflect a savings of $1,009.68 in annual premiums. Secretary Altwein asked if the employees had had the opportunity to see the proposed plan to which Mr. Pickle noted that only Maddie, Mr. Hayden and one or 2 employees had had the opportunity. Mr. Pickle further noted that the Humana providers list is very large and those employees who had seen it appeared to be happy with the proposal. There being no further comments or questions regarding the matter, Mr. Pickle went on to the next item.

DM 4 - Consider Approval of Federal Funded Sub-Grant Agreement for Phase II of the Hazard Mitigation Grant Program DR-1785-44-R

Mr. Pickle was pleased to present Item DM-4, noting that the Phase I Agreement was approved on October 5, 2010, for the engineering, permitting and bidding services. Phase II of the grant is for the reconfiguration/reconstruction of the storm water system and the federal share was raised to 75% from 43.9569%. Execution of these documents will allow construction on the gates to commence as soon as possible. Mr. Pickle noted that Rubio's office had sent congratulations on receiving the grant. Mr. Pickle noted that the Tribal Review letter had sat on someone's desk since March, but that the delay allowed the increase in the federal from 43.9569% to 75%. Discussion ensued regarding whether it was a federal or a state grant to which Mr. Pickle noted that someone in Orlando will be monitoring and report to the federal level. Submission of requests for reimbursement was discussed and whether it should be done on a quarterly basis. Mr. Pickle noted that quarterly reports can be done with requests for reimbursement quarterly or monthly – they are flexible.

Supervisor Kessner suggested getting some PR on the FEMA project out to the residents of the District. Chairman Cutler noted that Staff was working on it. Secretary Altwein suggested mentioning that the whole process was initiated by John Imperato to which Chairman Cutler agreed.

DM 5 - Other Items/Updates

Mr. Pickle distributed to the Board a statement of physical condition pursuant to the conditions noted in his employment contract. This item was not for the record, it is confidential and only for the Board to see.

Mr. Pickle noted that at next month's meeting he would be reviewing his goals and objectives for the upcoming year, as per the conditions of his employment contract.

Mr. Pickle then addressed conditions regarding the rental of the Board room and noted that if there was a charge associated with it, sales tax would need to be collected and reported, which would necessitate licensing and registration with the State of Florida and additional reports and filings for Staff to complete on a regular basis. Mr. Pickle did note, however, in order to avoid all that additional paperwork that the District could limit the use of the meeting room to tax-exempt/non-profit organizations, only charging the $50 per hour rate, collecting no sales tax. It was noted, however, that record-keeping would be required if the Board desires to go this route. Vice Chairman Child asked if the District could offer the use of the meeting room to community HOAs at no charge to which Mr. Pickle agreed. Discussion then ensued regarding charging HOAs $50 per hour for use between the hours of 8:00 a.m. and 5:00 p.m. and charging $90 per hour for after hour's usage. Secretary Altwein noted that "renting out" the meeting room would require additional work and questioned whether the issue should be abandoned. Secretary Altwein then asked Mr. Pickle if usage of the room could be done through "donations". Mr. Pickle noted that he would look into that option and get back with the Board. Vice Chairman Child asked if there were any inquiries regarding the use of the meeting room to which Mr. Pickle replied that he believed there were several recent inquiries for HOA meetings. Vice Chairman Child felt that the District should serve each development equally and

if offered to one group at no charge and do not make it available to others jeopardizes that equality. Mr. Pickle indicated that the District could offer the meeting room to all HOA groups and does not see a conflict in doing so. Chairman Cutler agreed. Mr. Pickle noted that the District could offer the use of the meeting room to all community HOAs Monday through Friday, during business hours. Secretary Altwein asked if there should be any stipulation for damage control or requiring a damage deposit to which Mr. Pickle indicated that the only stipulation he believes should implemented is that no refreshments should be allowed to be served and questioned whether collecting a damage deposit would be a tax issue. Mr. Pickle indicated he would run the issue by the CPA and the attorney for the District.

Chairman Cutler called for a brief break at approximately 10:02 a.m.

Chairman Cutler called the Workshop back to order at approximately 10:16 a.m.

Mr. Pickle then brought up the issue of FPL and street lights, which dates back to 2005. He indicated that the District wanted to get out of the street light business and asked FPL to be taken off the bill for the Country Club Estates community. FPL's records indicate that the District is still the account holder even though Country Club Estates pays the bills for the street lights. FPL noted that they could shut off the power even though the bills are paid, but doing so will affect the District's credit. Discussion ensued regarding how to go about getting the District's name off the bill. It was decided that the Board would bring this issue up at tomorrow's meeting when District Attorney, Dan Harrell, is present.

F. Budget Workshop

Mr. Pickle presented the Proposed Budget for Fiscal Year Ending September 20, 2012, and noted that the only major change since the last workshop was the addition of a Vehicle Allowance for himself and Mr. Hayden. Mr. Pickle noted that with the addition of the new Enclave community, it is projected that an additional 26 units will go online by October 1st. Of the 26 new units, he anticipates 6 or 7 in June and another 6 or 7 in July. Mr. Pickle stated that the amount allotted for chemicals is down approximately $30,000 from that which was anticipated for the current fiscal year.

Chairman Cutler asked about the progress on the refinancing. Mr. Pickle noted that they were on an Engineer's Report and that he is reluctant to use CPH.

Mr. Pickle indicated that he anticipates one more draft of the budget prior to the Public Hearing, noting that it was his belief that revenue should go up a little due to the Enclave. A question arose as to Publix to which Mr. Pickle noted that Publix was looking for a new space because of their displeasure with their current location.

Supervisor Kessner asked Mr. Pickle if the new District building had a separate electric meter to which Mr. Pickle replied affirmatively. Supervisor Kessner asked what the monthly electric bill was and Mr. Pickle estimated that the electric bill for the

building alone is between $350 and $400 per month, and approximately $600 per month for the parking lot lighting and this building. Mr. Pickle noted that the trailers had automated air conditioner units, going up to 80 degrees at 6:00 p.m. and lowering at 6:00 a.m. in order to cool down just prior to being occupied. Secretary Altwein suggested in order to increase savings to put the hallways on motion sensors for lighting. Mr. Pickle noted that they were fine with turning on/off the hallways with switches.

Chairman Cutler asked if there were any further items that should be brought up at tomorrow's meeting. It was decided there were no further items for discussion.

It was Vice Chairman Child's belief that an excellent report was presented today and that unless something comes up, tomorrow's meeting should go quickly.

Chairman Cutler indicated that it was never his intention to lead the meetings in prayer, noting that he was not a minister. He asked those present if there was anyone else who was interested in doing so. Vice Chairman Child questioned its necessity to which Chairman Cutler indicated that he did not believe it was and indicated his intention to resign from that position. It was the consensus of the Board to no longer hold an invocation at meetings.

There being no further items to be addressed, the Workshop concluded at 10:58 a.m.

Workshop Minutes Signature Page

Chairman/Vice Chairman

Secretary/Assistant Secretary

Date Approved 7/5/11