

**St. Lucie West Services District
Special Board Meeting Minutes
August 19, 2014, at 9:30 a.m.
450 SW Utility Drive
Port St. Lucie, Florida 34986**

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

Board Members Present

Harvey Cutler, Chairman
Charles B. Altwein, Secretary
Vincent D'Amico, Supervisor (via Skype)
Sal Mancuso, Supervisor

Staff Present

Dennis Pickle, District Manager, St. Lucie West Services District ("SLWSD")
Bill Hayden, Public Works Director/Assistant District Manager, SLWSD
Lisa-Marie Beans, Administrative Assistant, SLWSD
Dan Harrell, District Counsel, Gonano & Harrell
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 Special Board Meeting to order at 9:00 a.m.

B. Pledge of Allegiance

C. Roll Call

Ms. Archer took roll and noted that all Supervisors were present with the exception of Vice Chairman Child, who was en route to the meeting. Supervisor D'Amico was present via Skype.

D. Public Comment

There was no public comment.

**E. District Manager
Action Items**

DM 1 - Authorizing 2004 Utility Bond Refunding

Rhonda Mossing of MBS Capital Markets, LLC introduced herself and referred to the presentation she had previously distributed to the Board. Ms. Mossing gave a summary of the outstanding SLW bonds and indicated that the purpose of today's Special Meeting was to consider the refunding of the 2004 Utility Bonds. She then went over the refinancing and indicated that if approved, the refunding would reduce the interest rate from 5.067% to 3.61%, thus saving the District in excess of \$5 Million and reduces the term by 3 years. Ms. Mossing also noted that the District's total savings for all bond refunding is in excess of \$24 Million over the last 10 years, for which she credited Mr. Pickle, Special District Services and the Board for good management, accounting and decision making.

Ms. Mossing noted that the pre-closing could be done at a Special Meeting to be held on August 26, 2014, so that the closing could take place on August 28, 2014; however, in lieu of a Special Meeting, Resolution No. 2014-06, a delegation resolution was being presented, which would negate the necessity of holding a Special Meeting.

It was noted that the Skype connection with Supervisor D'Amico was lost at approximately 9:44 a.m.

Resolution No. 2014-06 was presented, entitled:

RESOLUTION NO. 2014-06

A RESOLUTION APPROVING THE SALE AND TERMS OF SALE OF ST. LUCIE WEST SERVICES DISTRICT UTILITY REVENUE REFUNDING BONDS, SERIES 2014 (THE "BONDS"); ESTABLISHING THE INTEREST RATE, MATURITY DATE, AND REDEMPTION PROVISIONS THEREOF; APPOINTING A PLACEMENT AGENT FOR THE BONDS; APPROVING THE FORM OF FOURTH SUPPLEMENTAL TRUST INDENTURE AND AUTHORIZING EXECUTION AND DELIVERY THEREOF BY CERTAIN OFFICIALS AND OFFICERS OF ST. LUCIE WEST SERVICES DISTRICT ; AUTHORIZING CERTAIN OFFICIALS AND EMPLOYEES OF ST. LUCIE WEST SERVICES DISTRICT TO TAKE ALL ACTIONS REQUIRED AND EXECUTE AND DELIVER ALL DOCUMENTS, INSTRUMENTS AND CERTIFICATES NECESSARY IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF SAID BONDS; AUTHORIZING CERTAIN OFFICIALS AND EMPLOYEES OF ST. LUCIE WEST SERVICES DISTRICT TO TAKE ALL ACTIONS AND ENTER INTO ALL AGREEMENT REQUIRED IN CONNECTION WITH THE

REFUNDING AND REDEMPTION OF THE OUTSTANDING PRINCIPAL AMOUNT OF THE DISTRICT'S ST. LUCIE WEST SERVICES DISTRICT UTILITY REVENUE BONDS, SERIES 2004; SPECIFYING THE APPLICATION OF THE PROCEEDS OF SAID BONDS; PROVIDING CERTAIN OTHER DETAILS WITH RESPECT TO SAID BONDS; AND PROVIDING AN EFFECTIVE DATE.

A **motion** was made by Secretary Altwein, seconded by Supervisor Mancuso to adopt Resolution No. 2014-06 and the Exhibits attached thereto, as presented. Upon being put to a vote, the **motion** carried 3 to 0.

Vice Chairman Child arrived at the meeting at approximately 9:45 a.m.

DM 2 - Consider Sales Contract for the Martin Memorial Property

Mr. Pickle presented the item, noting that a map of the parcel had been distributed to all those present.

Rhonda Mossing of MBS Capital Markets, LLC excused herself from the meeting at approximately 9:48 a.m.

Mr. Pickle indicated that he had negotiated the price of the property down to \$4,410,000 from the original \$4.6 Million. He noted that the true price of the property came in around \$4.3 Million plus the Water Management Bond payoff in the amount of \$100,000 and an additional \$10,000 in title insurance costs. He indicated the District was asking the City to help pay for the project out of the 25% they retain per the Interlocal Agreement. Mr. Pickle indicated that the City has been very responsive to this project; but they want to know the terms and for how long.

Chairman Cutler noted, for the record, that the project fits into the overall stormwater plan of the District. Mr. Pickle affirmed that Arcadis had prepared a report on the flow of stormwater in the area, which showed, during the height of a storm, a 5-inch difference, if the property were purchased and utilized for stormwater storage.

Chairman Cutler praised Mr. Pickle for his work on the purchase of this property and indicated that it not only would do something with the Interlocal Agreement with the City, but also will alleviate some traffic issues in that part of the District.

Mr. Pickle noted that the acreage amount may change slightly because of stormwater maintenance. Mr. Harrell indicated that if the acreage amount changed, he expected the purchase price to be changed accordingly.

A **motion** was made by Vice Chairman Child, seconded by Secretary Altwein approving the Sales Contract for the purchase of the Martin Memorial Property, as presented.

Under discussion, Supervisor Mancuso asked why all the parking spaces, as depicted on the Eco-Park and Environmental Marsh Concept. Mr. Pickle explained that the lake cannot be built within 370 feet of a wetland and in addition, the City asked that a park be put on the property. He further noted that the District would apply for grants to help offset some of the costs and that said grants require some type of trails or educational facility, but that the drawing was only an example given to the District, and may very well not be the final design.

Mr. Pickle also noted that the City Manager advised him that he is trying to come up with funding of the project and that he would also be asking the County for funds as well. In addition, because the property is located near the Martin Emergency Center at St. Lucie West, they might contribute, as well.

Vice Chairman Child's **motion** was reiterated, seconded by Secretary Altwein approving the Sales Contract for the purchase of the Martin Memorial Property, as presented. Upon being put to a vote, the **motion** carried 4 to 0.

DM 3 – Change Order for the Wastewater Treatment Plant Expansion Project with Wharton-Smith

Mr. Pickle presented the item indicating that it was being brought to the Board because of an oversight by BDI and had been discussed at the Board Meeting held on August 5, 2014. Mr. Pickle reiterated that Wharton-Smith had raised some concern over the design of the tankage. After further evaluation, BDI concluded that changes in the reinforcing steel were required in order to meet the applicable code. That being said, additional steel will be required in the tank's load bearing walls. BDI has provided a revised design and Arcadis has concurred with the proposed changes. Mr. Pickle indicated that the original cost came in at \$318,000, but that negotiations with Wharton-Smith brought that number down to \$236,567 and includes additional contract time of approximately five weeks. Mr. Pickle noted that ongoing negotiations, including potential revisions to the project critical path, are expected to shorten that time extension and further reduce costs. In addition, Mr. Pickle noted that BDI has acknowledged that they are responsible for some portion of the change order costs; however, those negotiations as to what percentage of responsibility BDI will be held accountable for have not been entered into at this time.

Secretary Altwein asked what portion of the additional cost will BDI be responsible for to which Mr. Pickle indicated that amount still needed to be negotiated. Mr. Pickle's concern was to keep the contractor working without delay. Discussions with BDI insurance company will be forthcoming. Mr. Pickle recommended approval of the change order.

A **motion** was made by Vice Chairman Child, seconded by Secretary Altwein approving the Change Order for the Wastewater Treatment Plant Expansion Project with Wharton-Smith in the amount of \$236,567 for Treatment Basin Structural Modifications, as presented.

Under discussion, Supervisor Mancuso indicated that the District should learn something from this situation in that when working with any contractor, the contract should specify that the work is to be performed "to code."

Discussion ensued about the error being caused by human error.

Vice Chairman Child's **motion** was reiterated, seconded by Secretary Altwein approving the Change Order for the Wastewater Treatment Plant Expansion Project with Wharton-Smith in the amount of \$236,567 for Treatment Basin Structural Modifications, as presented. The Available Project Budget is \$435,189.03; This Project cost is \$236,567; leaving an Available Balance of \$198,622.03. Upon being put to a vote, the **motion** carried 4 to 0.

Mr. Pickle indicated he had no further business matters to come before the Board.

J. Supervisor Requests

Chairman Cutler suggested that Supervisor Requests be held until the next meeting scheduled for September 9, 2014.

Supervisor Mancuso had one request which he wanted to bring up at today's meeting. He noted that Supervisor D'Amico had attended the meeting via Skype and that contact had been lost shortly thereafter.

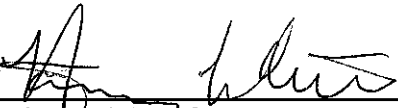
Mr. Pickle indicated that this was the first time they were utilizing the Skype program and noted that it had worked the other day, albeit only for 10 to 15 minutes. He indicated they might find another avenue in which to allow Supervisors to phone in for meetings. He also noted that once the connection was lost, Supervisor D'Amico tried to phone in on Mr. Pickle's cell phone, but that it was on "silent."

Supervisor Mancuso asked the rhetorical question of whether Supervisors getting paid for partially "attending" meetings via conference call is a proper expenditure of taxpayer money.


K. Adjournment

There being no further items to be addressed, the Special Board Meeting was adjourned at 10:37 a.m. There were no objections.

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Chairman/Vice Chairman



Secretary/Assistant Secretary

Date Approved 09-09-14