

St. Lucie West Services District
Workshop Minutes
September 9, 2013, 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, Supervisor (via conference call)
Everett Child, Acting 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
Lisa Beans, SLWSD
Jason Pierman, Assistant District Treasurer, Special District Services, Inc. ("SDS")
Laura Archer, Recording Secretary, SDS

Guests Present (Sign-In Sheet Attached)

A. Call to Order

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

B. Pledge of Allegiance

C. Roll Call

Ms. Archer took roll, noting that all Supervisors were present with Supervisor Cutler present via a conference call.

D. Approval of Minutes

- 1. August 5, 2013, Workshop**
- 2. August 6, 2013, Regular Board Meeting**

Chairman Child asked the Board if they had any changes or corrections to the minutes presented.

There being none, Chairman Child indicated that District resident, Suzanne Eovaldi had requested to address the Board. Chairman Child asked Ms. Eovaldi to please step forward.

Ms. Eovaldi indicated she was a 78 year old resident of Lakes Charles and noted that she had distributed a packet of information to the Board prior to the commencement of the Workshop. She noted that she wanted to address the Board regarding two subjects. The first was the matter of "unseemly behavior " toward a 90 year old man and the second was the danger of letting Seven/50 take over PGA and Tradition Villages and North Hutchinson Island.

Ms. Eovaldi referred to loutish behavior and a school yard bully mentality regarding Board Member Sal Mancuso. She referred to a recent event in which a SWAT team had shot and killed a 107 year old man in Pine Bluff, AK and indicated that her father, at age 91, had written a consenting brief for his young law partner in a lawsuit that found for the law partner. She noted that the Judges had praised her father's legal analysis and written argumentation and that his age was never a factor. She went on to state that even though Mr. Mancuso was over the age of 90 that it was up to the Board to work with him and stop insulting him. Ms. Eovaldi went on to describe her professional accomplishments as a journalist and indicated that she had previously served as the President of her HOA in Indiana and that a large project they were working on nearly collapsed because the Board Members could not get along. She suggested that the District's Board Members set aside their personal differences and focus on the best interests of the District's residents.

Ms. Eovaldi then went on to the subject of the Seven/50 initiative, which she described as an effort by the federal government to put us under UN governance. She went on to indicate that the citizens overwhelmingly oppose this matter, noting that it was another attempt by the federal government to take away our God given rights and our American sovereignty.

Supervisor Cutler asked for a point of order and asked how much time Ms. Eovaldi had been allotted. Chairman Child indicated that he believed her time was up. Ms. Eovaldi indicated she had one more paragraph to read to the Board.

Supervisor Cutler asked if Ms. Eovaldi's discussion surrounded sand removal in Miami and indicated that it was difficult to follow her since he was not present in the room and did not have the documents she had distributed to the other Members of the Board. Ms. Eovaldi indicated that the Seven/50 initiative involved 7 counties from Miami-Dade County northward to Indian River State College and that Mr. Goetz was involved and she urged the Board to become informed on this matter.

Chairman Child indicated to Supervisor Cutler that he had a packet of the information Ms. Eovaldi had presented to each Board Member and that it could be faxed to him. Supervisor Cutler indicated he would call Mr. Pickle later in the day. Supervisor Cutler indicated that he believed Ms. Eovaldi was speaking about 2 different matters, but that it was difficult for him to follow. Chairman Child indicated that Ms. Eovaldi had requested to address the Board and that he had polled the Board Members who were physically present who had no objections to her addressing the Board.

Supervisor Cutler asked Ms. Eovaldi how many SLWSD Board Meetings she had attended and indicated that it was a rhetorical question. Chairman Child advised Supervisor Cutler that she was merely delivering a message.

Chairman Child thanked Ms. Eovaldi for her comments. Ms. Eovaldi then left the meeting at 9:12 a.m.

E. Presentation Regarding Public Resource Management Group

Mr. Pickle indicated that Mr. Robert Ori of Public Resources Management Group would be present at tomorrow's meeting and would make his annual presentation on the Water, Wastewater and Irrigation System Revenue Sufficiency Update and Review. Mr. Pickle highlighted several topics of interest and noted that the last rate increase occurred in 2010. He also noted that the Fiscal Year 2013/2014 Budget included advance planning for additional personnel. Mr. Pickle explained that the automatic Consumer Price Index increase did not kick in because of the District's exceeding ratios.

Supervisor Cutler indicated the difficulty he was having following the discussion and noted that he would contact Mr. Pickle later in the day. He did, however, have one question for Mr. Pickle in which he asked if Mr. Pickle intended on presenting a third option on the storm water mitigation matter. Mr. Pickle indicated that he, himself, would not be making the presentation, but that Mr. Lawson would be doing so under Updates at tomorrow's meeting.

Supervisor Cutler then excused himself from the meeting at 9:26 a.m. and indicated that he would call in for tomorrow's meeting.

Mr. Pickle continued with a brief summary of Mr. Ori's report, which Mr. Ori would formally present tomorrow. He noted that Table 12 was a comparison of typical monthly residential bills for water and irrigation service from area utilities. Mr. Pickle indicated that although the SLWSD rate for 6,000 combined gallons of usage was higher than that charged by the City of Port St. Lucie, the rate for 10,000 combined gallons of usage was the point at which SLWSD rates began to be lower than that of St. Lucie County. Referring to Table 13, Mr. Pickle indicated that this table was a comparison of typical monthly residential bills for wastewater and irrigation service. He indicated that all SLWSD's levels of usage were quite significantly lower than those of St. Lucie County. Mr. Pickle noted that Mr. Ori would go into further detail at tomorrow's meeting, but that if any Board Members had any questions they would like to ask of Mr. Ori, Mr. Pickle would be happy to take those questions to Mr. Ori so that he could respond to them tomorrow.

Supervisor Mancuso indicated that he did not believe that salary information should be included in this report because the Board had not had formal discussions about the new positions. Mr. Pickle stated that salary information had been included because these positions were new and they would affect the budget. Mr. Pickle also noted that these new positions had been discussed with the Board on several occasions, but they had not yet been filled. Supervisor Mancuso indicated that he

was willing to let this matter slide, but he wanted to know the rationale behind it. Chairman Child indicated that Supervisor Mancuso could discuss the matter with Mr. Pickle following today's Workshop. Supervisor Mancuso again, indicated that he believed that the matter was not formally presented to the Board. Mr. Pickle noted that both positions had been brought before the Board at several meetings, that it had been approved at a budget meeting from the previous fiscal year, and that he had also gone over the positions during his evaluation period.

Chairman Child asked Supervisor D'Amico if he had any comments or questions to which Supervisor D'Amico indicated he had none.

Chairman Child asked Secretary Altwein if he had any comments or questions. Secretary Altwein asked if electric is factored into the rate comparisons between the different communities to which Mr. Pickle indicated that electricity is not factored in. Secretary Altwein then asked for clarification on the comparison of water, wastewater and irrigation service in Table 14 to which Mr. Pickle indicated that the majority of those utilities being compared to do not have a separate irrigation system.

It was Chairman Child's belief that electric charges should be included in the comparison for a true comparison. Mr. Pickle indicated that one of the reasons why electricity is not factored in is because some are based on gravity sewers versus private lift stations.

Supervisor Mancuso noted that he was not completely satisfied with Mr. Pickle's response to his inquiry regarding the inclusion of salaries in the report, indicating that the Board has not had any formal input or knowledge of the increasing salaries. He also noted that the Board used to review job descriptions and salaries. Mr. Pickle was not sure whether Supervisor Mancuso was directing his comments at him or to the Board to which Supervisor Mancuso indicated he was directing his comments to the Board and that it was not necessarily for discussion; he was merely making comments.

Chairman Child requested clarification by stating that it was his belief that the money in the budget for these unfilled positions is being set aside for if and when another individual is hired and there is no need for further discussion on the matter. Mr. Pickle agreed, noting that the job descriptions and salaries for these positions were brought to the Board at a Public Hearing held in April and were approved by the Board.

There being no further discussion regarding this item, Chairman Child asked Mr. Pickle to proceed with the next item on the agenda.

F. Public Hearing 1

- **PH 1 – Consider Resolution No. 2013-14 – Adopting a Fiscal Year 2013/2014 Final Budget**

Resolution No. 2013-14 was presented, entitled:

RESOLUTION NO. 2013-14

A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE ST. LUCIE WEST SERVICES DISTRICT ADOPTING THE BUDGETS FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2014 FOR THE DISTRICT; PROVIDING AUTHORITY FOR THE DISTRICT MANAGER TO EXPEND FUNDS ON BEHALF OF THE DISTRICT; PROVIDING AN EFFECTIVE DATE.

Mr. Pickle briefly went over the changes in the budget since the last draft. Mr. Pickle indicated that the water management bonds had gone down from \$210 to \$186 per residential unit to which Chairman Child stated that he hoped this fact would be highlighted at tomorrow's meeting. Mr. Pickle went on to note that expenses had gone down since the proposed budget and indicated that there was an approximately \$200,000 increase in the surplus this year due partly to the fact that the health insurance premiums were holding the same as last year. Mr. Pickle also explained the new column in the budget for the construction fund.

Mr. Pickle indicated that he had highlighted the major changes and Chairman Child asked if the budget would be discussed in more detail tomorrow. Mr. Pickle indicated that Workshops were typically when the budget was discussed in more detail. Chairman Child informally polled the Board whether they wished for Mr. Pickle to go into more detail on the budget for the upcoming fiscal year. Supervisor D'Amico and Secretary Altwein were satisfied with Mr. Pickle's synopsis of the budget. Supervisor Mancuso asked for further detail on the Utility Director's salary and where it appeared in the budget. Mr. Pickle indicated that the Assistant Utilities Director's salary appears in the Administrative budget because he/she will be over all the utilities. Supervisor Mancuso asked Mr. Pickle if his salary was considered the Assistant Utility Director to which Mr. Pickle indicated that the position of Assistant Utilities Director is a newly created position that has not yet been filled. Supervisor Mancuso asked where the Assistant Utilities Director would be added to which Mr. Pickle indicated that the Assistant Utilities Director would fall under Administrative Regular Salaries. Mr. Pickle advised Supervisor Mancuso that he would be happy to sit down with him to go over all the salaries again with him. Supervisor Mancuso indicated that the position was not new since it had been approved during last year's budget to which Mr. Pickle corrected him by stating that the Board approved to fund the position in the fiscal year 2012/2013 budget, but that the job description for the position had been approved in April, 2013. Chairman Child advised Supervisor Mancuso that if he had any further questions regarding this matter to contact Mr. Pickle after the Workshop.

There was no further discussion regarding the matter.

Chairman Child reminded the Board that there were 2 Public Hearings on the agenda for tomorrow which went hand in hand.

G. Public Hearing 2

- **PH 2 – Consider Resolution No. 2013-15 – Levying a Non Ad Valorem Assessment for Water Management Bonds, Operations and Maintenance Costs, and the Series 2010 Capital Improvement Bonds (Cascades Project) within the St. Lucie West Services District for the Period October 1, 2013, through September 30, 2014**

H. Public Comment

Chairman Child then recognized District Resident, Mr. Gregg Ney who had signed up for public comment. Mr. Ney referred to the budget indicating that it was difficult to figure out the “real numbers”. Mr. Ney suggested that a summary of the budget be provided, indicating that it was his belief that it would be very useful. Mr. Pickle reminded Mr. Ney that there were several funds and Mr. Hayden noted that there were 2 different revenue sources. Mr. Pickle noted that they will try to work on providing a summary in the future.

I. District Attorney DA 1 – Status Report

Mr. Pickle indicated that he did not anticipate any updates from Mr. Harrell.

J. District Engineer DE 1 – Status Report

Mr. Pickle indicated that Mr. Lawson would be presenting other options rather than the pumping station, i.e., running a larger pipe behind Lake Forest which would dump into the 2C basin. Mr. Pickle noted that Mr. Lawson would provide more details at tomorrow’s meeting.

Secretary Altwein asked if this option would reduce the District’s need for mitigation with the City to which Mr. Pickle indicated it would, indeed.

There was no further discussion regarding this matter.

- #### **K. 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 July, 2013**
 - CA 6 - Consider Approval to Transfer Funds for the R&R Account, the WCF Account and the WWCF Account Requisitions**

Mr. Pickle presented Consent Agenda Items CA 1 through CA 6.

There were no questions or comments regarding Consent Agenda Items CA 1 through CA 6.

**L. District Manager
Action Items**

DM 1 - Consider Approval of Proposal from Pantropic Power for the Repair to the Emergency Generator at the Water Treatment

Mr. Pickle presented the item indicating that the District is required by the EPA to change the exhaust emission system on the Caterpillar generator by December, 2013. He noted that the proposal from Pantropic Power of Florida is the only proposal because they are the only authorized factory service dealer in the County. Mr. Pickle indicated that the \$47,850 amount would come from the Emergency Renewal and Replacement Fund, noting that the available project budget was \$76,005; this project cost is \$47,850; leaving an available balance of \$28,155.

There was no discussion regarding Item DM-1.

DM 2 - Consider Authorization to Approve General Liability Insurance and Workers' Compensation Insurance Provided by Preferred Governmental Insurance Trust

Mr. Pickle presented the item noting that no other company would bid the general liability insurance for the District. He indicated that general liability insurance annual premium had gone up from \$234,273 to \$259,687 due partly to the fact that new assets were added. Mr. Pickle noted that the increase in general liability premium reflects a 10.9% increase. He then stated that the workers' compensation insurance premium had gone up as well from \$59,547 to \$62,906, which reflects an increase of 5.7%. It was noted that the both premiums were within the proposed budget for this fiscal year.

There were no questions regarding Item DM-2.

DM 3 – Consider Approval of the Environmental Impairment Liability Insurance

Mr. Pickle presented the item indicating that the quote assumes coverage for the underground storage tanks as well as the 100+ miles of sewer lines within the District. Mr. Pickle indicated that the District had received several proposals, but that the one submitted by Great American E&S Insurance Company had the best rate for a three year policy. The total price for a 3 year policy is \$39,402, which breaks down to \$13,134 annually. Mr. Pickle noted that the previous policy was written in September 2008 and was for a total premium of \$74,532 for a 5 year policy, which broke down to \$14,906.40. Mr. Pickle noted that the previous carrier no longer writes

policies in the State of Florida. He also noted that the proposed 3 year policy actually results in a 12% annual reduction in the premium.

Discussion ensued about what this policy would cover, the limits and the issue of private lift stations.

There was no further discussion regarding this item.

DM 4 - Other Items/Updates

Mr. Pickle advised the Board of a recent acid spill that had taken place. He indicated that it had been a spill under 400 gallons when a 2 inch line had broken and acid had spilled onto the the ground in a parking lot. He stated that staff worked quickly to stop the spill from going into the drainage and indicated that, by law, they are required to notify the State and the EPA of the spill within 15 minutes of the spill, which they had done. Staff also called 9-1-1 and the fire department had come out to assess the situation and assist in the cleanup; however, the firefighters indicated that staff had already done everything correctly during such a situation. Two staff members went to the hospital as precautionary measures because a District vehicle had driven through the spill in a truck and the occupants of the vehicle were checked out by medical staff due to the fumes possibly getting into the cab of the truck. Mr. Pickle indicated that the line which had caused the spill is being looked at to be replaced.

Mr. Pickle then went on to advise the Board that a bid for the wastewater treatment facility expansion had been put out onto the street and that he would, hopefully, have information regarding these bids for the Board's review at the November meeting.

Mr. Pickle had nothing further.

M. Supervisor Requests

Chairman Child went on to Supervisor Requests.

Supervisor D'Amico asked Mr. Pickle about the \$2 overcharge from last year's maintenance assessment. Mr. Pickle reminded the Board of the \$111 assessment being approved last year, but that \$113 had been billed. Mr. Pickle indicated that the District is still charging \$111 this year, but that it will actually be \$109 because of the \$2 overcharge last year. He noted that the \$2 was put into an escrow account, essentially set aside, so if anyone had requested a refund; it could be drawn from that account.

Supervisor D'Amico then referred to the District as now having 50 full time employees and asked if Obamacare would affect the District. Mr. Pickle indicated it does not affect the health insurance, only the FMLA, the Family Leave Act. He noted that the District's labor attorneys were drafting a FMLA, which will go into the employee manual.

Mr. Pierman indicated that the number of people participating in the health insurance plan, which total includes the Members of the Board, has been above 50 participants for several years.

Supervisor Mancuso referred to a time when the New Horizons rehabilitation center had wanted to go in near the high school. He then referred to Ms. Eovaldi's earlier presentation and asked why the Board was not supporting the people who live on the outskirts. Chairman Child indicated that it was a controversial matter and rhetorically asked if we should stick our noses into the matter.

There were no further comments.

N. Adjournment

There being no further items to be addressed, the Workshop was adjourned at 10:32 a.m. on a motion made by Supervisor D'Amico, seconded by Secretary Altwein. There were no objections.

Workshop Minutes Signature Page


Chairman/Vice Chairman


Secretary/Assistant Secretary

Date Approved 10/08/13