St. Lucie West Services District

Board of Supervisors Meeting Minutes

May 20, 2008 at 9:00 a.m.

Sunlight Community Church

477 S.W. Cashmere Boulevard, 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

Charles B. Altwein, Chairman
Everett Child, Vice-Chairman
Sal Mancuso, Supervisor
George Hyde, Supervisor

Board Members Not Present

Harvey Cutler, Supervisor

Staff Present

John Imperato, District Manager, St. Lucie West Services District ("SLWSD")
Bill Hayden, Public Works Director/ Assistant District Manager, SLWSD
Maddie Maldonado, Administrative Assistant, SLWSD
Heidi Snyder, Assistant District Treasurer, Government Services Group, Inc. ("GSG")
Kaamilya Pereira, CDD Board Clerk, GSG, Inc.

Guests Present

(See Sign-In Sheet Attached)

I – Call to Order

Chairman Altwein called the meeting to order at 9:00 a.m.

II – Pledge of Allegiance

III – Invocation

IV – Roll Call

V – Public Comment

Peter Rodaway addressed the Board and asked why there is a lack of water pressure. Mr. Imperato stated that the District is continuously working on getting the irrigation system up to speed and it may take up to a year to get a fine running irrigation system. Mr. Hayden commented that Florida Power & Light (FP&L) should be out this week in regards to a pump station that has been running on low power and causing motors to burn out. Mr. Hayden stated that the District is still waiting on FP&L to correct the problem and has been pressing them to resolve this issue. The cost of a new motor will be the responsibility of FP&L. Mr. Imperato stated that the main irrigation station still

has many capital improvements to be made. Mr. Imperato noted that another factor is that the lakes are low due to no rain. The main irrigation station has been sucking in sand and shells; which staff has been cleaning. Mr. Imperato noted that next Friday more work will be done and there are many projects on the way, to include working on getting the surficial wells tied into the irrigation system. Mr. Imperato commented that there were also 50 write-ups in less than 2 hours due to residents turning on their systems manually when they are not supposed to.

Sue Snyder addressed the Board and questioned the priority of the irrigation system in comparison to other projects of the District. Mr. Imperato stated that the priority of the irrigation system is as of the same importance as other projects. However, the District's revenue is decreasing due to home foreclosures, etc. may cause the District to have a 15% rate increase to be able to cover the operational needs of the District.

Lyle Finn addressed the Board and thanked Mr. Imperato for the information provided on the status of the irrigation system and noted that he feels the District is working very hard. Mr. Finn asked if the flow data on how much each lift station is pumping is available on the District's website. Mr. Imperato stated that he had a meeting with Mr. John Gonzalez of Holores Data System, Inc. regarding improvements to the website. Mr. Imperato noted that Mr. Gonzalez charges the District each time he loads data to the website for the District. Mr. Imperato stated that the District has not renewed the contract with Mr. Gonzalez and is looking at other options and systems which allow the District staff to operate and load data on to the website. Mr. Imperato stated that he is hoping to get a new arrangement for the website to include a new design and the ability for in-house staff to operate it.

Susan Morrin addressed the Board and commented on her concern with a long pipe that goes into Lake Ernie, and questioned if it could be removed or painted as it looks ugly in the community. Mr. Hayden stated that it is an old field pipe and will look into the matter.

Chairman Altwein called for additional public comments; hearing none the Chairman closed Public Comments.

VI – Finance

Financial Statements for April 2008

Ms. Heidi Snyder addressed the Board and presented the Financial reports for April 2008.

Chairman Altwein commented that he had questions regarding the financials; however they were all answered prior to the meeting.

Supervisor Mancuso commented that he does not have confidence in the financial statements. Supervisor Mancuso stated that the Special Counsel fees do not match those in the check register's month-to-date totals. Ms. Snyder pointed out the amounts listed on page 10 of 17 on the check register. Supervisor Mancuso also commented that he could not locate the payment for District Manager's services on the check register. Ms. Snyder pointed out the location of the District Manager's payment on the check register, noting it was listed under "John Imperato". Supervisor Mancuso stated that the check register should be listed by last name, then first name and requested it be changed. Mr. Imperato stated that the District will not redesign the check system.

Mr. Imperato provided the Board with a brief update on the status of the budget. Mr. Imperato stated that the biggest problem area is for fuel and lube indicating that current costs are at 59% of budget and climbing. The landscaping is at 76% of the budget; however, since the City has taken over this area it should be okay. Mr. Imperato stated that the bills for Special Counsel are still coming in as the second case is still ongoing; however, the contract negotiations are forthcoming. Mr. Imperato noted that the sales of water and wastewater may have a revenue shortfall and also

special counsel expenses are at 78% of budget. Mr. Imperato also noted that the District is putting focus on expenses, but need to get a handle on the revenue, which may require a 15% rate increase across the board for operation of the District.

Approval to transfer funds for R&R Fund and WWCF Requisitions

Ms. Snyder requested the Board's approval to transfer funds from the Wastewater Connection Fee Fund for $39,971.50 and the Renewal & Replacement Account for $100,302.83 to the Public Fund Checking account for reimbursement for payments made that have been budgeted to be funded by these accounts.

Vice-Chairman Child so moved to transfer funds from the Wastewater Connection Fee Fund for $39,971.50 and the Renewal & Replacement Account for $100,302.83 to the Public Fund Checking account for reimbursement for payments made that have been budgeted to be funded by these accounts. Supervisor Hyde seconded the motion. Approved 4-0.

Approval of Resolution 2008-03 to adopt Budget Amendment 2008-02

Ms. Snyder stated that this item is as a result of a budget review performed by staff in order to end the year on track per Florida Statutes. Ms. Snyder requested the Board's approval of Resolution 2008-03 to adopt Budget Amendment 2008-02.

Supervisor Mancuso so moved to approve Resolution 2008-03 to adopt Budget Amendment 2008-02. Vice-Chairman Child seconded the motion. Supervisor Mancuso commented that the heading on page 1 of 4 should be revised to read "original". Supervisor Mancuso stated that he had to peruse through the document in order to determine the revisions made and that it would be appropriate to place an asterisk by the revised line items. Supervisor Mancuso also stated that it appears to be a shortfall on the month-to-date amounts regarding the Special Counsel amounts in comparison to this budget amendment. Ms. Snyder stated that the report was as of March 31, 2008 and the check registers came in and are recorded, but there are 30 days to pay. Ms. Snyder stated that the review was done in April; therefore staff could only use the amounts as of the end of March. Mr. Imperato commented that all the amendments are clearly identified on the highlighted column of the report. Mr. Imperato also commented that the District is on an accrual accounting basis. **Approved 4-0.**

VII – District Manager

Approval of the 16" Stainless Steel Air Header Materials for the repair project at the Wastewater Treatment Facility (Project No. SW037)

Mr. Imperato addressed the Board and stated that staff received three proposals. Mr. Imperato noted that Mr. Dennis Pickle worked on this item and recommends that the District award the bid to Custom Welding Diversified of Port St. Lucie for the not-to-exceed price of $46,750.

Discussion ensued regarding questions that Supervisor Mancuso had in regards to the project specifications. Supervisor Mancuso commented that Aerex Industries, Inc. presented a more professional proposal in his opinion. Mr. Imperato stated that the technical detailed questions should be provided before the meeting and/or at the meeting as appropriate so that Mr. Pickle could have provided the answers and the answers could have been stated for the record at the meeting. Mr. Imperato noted that Mr. Pickle is not present at the meeting and would be the staff contact for questions on this item.

Supervisor Mancuso motioned to award the bid to Aerex Industries, Inc. as he finds them more appropriate in their response. There was no second to the motion.

Vice-Chairman Child commented that there is no indication on the agenda item that Mr. Pickle approved of this recommended and no notation that he reviewed the proposals from an engineering standpoint. Mr. Imperato stated that the Vice-Chairman's point is well taken. Mr. Imperato stated that he was out of town during the agenda packet process and did not pick up that the signature line showing his and Mr. Pickle's approval was not done. Mr. Imperato stated for the record that this item is Mr. Pickle's recommendation and was reviewed by Mr. Pickle.

Vice-Chairman Child so moved to approve to award bid of the 16" stainless steel materials needed to repair the air header to Custom Welding Diversified, of Port St. Lucie, Florida for the not-to-exceed price of $46,750. Supervisor Hyde seconded the motion. Approved 4-0.

Approval to Repair Storm Water Pipe located between Heatherwood and the Vineyards

Mr. Hayden addressed the Board and presented item DM-2, stating that the storm water structure located between Heatherwood and the Vineyards is in need of repair. Staff has received proposals from Armadillo Dirt Works and Johnson Davis, Inc., who presented two options for the repair. Mr. Hayden noted that time is of the essence in getting this repair done due to liability issues to the District. Mr. Hayden recommended awarding the repair to Johnson Davis, Inc.'s first option to remove the old length of pipe, replace it with reinforced concrete pipe, and add one section of corrugated aluminum pipe at the out fall into the lake, and all restoration and sod replacement for the not-to-exceed price of $11,101.

Supervisor Mancuso so moved to approve awarding the repair to Johnson Davis, Inc.'s first option for the not-to-exceed price of $11,101. Vice-Chairman Child seconded the motion. Approved 4-0.

Monthly Report on Field Operations

Mr. Imperato presented item DM-3, the monthly report on Field Operations

Mr. Imperato stated that the irrigation pump station is still being serviced. The pressure is up and down due to people watering outside of their watering time. Mr. Imperato stated that it is the residents' obligation to water at the times allotted. Mr. Imperato noted that the preserve maintenance is continuing. Magnolia Lake Reserves has been restored due to damage done. Mr. Imperato stated that the damage was paid for and there is no ball field in the preserves of Magnolia Lakes.

Monthly Report on Utilities Operations

Mr. Imperato presented item DM-4, the monthly report on Utilities Operations.

Vice-Chairman asked if Mr. Pickle could include the total ERCs outstanding versus the total ERCs available on this report. Mr. Imperato stated that staff will look into the request.

Supervisor Mancuso asked if the effluent wastewater goes into the I.Q. pond. Mr. Hayden stated yes.

Monthly Report on Capital Improvement Projects

Mr. Imperato presented item DM-5, the monthly report on Capital Improvement Projects. There were no comments or questions on this item.

Monthly Reports on Billing and Customer Service

Mr. Imperato presented item DM-6, the monthly reports on Billing and Customer Service.

Supervisor Mancuso asked for clarification on the total water, sewer and irrigation listed on page 1 of 5. Mr. Hayden stated that this is the amount of bills every month.

Other Items/Updates

Mr. Imperato addressed the Board to present other items and updates. Mr. Imperato stated that the transcripts from the second arbitration have been received. The attorneys have until tomorrow to write up their final briefs.

Supervisor Mancuso commented that communicating with the employees is important and he believes that the Board should be made aware of any differences of opinion between employees and management early on, as the Board may be able to come up with a remedy before arbitration, which is costly. Chairman Altwein commented that his understanding from the attorney is that the Board can not get involved. Supervisor Mancuso stated that the Board has the right to get involved as the District has spent approximately $272,000 last year on Special Counsel Fees. Mr. Imperato stated that the amount spent on arbitration was caused by a conflict on August 27, 2007 before he was District Manager. Mr. Imperato stated that employees are entitled to Union Counsel and does not have to pay attorney fees, but the District and Union spends money. Mr. Imperato stated that it is a shame that such a hostile work environment exists in the District with some of the employees; however, all grievances and threats of arbitration are documented.

Mr. Imperato continued by stating that the Rate Study is underway thanks to GSG, Inc., Mr. Hayden and staff. Mr. Imperato stated that at some point in time the District will have Mr. Ori's recommendation.

Mr. Imperato stated that staff has reviewed Supervisor Cutler and Chairman Altwein's recommendation to consider solar power. However, at this time the technology is not there for the District to utilize solar power, but at least it gives an idea to plan over a strategic period and may be a source to help save on power bills at a later time.

Mr. Imperato stated that staff continues to work on a business case regarding the sludge that has a return on investment for the District.

In regards to the damages at the Calvary Church, Mr. Imperato stated that the lift station failed on April 28th due to a Florida Power & Light (FP&L) outage. However, a statement was written from the minister of the church published in the Port St. Lucie News on May 17th stating that the damage was caused by the District. Mr. Imperato stated that he wrote a rebuttal in response to the report.

Mr. Imperato thanked Donna Roden, Public Information Manager of the City of Port St. Lucie Public Utilities Department for attending the meeting today. Mr. Imperato called for Ms. Roden to address the Board with any comments on the situation with the Calvary Church and how it was handled by the District. Ms. Roden addressed the Board and advised how her staff would have handled the situation, noting that these situations are never easy and commending the District on the way it was handled. Ms. Roden mentioned that the District may want to increase its insurance. Discussion ensued amongst the Board, staff and audience. Ms. Roden stated that she would be happy to provide the District with a checklist of what the City uses in such abnormal events and information on the WARN Program that is run by FEMA guidelines. The Board and staff thanked Ms. Roden for her comments.

Chairman Altwein called a recess at 11:15 a.m. The meeting reconvened at 11:21 a.m.

VIII – Supervisors' Requests

Supervisor Hyde addressed the Board and commented on his concern since the irrigation is not running full force and the problems with people wasting water due to their systems malfunctioning. Chairman Altwein commented that staff is issuing warnings and the next step is a $50 fine.

Supervisor Mancuso stated that he received a letter dated May 15, 2008 from Mr. Harrell, copied to all Board Supervisors regarding the Water & Wastewater connection impact fee. Mr. Imperato provided the Board copies of the letter and noted that he did not provide them prior in order to prevent violating the Sunshine Law. Supervisor Mancuso stated that he commented at the last meeting that he believed that Outdoor Resorts owed the District $212,940; however, the correct amount is $140,909 in lieu of $212,940 stated previously. Discussion ensued as Supervisor Mancuso requested more time from the Board to make his comments. The Board agreed to allow Supervisor Mancuso an additional three minutes. Mr. Imperato read Mr. Harrell's letter response to Supervisor Mancuso to the Board regarding the matter, stating that the District can not go back and recharge as if it's a new business; the District is an ongoing actual rate business. Supervisor Mancuso stated that he wants the record to show that he is talking about the ERC factor.

Chairman Altwein asked for an update on the I.Q. pond. Mr. Hayden stated that Mr. Lawson will have a report for the Board at the next meeting. Mr. Imperato commented that Mr. Lawson is under the opinion that there is no seepage at the I.Q. pond.

Chairman Altwein asked for the status of the settlement with John Whitmer. Mr. Imperato stated that Mr. Whitmer is now waiting to sign the release that the District has no more obligations to him and is happy with the $21,000 settlement.

IX – Minutes

Approval of the Minutes of the April 15, 2008 Regular Meeting

The Board provided edits to the meeting minutes of April 15, 2008.

Supervisor Hyde motioned to accept the meeting minutes of April 15, 2008 as corrected. Vice-Chairman Child seconded. Approved 4-0.

Approval of the Minutes of the May 6, 2008 Regular Meeting

Supervisor Hyde motioned to accept the meeting minutes of May 6, 2008 as corrected. Vice-Chairman Child seconded. Approved 4-0.

X – Adjournment

Vice-Chairman Child motioned to adjourned. Supervisor Hyde seconded.

The meeting adjourned at 11:50 a.m.

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Meeting Minutes Signature Page

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Chairman / Vice-Chairman **Secretary / Assistant Secretary**

Date Approved 6/3/08

St. Lucie West Services District

Guest Sign - In Sheet

Tuesday, May 20, 2008

****PLEASE PRINT****

	Name & Company	E-Mail Address	Phone
1.	Peter Rodaway.	RODAWAYPSL@AOL.com	772 873 9464
2.	Sue Snyder	on file	on file
3.	LYLE FINN	"	"
4.	SUSAN MORIN	on File	772 343 0492
5.	VINCENT D'Amico		878-2201
6.	MARYellen McSorry.	MARYMAC13@AOL.COM	873-0425
7.	Donna Rhoden	City PSL USD	873-6400
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