

St. Lucie West Services District
Board of Supervisors Meeting Minutes
July 15, 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
Harvey Cutler, Supervisor

Board Members Present

George Hyde, Supervisor

Staff Present

John Imperato, District Manager, St. Lucie West Services District ("SLWSD")
Bill Hayden, Public Works Director/ Assistant District Manager, SLWSD
Dennis Pickle, Utility Director/Assistant District Manager, SLWSD
Maddie Maldonado, Administrative Assistant, SLWSD
Carol Rogers, District Treasurer, Government Services Group, Inc. ("GSG")
Heidi Snyder, Assistant District Treasurer, GSG
Tabitha Wilmot, Accounting Clerk, GSG

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

Chairman Altwein noted that George Hyde was not present due to an excused absence.

V – Public Comment

The Chairman requested that public comments be heard prior to the budget workshop in order to move quickly through the regular meeting agenda.

VI – Finance

Financial Statements for June 2008

Mrs. Snyder presented the financial reports for June 2008.

Supervisor Cutler asked if the District received any impact based on the current economic situation. Mr. Imperato stated yes; there has been a revenue shortfall in water and waste water based on the bankruptcies and foreclosures where the District can not collect.

Supervisor Mancuso referred to page 1 of 17 and page 6 of 17, and asked if the numbers in the FY 2007 Prior Year Column represent actual or estimate dollars. He stated that whichever is correct it should be noted as such and represent actual for the General and Water & Sewer Funds. Mr. Imperato requested Finance staff to make the change requested. Supervisor Mancuso questioned on page 9 of 17 why the District reimbursed Enclave \$7,437.72 on June 27th. Ms. Snyder clarified that the transaction was for a retainage release that was approved by the Board at the June 17th meeting.

Chairman Altwein questioned the payment to John Whitmer on page 8 of 17. Mr. Imperato stated it was put on as a reminder; the payment to Mr. Whitmer was approved by the Board.

Approval to Transfer Funds for June Requisitions

Ms. Snyder presented item FA-2 and noted that all invoices related to the requisitions are included in the agenda packet. Ms. Snyder recommended the Board's approval to transfer funds from the Wastewater Connection Fee Fund for \$8,658.50 and the R&R account for \$70,067.46 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 approve the transfer of funds from the Wastewater Connection Fee Fund for \$8,658.50 and the R&R account for \$70,067.46 to the Public Fund Checking account. Supervisor Mancuso seconded the motion. Supervisor Mancuso requested the clarification of the Public Fund Checking account is the same as the Water & Sewer Fund. Ms. Snyder agreed. **Approved 4-0.**

FY 2008 Audit Engagement Letter

Ms. Snyder presented item FA-3, for the approval of James Moore & Co. to perform the FY 2008 Audit as required per Florida Statutes. Ms. Snyder noted that the total fee to perform the Audit is an all inclusive amount of \$34,949; however, there is a deduction of \$3,412 if no Federal or State single audit is required for a total audit price of \$31,537. Ms. Snyder also noted that the letter explains an increase of approximately 15% due to additional work that is now required due to new auditing standards. Ms. Snyder stated that this would be James Moore & Co.'s fourth year of doing the District's audit. Ms. Snyder recommended the Board's approval for the Chairman to sign the engagement letter.

Supervisor Mancuso so moved to approve the engagement letter with James, Moore & Co. to perform the FY 2008 Audit. Vice-Chairman Child seconded the motion. Approved 4-0.

VII – District Manager

Monthly Report on Public Works Operations

Chairman Altwein stated that the system seems to be running better; however he was concerned with commercial irrigation. Mr. Hayden stated that previously the time clocks were staged; however, some customers are resetting their timers. Mr. Hayden stated when they are running illegally; the District issues a penalty. Chairman Altwein requested a letter be sent to them to advise that it is

their responsibility to ensure the timers are correct and if not they will be subjected to a penalty. Mr. Hayden agreed. Mr. Imperato suggested a reminder be placed on the back of the bills to all customers.

Supervisor Mancuso questioned if it is part the procedures to inform customers that if any movement of the timers are due to be penalized and if all homeowners associations are made aware. Mr. Hayden stated that it is in the tariff. Mr. Imperato noted that the first occurrence receives a warning and the second time is a \$50 penalty and the District has been advised by Mr. Harrell for some legal purpose not to call it a fine but to call it a penalty.

Monthly Report on Utilities Operations

Chairman Altwein asked if the District is going to move forward with another 200,000 gallon tank. Mr. Imperato stated that it is work underway. Mr. Pickle stated that it is close to 90% complete and staff is currently in the stage of getting permits with the Department of Environmental Protection (DEP), which should be to the District to sign and submit to DEP with a \$300 to \$500 fee. Mr. Pickle stated that the bid will be out this fiscal year so that the money will be spent from this fiscal year's budget. Mr. Pickle noted that the completion of the tank installation should be in approximately six months.

Supervisor Mancuso commented that he received a letter from a resident yesterday regarding the use of the District's hydrants for pressure cleaning without permission from the District. Supervisor Mancuso stated that it would make everyone happy if a letter was sent out from the District to all the homeowner associations that under no circumstances will any person be allowed to remove water from the fire hydrants to refill their tanks or for pressure cleaning without authorization from the District. Discussion ensued. Chairman Altwein stated that this has been done and noted that there is an issue between the president of the association and one of their members; which the District should not be involved. Mr. Imperato requested Ms. Maldonado send an email to all HOA Presidents advising them of the District's process and procedure on usage of fire hydrants. Supervisor Mancuso requested a copy of the letter to be sent to him. Mr. Imperato stated that all Supervisors will be copied on the email and Supervisor Mancuso will be sent a fax.

Monthly Report on Capital Improvement Projects

Supervisor Mancuso asked when the District plans to start the telemetry system and what stations will be selected to install the telemetry positions. Mr. Imperato stated that there will be phases to the project. Mr. Imperato noted that Phase 1 is to get the 220 mega hertz radio system up and running. Mr. Pickle stated that the bid should be out in less than two weeks, as the attorneys were reviewing the bid documents and their comments were received late yesterday afternoon. Mr. Pickle stated that he will be going over the comments with Brian Callahan. Mr. Pickle stated that there will be many projects coming before the Board in September.

Supervisor Mancuso requested that the District consider lift stations in commercial areas for the installation of telemetry positions because they are out of the way, not normally within public audible range or in the range of homeowners. Mr. Imperato stated that he agrees with Supervisor Mancuso and noted that the utility staff will get back with the high priority stations first.

Monthly Report on Billing and Customer Service

Supervisor Cutler commented on a concern with the percentages of consumption versus with the assigned ERCs on residential and commercial accounts. Mr. Pickle stated that the actual consumption is lower than what the allocated ERCs are. Mr. Pickle noted that it is hard to break down residential and commercial as far as ERCs each month. Discussion ensued. Mr. Imperato provided a document to the Board showing the commercial ERCs which was created by Mr. Pickle.

Mr. Imperato stated that the biggest problem with ERCs is the commercial accounts. Mr. Imperato stated that every commercial property is defined with what they paid initially and Mr. Pickle has a chart of their usage. If there is a discrepancy between the payment that was made and the actual usage as being done with the Outdoor Resorts, each account will go down systematically. The account will be analyzed, if it is exceeding by more than 2 ERCs or 5%, which per the tariff the District is entitled to proceed to get the funds for the additional ERCs.

Supervisor Mancuso commented that in the ERCs Policy, he does not want to confuse ERCs with impact fees.

Other Items/Updates

Mr. Imperato stated that he received an email regarding the Calvary Church, which states that the District has satisfied the church, the engineering company that shares the building with them and the only person that has not been satisfied at this point is the building owner (who rents the space to the church). Mr. Imperato stated that he believes the amount was approximately \$130,000 and the cap is \$100,000. Mr. Imperato stated that the District has received a letter from the property owner's attorney, which he and Mr. Harrell reviewed and replied to. Mr. Imperato noted that he does not believe that they have filed a claim against FP&L, because it was caused by a power outage.

Mr. Hayden stated that he received a letter from the Florida League of Cities, Inc. stating that the Florida Municipal Insurance Trust is pleased to announce that the District's safety grant applications have been reviewed and approved for \$1,586. Mr. Imperato commented that this is the District's first grant. Chairman Altwein stated that he and Mr. Imperato will be meeting with a member of the South Florida Regional Resource Center to tour the plant and discuss ways the District can obtain grant funds for the District. Discussion ensued. Mr. Imperato noted that Steve Spratt of GSG came to the District and met with him. Mr. Imperato stated that Mr. Spratt has agreed to contact his grant writing staff in Tallahassee to see if there is something that they can do for the District. Mr. Imperato noted that there is also a security proposal to see if Homeland Security has any funds available for the District.

Approval Request for Administrative Services (Walk-on Item)

Mr. Imperato stated that per the Board's request, he provided the Board with the Request for Qualifications for Administrative Services to go out to bid. Mr. Imperato noted that it has been reviewed by Mr. Harrell and the reason it is not in the book as it was received yesterday afternoon with Mr. Harrell's comments and revisions.

Supervisor Cutler so moved to approve that the District Manager is authorized to solicit qualifications and proposals from qualified Administrative Services Contractors and authorization of the advertisement for the publication of notice of request. Vice-Chairman Child seconded the motion. Supervisor Mancuso requested if the District Manager would mind if he submits a firm that has proposed two times to provide these services for the District. Mr. Imperato stated that he reviewed the bids submitted years ago and as a courtesy will include them all on the mailing. **Approved 4-0.**

Pre-Approval of the Assessment Roll (Walk-on Item)

Chairman Altwein read item DM-7 into the record, for the review and approval of the Non Ad Valorem Assessment Roll prepared by Mr. Robert Fromm. Chairman Altwein noted that the Cascades Benefit Assessment Bond of \$237,000 has not changed from last year. The Benefit D/S Assessment total of \$2,550,000 has been reduced this year actual/estimated collections; part of that assessment roll is the Special Assessment for Maintenance which totals \$1,060,000.

Chairman Altwein called for a motion on staff's recommendation to approve the Non Ad Valorem Pre Assessment Roll.

Vice-Chairman Child so moved to approve the Non Ad Valorem Pre Assessment Roll. Supervisor Mancuso seconded the motion. Mr. Imperato commented that in the course of this activity he believes Mr. Fromm has done some things over and beyond. Mr. Imperato stated that he believes it would be a fair and right gesture to make a payment of \$4,000 to Mr. Fromm as opposed to the \$3,500 that was agreed upon in the original contract. Mr. Imperato noted that one of the things Mr. Fromm did was reviewed the District's bonds and made recommendations to refinance the bonds in a 2010 timeframe, which could make a tremendous benefit in the budget. Mr. Imperato stated that Mr. Fromm pointed out that the District is probably under-collecting from "industrial condos". Mrs. Rogers stated that this is the first she has seen this item and noted that when Special Assessments are implemented in conjunction with Debt Service, the two are tied together so she is not clear about how they could reduce the amount being collected, because enough money must be collected to pay the Debt Service. Mrs. Rogers requested that the Finance staff be giving an opportunity to review this for the implications with the budget. Mrs. Rogers noted the Special Assessments are structured in order to pay the Debt Service, which is in the provisions of the Bond Issue. Mr. Imperato stated that rather than hold the process up; he would like the Board to make the approval of the motion with the provision that GSG has the opportunity to review. **Chairman restated that motion and noted that the provision that GSG has the opportunity to review to ensure it meets the bond requirements. Vice-Chairman Child and Supervisor Mancuso agreed to the provision on the motion.** Discussion ensued in regards to the District Manager's authority make payments of up to \$5,000 without Board approval. Supervisor Cutler, Vice-Chairman Child and Supervisor Mancuso stated their approval of the motion however, for the record believes the additional payment to Mr. Fromm should be brought to the Board for approval. **Approved 4-0.**

Approval of SFWMD Permit Conversion Forms converting various SFWMD permits from Construction Phase to Operation Phase and requesting transfer of the permits into the name of St. Lucie West Services District as the operating entity (Walk-on Item)

Mr. Imperato provided the Board with item DM-8, and noted that it is a package sponsored by the District Engineer.

Supervisor Mancuso motioned to table item DM-8. There was no second to the motion.

Chairman Altwein stated that the Board can not table something that they are not aware of. Supervisor Mancuso commented that is exactly his point. Chairman Altwein requested to discuss the item prior to making the decision to table.

Mr. Imperato reiterated that this item was provided by Mr. Lawson and apologized that it is an extensive item and was walked on. Mr. Imperato stated that he understands Supervisor Mancuso's concern and noted that if this item is tabled to a later meeting he will call Mr. Gallagher and attorney to apologize and place the item on a later agenda.

Supervisor Cutler stated that he does not see a reason to handle the item today. It is a simple everyday mechanical occurrence. Chairman Altwein stated that he agrees with Supervisor Cutler as this item has been discussed at previous meetings. Supervisor Cutler noted that there are no budget implications.

Supervisor Cutler motioned to approve Item DM-8 as presented; for the Chairman of the Board to execute the SFWMD conversion forms to convert various SFWMD permits from Construction Phase to Operation Phase and transfer permits into the name of the St. Lucie West Services District. Chairman Altwein passed the gavel to the Vice-Chairman and seconded the motion.

Supervisor Mancuso motioned to table this item. Chairman Altwein called Supervisor Mancuso out of order. Mr. Imperato stated that he is not a parliamentarian but believes the original motion should be voted on. Chairman Altwein stated that there is already a motion and noting his recollection of parliamentary procedure does not allow this for another motion to table after a second has been made. **Vice-Chairman Child seconded the motion to table.** The Chairman called for a vote on the motion to table the item. Discussion ensued as members of the audience commented that the original motion should be voted on. Chairman Altwein stated the motion that has precedence is the original motion and the motion to table is invalid. **Chairman Altwein declared the second motion illegal and invalid.**

Chairman Altwein called for a vote on the original motion. Vice-Chairman Child commented that he has no objection to the motion, but believes it should be handled in a much more professional and timely way. **Vice-Chairman Child stated that he hopes in the future other items that may be controversial be presented to the Board with enough time for the Board to review the item, with this said Vice-Chairman voted yes. Supervisor Mancuso stated that he abstains from voting on the motion because parliamentary procedure is not being followed.** Mr. Imperato stated that this is for a conflict of interest. Chairman Altwein requested Supervisor Mancuso to vote no; as it is required by law or refuse to vote. Supervisor Mancuso stated that he does not refuse to vote and will not vote no; he reiterated that he abstains from voting on the motion. **Supervisor Cutler voted yes. Chairman Altwein voted yes. Approved 3-0.**

Chairman Altwein requested Mr. Imperato to discuss this issue with Mr. Harrell for the documents that Supervisor Mancuso has to complete in regards to his action on the motion. Mr. Imperato agreed.

Approval of Budget Amendment 2008-03

Mr. Imperato stated that he apologizes for the walk-on items and will come up with a better method of distribution. Mr. Imperato stated that SFWMD will only give approval to use the shallow wells if the District puts in monitoring. Mr. Imperato stated that there is an increase of \$47,338 in the Capital Budget for this project, which is mandate by SFWMD.

Supervisor Cutler so moved to approve Budget Amendment 2008-03. Vice-Chairman Child seconded the motion. Approved 4-0.

VIII – Supervisors' Requests

Vice-Chairman Child stated that he can sympathize with Mr. Imperato as far as last minute items coming up and is encouraged by his previous statement to find a more suitable way to bringing the information to the Board in a more timely fashion.

Supervisor Mancuso requested that a copy of Robert's Rules of Order should be present at all District meetings for consultation. Supervisor Mancuso stated that he noticed in the minutes in the last meeting that Mr. Pickle has taken an interest to consolidate the District's procedures to be compatible, in regards to ERCs, etc., with the City of Port St. Lucie. Supervisor Mancuso asked if Mr. Pickle has made a formal recommendation to the Board to consider. Mr. Pickle stated that he will have this as an item at the next meeting.

Mr. Imperato commented for the record that he has requested Ms. Maldonado to order a Robert's Rules of Order book to have at the meetings. Chairman Altwein stated that he has two and will bring one in for the meetings. Supervisor Mancuso commented that Mr. Harrell has previously presented each of the Board Supervisors with a suggestion regarding parliamentary procedure. Discussion ensued in regards to the parliamentary procedure on tabling items. Supervisor Mancuso stated that he will read the procedure at the next meeting.

Chairman Altwein asked if in the boil water processing, if it's vented in the atmosphere or can it be burned off. Mr. Pickle stated that it is vented to the atmosphere; it is treated to eliminate odors at the water and wastewater plants. Mr. Pickle stated that he has never heard of burning sulfur prior to elimination; it is typically done with chemical addition. Mr. Pickle noted that it could be something he could look at.

Chairman Altwein commented on administrative changes needed to the District's website, such as GSG is still listed as District Manager. Mr. Imperato stated that he will look into the changes on the website.

Chairman Altwein commented on his concern with the status of the Fixed Assets Inventory as it seems to have been delayed. Ms. Snyder stated that the Fixed Assets report received from Maximus was approximately twenty million dollars off of what the District's book value. There are significant items missing from their report. Ms. Snyder stated that the Maximus staff member who did the inventory is no longer working with the company and she has been having a very hard time contacting someone to assist in this matter. Ms. Snyder stated that she is trying to reconcile the records. Chairman Altwein stated that this is a project started by Charles Sweat. Ms. Snyder stated that there was an inventory performed by GSG in 2005, but the auditors required an outside agency to come in and do an annual audit of the Fixed Assets. Ms. Snyder stated that the inventory performed by GSG was completed in 2005 for the fiscal record on the books; however, the records prior to GSG were incomplete. Ms. Snyder stated that the Board hired Maximus to complete the audit of all the fixed assets the District owns; they prepared a report which was received in August 2007 and that is the report that does not reconcile with GSG's previously audited report and is twenty million dollars less than what the previous audit report has. Chairman Altwein questioned which report is going to be depended on. Mrs. Rogers stated that the report was not properly completed by Maximus and staff has been unable to get them to complete the report to reconcile. Mrs. Rogers noted that Maximus has been paid a substantial sum to prepare this work and staff is asking that they perform. Mrs. Rogers stated that it would not serve useful purpose to go out and start over because a significant amount of the work was done; Maximus just did not value the assets correctly. Ms. Snyder stated that Maximus has been paid just under \$4,000 and the total contract price is approximately \$7,650. Chairman Altwein stated that there may be some legal approach. Discussion ensued. Mrs. Rogers stated that this will be completed by the end of the Fiscal Year. Mr. Imperato stated that this has been discussed during the staff weekly conference calls and he will bring up the matter with Mr. Harrell.

IX – Minutes


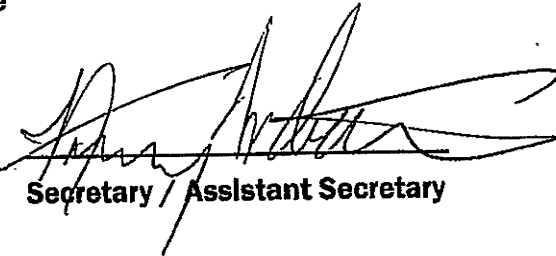
Approval of the Minutes of the July 1, 2008 Regular Meeting

Supervisor Cutler motioned to approve the July 1, 2008 meeting minutes. Supervisor Mancuso seconded the motion. Approved 4-0.

X – Adjournment

Hearing no objections, Chairman Altwein adjourned the meeting at 11:01 a.m.

Meeting Minutes Signature Page

	
Chairman / Vice-Chairman	Secretary / Assistant Secretary

Date Approved 8/19/08

St. Lucie West Services District

Guest Sign - In Sheet

Tuesday, July 15, 2008

****PLEASE PRINT****

Name & Company

E-Mail Address

Phone

- ✓ 1. Dick Musial (Cascades) rsmsem2@yahoo.com
- ✓ 2. Maryellen McGarry, MARYMAC1@aol.com
3. Sue Snyder on file
4. Vincent D'Amico on file
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