

**MINUTES OF THE EMERALD COAST UTILITIES AUTHORITY BOARD MEETING
HELD THURSDAY, FEBRUARY 24, 2011 AT 3:00 P.M. IN THE ECUA BOARD
ROOM AT 9250 HAMMAN STREET, ELLYSON INDUSTRIAL PARK, PENSACOLA,
FL**

Members present: Elvin McCorvey, Chairman
Larry Walker, Vice Chairman
Lois Benson
Elizabeth S. Campbell
Dale Perkins

Counsel present: Bradley S. Odom

Staff present: Stephen E. Sorrell, Executive Director
Nathalie Bowers, Public Information Officer
Debra Buckley, Director of Finance
Tim Haag, Director of Communications and
Intergovernmental Relations
Linda Iversen, Executive Assistant to the Board
Bill Johnson, Director of Engineering
Jim Roberts, Public Information Officer

ITEM 1 - CALL TO ORDER

Chairman McCorvey called the regular meeting of the Emerald Coast Utilities Authority Board to order at approximately 3:00 p.m.

ITEM 2 - INVOCATION AND PLEDGE OF ALLEGIANCE

Mr. Perkins provided the invocation and led the Pledge of Allegiance.

ITEM 3 - ADOPTION OF AGENDA

At the request of Dr. Walker, Chairman McCorvey moved Item 7(g) to follow Item 5 – Approval of Minutes.

Ms. Benson added the following topics under new business:

- 12(a) – Pensions
- 12(b) – Reapportionment
- 12(c) – Board Communications

Mr. Odom informed the Board that he would be requesting that the Board go into private session to discuss pending litigation at approximately 3:30 p.m.

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A motion was made by Ms. Campbell, seconded by Ms. Benson, to adopt the agenda as presented and amended. Motion carried 5-0.

ITEM 4 - COMMUNICATIONS AND PRESENTATIONS

None.

ITEM 5 - APPROVAL OF MINUTES

Ms. Benson noted that one issue – the ECUA web site – was referred to the CAC and it was to be discussed at the February meeting; however, that has changed and it will be discussed at the March meeting.

A motion was made by Ms. Benson, seconded by Ms. Campbell, to approve the minutes of the regular Board meeting of January 27, 2011 as presented. Motion carried 5-0.

ITEM 6 - REPORT OF THE ECUA CITIZENS' ADVISORY COMMITTEE 01/19/11

F. **Sewer Expansion Program – Proposed Customer Connection Policy**

Mr. Odom commented that the policy is not ready for implementation and will require resolutions and other legal requirements. It is his understanding that the Board desires staff and legal counsel to prepare the appropriate documents to effectuate a policy along these lines and bring it back to the Board for actual implementation.

A motion was made by Ms. Benson, seconded by Dr. Walker, to direct staff and legal counsel to prepare the appropriate documents to effectuate a policy along the following lines and bring it back to the Board for actual implementation. Motion carried 4-1 with Mr. Perkins voting against the motion.

All properties with active septic tanks adjacent to a newly constructed ECUA sewage collection system which must, by law, connect to the new system with one year of notice of availability but have not done so, shall be assessed a monthly charge for sewer service in the amount of \$25.00, which charge would be terminated upon actual connection to the system and establishment of a regular account for sewer service.

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If the customer connects the property to the new sewer system and properly abandons the existing septic tank within two years of the date of commencement of the \$25.00 service charge, then the customer may receive a credit against the payment of the required ECUA Sewage Capacity Impact Fee in an amount equal to the service charge collected to-date.

Mr. Barry Tweedie, 10395 Old Dairy Lane, addressed the Board speaking against the proposed policy.

G. Review - Level of Fluoridation

Information in Committee only – no action taken.

ITEM 7 - OPERATIONAL ITEMS:

(a) Award of bid: Hydrofluosilicic acid

A motion was made by Ms. Benson, seconded by Mr. Perkins, that the Board award the contract for hydrofluosilicic acid to Davis Supply, Inc., the lowest bidder, at \$2.98 per gallon, with a maximum expenditure of \$119,200.00 for the contract period, with funding from the appropriate budget line item. This contract is for a period of one-year with an option to renew for one consecutive one-year period at the current rate. Motion carried 4-1 with Ms. Campbell voting against the motion.

(b) Award of bid: Pen Haven lift station replacement

A motion was made by Mr. Perkins, seconded by Ms. Benson, that the Board: (1) award the contract for Pen Haven Lift Station (LS #150) to Brown Construction of Northwest Florida, Inc., the lowest and best bidder, for the Base Bid in the total amount of \$426,412.04 with funding from CIP Project RS013; and (2) authorize the transfer of \$200,000.00 from CIP Project RS121-Lift Station Replacement and Upgrades to CIP Project RS013 to fund construction and provide for a 10% contingency. Motion carried 5-0.

(c) Renewal of unit-price contracts for manhole rehabilitation – Contract A and B

A motion was made by Ms. Benson, seconded by Mc. Campbell, that the Board approve the extension of CIP Project RS113H Manhole Rehabilitation Contract A with BLD Services, LLC, and Contract B with SBP, Inc., through July 2011, with funding from CIP Project RS113H. Motion carried 5-0.

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(d) Renewal of unit-price contract for Cured-in-Place pipeline rehabilitation

A motion was made by Mr. Perkins, seconded by Ms. Benson, that the Board approve the extension of CIP Project RS624M, Cured-In-Place Pipeline Rehabilitation contract with Insituform Technologies, Inc., through July 2011, with funding from CIP Project RS624M. Motion carried 5-0.

(e) 2008 Bank Loan funds for capital projects

A motion was made by Dr. Walker, seconded by Mr. Perkins, that the Board approve the use of the unspent 2008 Bank Loan Funds to pay for the Board-approved Bond Fund Projects as part of the FY 2007, FY 2008, FY 2010 and FY 2011 CIP Project Budgets.

At the request of Dr. Walker, Mr. Sorrell explained that the Board approved a capital improvement program that requires \$30 million in debt. The options available are to use the money obtained from the State Revolving Fund (SRF) at a very low interest rate, or to go out to the bond market and obtain the \$30 million. The best deal for the ECUA is as recommended - to use the \$30 million ECUA has from the SRF fund. This option would allow ECUA to avoid an early payment penalty on the \$130 million, and it will also allow ECUA to have the money at a much lower interest rate, as well as avoiding all the issuance and closing costs associated with the bond issue.

An amendment to the motion was made by Ms. Benson to adjust the sewer improvement fee down by about 20% in order to reflect the savings ECUA has accrued on the CWRP project.

Staff advised the Board that a reduction in the sewer improvement fee would not be possible due to structuring/conditions of the CWRP loans.

Ms. Benson withdrew her amendment to the motion and the vote on the motion carried 5-0.

(f) Abolishment of the Fire Hydrant Committee

A motion was made by Mr. Perkins, seconded by Ms. Benson, to formally abolish the Fire Hydrant Committee. Motion carried 5-0.

(g) Replacement for at-large vacancy on the ECUA Citizens' Advisory Committee

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Although reflected in agenda order in these minutes, this item was considered following Item 5.

Mr. Perkins stated that he would like to see this item delayed for one month and that the public be made aware as to how to apply for this position and encourage those that would be interested to apply. Ms. Benson indicated her agreement with Mr. Perkins' suggestion.

Dr. Walker suggested that we proceed with the process today rather than delay it and direct staff to work up a plan for public notification of the position and soliciting volunteers for every future appointment – not just the vacant ones, but for all appointments. Ms. Campbell indicated her agreement with Dr. Walker's suggestion.

A motion was made by Mr. Perkins, seconded by Ms. Benson, that a press release be made notifying the public of the availability of the position on the Citizens' Advisory Committee and make that appointment at the next Board meeting.

An amendment to the motion was made by Dr. Walker, seconded by Ms. Campbell, to proceed with the appointment today and have staff prepare a detailed procedure for dealing with such events in the future, thus providing for more openness in the future.

The vote on the amendment failed 2-3 with Ms. Benson and Messrs. McCorvey and Perkins voting against the amendment.

An amendment was made by Ms. Benson, seconded by Mr. Perkins, that in the future these at-large positions be publicized.

The vote on the amendment carried 5-0. Mr. Perkins restated his motion "that we wait until next month to make this appointment and that we publicize the opening, take applications, and make that decision at the next Board meeting with the understanding that in the future any at-large positions that come open, we use the same process – we will publicize them". The vote on the main motion as amended carried 4-1 with Ms. Campbell voting against the motion.

ITEM 8 - INFORMATIONAL REPORTS:

None.

EXECUTIVE SESSION

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At 3:50 p.m., Mr. Odom requested that the Board go into private session to discuss pending litigation re: eminent domain (Kimberly Woods Subdivision). Mr. Odom indicated that those attending the session would be the following and the session would last approximately 30 minutes.

**Elvin McCorvey, Chairman
Larry Walker, Vice Chairman
Lois Benson
Elizabeth Campbell
Dale Perkins
Richard Barlow, ECUA Counsel
Bradley S. Odom, ECUA General Counsel
Stephen E. Sorrell, Executive Director
David Deik, Court Reporter**

Chairman McCorvey reconvened the regular Board meeting at approximately 3:14 p.m.

A motion was made by Mr. Perkins, seconded by Ms. Benson, to direct counsel to proceed with settlement as discussed in private session concerning the Kimberly Woods Subdivision litigation. Motion carried 5-0.

A motion was made by Ms. Campbell, seconded by Mr. Perkins, to direct counsel to proceed with settlement as discussed in private session concerning the Cabinet Design litigation. Motion carried 5-0.

ITEM 9 - EXECUTIVE DIRECTOR'S REPORT:

The following report was presented for information only and did not require any action. Mr. Sorrell also informed the Board that progress is being made with Gulf Power and the new plant is performing well.

- (a) Expenditures approved by the Executive Director – Main Street WWTP Replacement project**

ITEM 10 - ATTORNEY'S REPORT

Mr. Odom reported that ECUA prevailed in an employee tuition reimbursement case and a workers' compensation case.

ITEM 11 - UNFINISHED BUSINESS

- (a) Impact fee policy – high demand customers**

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Mr. Odom stated that it is his understanding that the Board is approving in principal providing high demand customers with impact fee discounts based upon economies of scale and directing staff and legal counsel to conduct further analysis and to prepare those findings for possible implementation.

A motion was made by Ms. Benson, seconded by Ms. Campbell, for conceptual approval. Motion carried 4-1 with Mr. Perkins voting against the motion.

Mr. Perkins commented that unless the Board can get a commitment to not punish the ECUA residential users for larger consumption, he is unwilling to make financial concessions for other high impact users. Further, he feels ECUA should stick with the current policy toward residential users where they pay a set price.

ITEM 12 - NEW BUSINESS

(a) **Pensions** (Benson)

Ms. Benson stated that it is being proposed that State employees, including ECUA employees, pay part of their pension costs, and this is going to be a moving target during the legislative session, and she asks that staff monitor this to determine what the impact will be on the ECUA. Further, as we move toward making next year's budget, she wants the Board to be cognizant that the Board has not given pay raises to the employees in a couple of years, and if in deed this becomes a pension cost to our employees, she does not want to further penalize them and wants to make sure the budget takes this into consideration so that they are not forced to stay the same in their salary but to actually lose money for pensions.

(b) **Reapportionment** (Benson)

Ms. Benson stated that the Supervisor of Elections office is looking at reapportionment of the districts from which members of the ECUA Board, Board of County Commissioners, and School Board are elected. Further, she feels it would be beneficial to the Board if Mr. David Stafford were invited to come to a Board meeting and explain the process.

The Board concurred with Ms. Benson's suggestion and she indicated she would inform Mr. Stafford.

(c) **Board Communications** (Benson)

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Ms. Benson stated that she feels it would be beneficial to have a regular item on the Board agenda entitled "Board Communications" that would permit the members to share information relative to various activities within their individual districts.

The Board concurred with Ms. Benson's suggestion and Chairman McCorvey indicated he would see that a regular item is placed on the agenda.

Chairman McCorvey stated that Bill Johnson and his engineering staff is providing excellent contact with customers and it is appreciated. Chairman McCorvey also reported on the presentation of the recent "Protector of the Environment" award to Sacred Heart Hospital.

Mr. Odom reported that Mr. Jim Roberts conducted a "How to do Business with ECUA" workshop and that it went very well.

ITEM 13 - OPEN FORUM

Although reflected in agenda order in these minutes, Open Forum was conducted following Item 8.

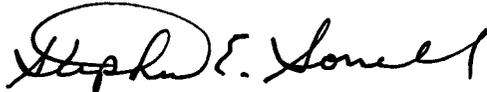
(a) Ms. Cindy Southern, 5864 St. Amatus Road, addressed the Board concerning the numerous water line breaks that occurred over a four-month period and which resulted in the neighbors in her area, herself included, having to purchase bottled water for consumption and household necessities. Ms. Southern requested that ECUA refund the customers of Amatus Road the amounts charged to them for ECUA water during the time which the water service was not provided.

Staff was requested to evaluate the situation as indicated by Ms. Southern and report their finding back to the Board.

ITEM 14 - ADJOURNMENT

There being no further business to come before the regular meeting of the Emerald Coast Utilities Authority Board, Chairman McCorvey declared the meeting adjourned at approximately 4:37 p.m.

Respectfully submitted,



Stephen E. Sorrell
Executive Director

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**APPROVED BY THE ECUA BOARD
IN REGULAR SESSION ON 03/24/11.**

- Without corrections/amendments.
- With corrections/amendments being: Item 7 (g), page 5, the 4-1 vote was corrected to reflect that Ms. Campbell voted against the motion, rather than Mr. McCorvey.