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Elizabeth S. Campbell
District One

Lois Benson
District Two

Elvin McCorvey
District Three

Dale Perkins
District Four

Larry Walker
District Five

ECUA Mission Statement

The Mission of the Emerald Coast Utilities Authority is to promote the quality of life of the Emerald Coast by providing water, wastewater, and sanitation services in an effective and efficient manner.

AGENDA

A REGULAR MEETING OF THE
EMERALD COAST UTILITIES AUTHORITY BOARD
THURSDAY, MAY 26, 2011
ECUA BOARD ROOM
9250 HAMMAN STREET
ELLYSON INDUSTRIAL PARK
3:00 P.M.

1. CALL TO ORDER
2. INVOCATION AND PLEDGE OF ALLEGIANCE
3. ADOPTION OF AGENDA
4. PRESENTATIONS
5. APPROVAL OF MINUTES: Regular Board meeting of April 28, 2011, pg. 3
6. OPERATIONAL ITEMS:
 - (a) Award of bid: Navy Point sewer expansion, Phase IIB, pg. 11
 - (b) Award of bid: Ellyson lift station #14 renovation/upgrade, pg. 15
 - (c) Electrical control panel – Pen Haven lift station #150 replacement, pg. 18
 - (d) Purchase of storage area network technology, pg. 20
 - (e) Subordination of utility interests-Bellview Avenue over Turner’s Creek Bridge-Bridge replacement, pg. 23
 - (f) Agreement with Zachary Company of Northwest Florida, LLC-Wastewater septage treatment and disposal, pg. 30

7. INFORMATIONAL REPORTS: (None)
8. EXECUTIVE DIRECTOR'S REPORT:
 - (a) Expenditures approved by the Executive Director – Main Street WWTP Replacement project, pg. 55
9. ATTORNEY'S REPORT
10. UNFINISHED BUSINESS
11. NEW BUSINESS
12. BOARD COMMUNICATIONS
13. OPEN FORUM
14. ADJOURNMENT

The next regular meeting of the Emerald Coast Utilities Authority Board is scheduled for Thursday, **June 23, 2011 at 3:00 p.m.** in the ECUA Board Room at 9250 Hamman Street, Ellyson Industrial Park.

Any person who decides to appeal any decision made by ECUA with respect to any matter considered at this meeting or hearing will need a record of the proceedings thereof. Since ECUA does not make verbatim records of its proceedings, such person may need to independently secure such a record, which should include the testimony and evidence on which the appeal is to be based.

Pursuant to the U.S. Americans with Disabilities Act, the ECUA will make reasonable modifications for access to ECUA services, programs, and activities by any qualified individual with a disability. Please call (850) 476-5110 (voice callers) or 1-800-955-8771 (TDD) for further information. Requests must be made at least 48 hours in advance of the event in order to allow the ECUA sufficient time to provide the requested accessibility.

GUIDELINES FOR OPEN FORUM

1. Presentations are limited to **three** minutes.
2. The Chairman may extend the time allowed if the Chairman determines an extension is necessary in order to allow sufficient time for a presentation. In this event, all persons addressing the same issue shall be allowed a similar extension of time.
3. If a large number of persons have indicated their desire to speak, the Chairman may reduce the time allowed for presentations in order to avoid unduly prolonging the meeting.
4. Presentations are limited to agenda items or other issues related to ECUA.
5. Comments of a personal nature concerning any individual or comments or actions which are disruptive will not be permitted.

MINUTES OF THE EMERALD COAST UTILITIES AUTHORITY BOARD MEETING
HELD THURSDAY, APRIL 28, 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
Debra Buckley, Director of Finance
Steve Burgess, Deputy Executive Director-Customer
Service
Linda Iversen, Executive Assistant to the Board
Bill Johnson, Director of Engineering

ITEM 1 - CALL TO ORDER

Chairman McCorvey called the regular meeting of the Emerald Coast Utilities Authority Board to order at approximately 3:04 p.m.

ITEM 2 - INVOCATION AND PLEDGE OF ALLEGIANCE

Ms. Benson provided the invocation and led the Pledge of Allegiance.

ITEM 3 - ADOPTION OF AGENDA

Mr. Sorrell added Item 12(a) – Resolution 11-04 - to the agenda, and advised that a revised Item 7(c) was before the Board.

Mr. Odom added “property acquisition” under new business as Item 12(b).

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

ITEM 4 - COMMUNICATIONS AND PRESENTATIONS

None.

ITEM 5 - APPROVAL OF MINUTES

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A motion was made by Dr. Walker, seconded by Ms. Campbell, to approve the minutes of the regular Board meeting of March 24, 2011 as presented. Motion carried 5-0.

ITEM 6 - OPERATIONAL ITEMS:

A motion was made by Ms. Benson, seconded by Mr. Perkins, that the Board approve the following recommendations for Items H and I, stating that she wished to discuss Item G. Motion carried 5-0.

- F. Presentation by Saltmarsh, Cleaveland & Gund - Comprehensive Annual Financial Report – Fiscal Year Ended September 30, 2010

Information only/Committee only.

- G. Presentation by ECUA Staff and Ideaworks - ECUA Web Site Design

Information only/Committee only. Ms. Benson suggested that we consider having a Facebook page on the web site to accommodate our customers and get important information to them in a more expedient manner, such as road closures. This suggestion was referred to staff.

- H. Award of Bid – Security Guard Services

Award a one-year extension to the current contract for security guard services to G4S Secure Solutions at a combined anticipated annual cost of \$75,048, with funding from the appropriate budget line item(s).

- I. SURPLUS EQUIPMENT

Concur in the findings of the Executive Director and authorize disposition of the old Nortel telephone system and equipment by public auction or sale to other interested governmental entities as authorized by ECUA Code, Section 2-16, and adopt the appropriate resolution.

ITEM 7 - OPERATIONAL ITEMS:

- (a) Resolution 11-02

A motion was made by Mr. Perkins, seconded by Ms. Benson, to adopt Resolution 11-02 - A RESOLUTION FINDING THE NORTEL OPTION 11 TELEPHONE SYSTEM, TELEPHONES, & ASSOCIATED EQUIPMENT TO BE NO

Board meeting 04/28/11

LONGER USEFUL, NECESSARY, OR PROFITABLE IN THE OPERATION OF THE UTILITY SYSTEMS OF THE EMERALD COAST UTILITIES AUTHORITY; AUTHORIZING DISPOSITION OF THAT PROPERTY; PROVIDING AN EFFECTIVE DATE. Motion carried 5-0.

(b) Escambia County Local Mitigation Strategy Plan update

A motion was made by Ms. Benson, seconded by Dr. Walker, to adopt by resolution, the Escambia County Multi-Jurisdictional Local Mitigation Strategy Plan Update as required by the Federal Emergency Management Agency, and direct staff to provide revised text regarding the Main Street WWTP and the Central Water Reclamation Facility to the Escambia County staff, and request amendment of the LMS Plan Update to reflect this information. Motion carried 5-0.

(c) Resolution 11-03

Mr. Odom informed the Board that Resolution 11-03 was revised to reflect that it contained a request for revision to the local mitigation strategy plan to reflect that the new Central Water Reclamation Facility is operating and that the Main Street WWTP was taken out of service on April 28, 2011.

A motion was made by Ms. Benson, seconded by Ms. Campbell, to adopt revised Resolution 11-03 – A RESOLUTION ADOPTING THE LOCAL MITIGATION STRATEGY PLAN; PROVIDING AN EFFECTIVE DATE. Motion carried 5-0.

(d) Auditing Services Engagement letter

A motion was made by Ms. Campbell, seconded by Ms. Benson, to authorize the Executive Director to sign the proposed engagement letter with SC&G (attached) for the audit for the fiscal year ending September 30, 2011, with funding from the appropriate budget line item. Motion carried 5-0.

(e) Award of bid - Escambia County CDBG Fire Hydrant Program – 2010 Program Year

A motion was made by Ms. Benson, seconded by Mr. Perkins, to authorize the Executive Director to enter into a contract with Escambia County for work related to the 2010 CDBG Fire Hydrant Program, and that the Board award the contract for Escambia County CDBG Fire Hydrant Program – 2010 Program Year to Evans Contracting, Inc., the lowest bidder, for the Base Bid plus Additive Bid A in the amount of \$162,596.25, with funds allocated from CIP Project RW909I. Motion carried 5-0.

Board meeting 04/28/11

(f) Award of bid – Norris and Truman Avenues water main upgrades

A motion was made by Mr. Perkins, seconded by Ms. Benson, to award the contract for Norris and Truman Avenues Water Main Upgrades to Evans Contracting, Inc., the lowest bidder, for the Base Bid in the total amount of \$103,969.40 with funds allocated from CIP Project RW306N. Motion carried 5-0.

(g) Award of bid – Lakewood sewer expansion, Phase 4A

A motion was made by Ms. Benson, seconded by Mr. Perkins, to award the contract for the Lakewood Sewer Expansion Project, Phase 4A, to Utility Service Company, the lowest bidder, for the Total Base Bid amount of \$876,823.53 with funding from CIP Project CS317R. Motion carried 5-0.

(h) Sale of heat-dried sludge product

A motion was made by Ms. Benson, seconded by Ms. Campbell, to authorize the executive director to extend the agreement with the Zachary Company of Northwest Florida, LLC, for the sale of the heat-dried sludge product produced at the Central Water Reclamation Facility. Motion carried 5-0.

(i) I & I Reduction – Sewer system rehabilitation-Prequalification of bidders

A motion was made by Ms. Benson, seconded by Dr. Walker, to approve the following lists of contractors as prequalified for purposes of bidding on the cured-in-place pipe lining, and the testing and sealing-via- grout-injection phases of the ECUA sanitary sewer collection system rehabilitation. Motion carried 5-0.

Cured-in-Place Pipe Liners (RFQ No. 2011-10)

1. Insituform Technologies, Inc.
Chesterfield, MO
2. SAK Construction
St. Charles, MO
3. Suncoast Infrastructure, Inc.
Florence, MS
4. Reynolds Inliner, LLC
Orleans, IN

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Test & Seal (RFQ No. 2011-11)

1. South Baldwin Plumbing (SBP), Inc.
Pensacola, FL
2. Shenandoah General Construction Co.
Pompano Beach, FL
3. Video Industrial Services, Inc.
Birmingham, AL

- (j) Real property transfer-Bayou Marcus Water Reclamation Facility-Fayal Drive

A motion was made by Ms. Benson, seconded by Mr. Perkins, to approve the property conveyance and drainage easements and authorize the Executive Director to execute the necessary documents. Motion carried 5-0.

ITEM 8 - INFORMATIONAL REPORTS

None.

ITEM 9 - EXECUTIVE DIRECTOR'S REPORT:

The following reports were presented for information only and did not require any action.

Mr. Sorrell provided to the Board members a CD that contained the Fraud and Risk Assessment Report per their request at the April Committee meeting.

Mr. Sorrell also reported that the anemometer has been installed and is operating at the CWRP and reported the readings obtained by the device.

Further, Mr. Sorrell informed the Board as to the number of press articles produced on the closing of the Main Street WWTP and that an open house is planned for May 10 at the Main Street WWTP for the prime contractors and any interested sub-contractors. Also, Mr. Sorrell advised that staff is getting a tremendous amount of interest on the demolition of the Main Street WWTP.

- (a) Expenditures approved by the Executive Director – Main Street WWTP Replacement project
- (b) Notification of waiver of minimum bid requirement for Actuarial Services for OPEB calculation

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ITEM 10 - ATTORNEY'S REPORT

Mr. Odom reported that a recommended order regarding an employee was received this week and the Executive Director will be rendering a final order based on that recommendation.

Mr. Odom also reported that the Numeric Nutrient Criteria (NNC) case is proceeding and the Governor has authorized FDEP to file a petition requesting that the federal Environmental Protection Agency rescind its determination that the federally imposed NNC for the State of Florida and withdraw its determination prior to any further action by EPA relative to NNC in Florida.

ITEM 11 - UNFINISHED BUSINESS

None.

ITEM 12 - NEW BUSINESS

(a) **Resolution 11-04**

A motion was made by Mr. Perkins, seconded by Dr. Walker, to adopt Resolution 11-04 – A RESOLUTION AUTHORIZING THE EXCHANGE OF REAL PROPERTY INTERESTS ALONG FAYAL DRIVE WITH ESCAMBIA COUNTY, FLORIDA; PROVIDING AN EFFECTIVE DATE. Motion carried 5-0.

(b) **Property acquisition**

Mr. Odom advised that property adjacent to one of ECUA's facilities has been foreclosed on and will be sold on the Courthouse steps. The ECUA is having the property appraised and the property will be sold prior to the next Board meeting. Mr. Odom requested direction from the Board to proceed with bidding on the property up to the amount of the appraisal.

A motion was made by Mr. Perkins, seconded by Ms. Benson, to pursue the purchase of the property up to the appraised value. Motion carried 5-0.

ITEM 13 - BOARD COMMUNICATIONS

(a) Ms. Benson commented that a fire occurred in her neighborhood and she has asked that Mr. Sorrell meet with the City Fire Marshal to ascertain if additional fire hydrants should/could be installed.

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(b) Chairman McCorvey reported on a meeting he had with the homeowners' association of Englewood Subdivision, stating that there were some issues brought up relative to sanitation and yard trash dimensions and he would be requesting Mr. Rudd to meet with the association to discuss these issues. Further, Chairman McCorvey stated that he would also be providing to the homeowners' association some fats, oils and grease (FOG) brochures and grease containers their next meeting.

Mr. Perkins stated that he has also received some comments/ concerns about the yard trash dimension and would be open to re-evaluating the 4x4 requirement.

Ms. Benson reported that ECUA will work with individual neighborhoods that plan a neighborhood clean-up day, but does not qualify for the County's clean sweep program.

ITEM 14 - OPEN FORUM

(a) Dr. Calvin Avant, Escambia-Pensacola Human Relations Commission, addressed the Board concerning the contracting of minority businesses case they filed against ECUA relative to the relocation of the Main Street WWTP and the final report from the Inspector General of the Department of Homeland Security (DHS).

Mr. Odom outlined the process that ECUA follows and the information that was provided to FEMA and DHS.

Dr. Avant indicated that he would be providing a proposal/ recommendations to Mr. Sorrell on Friday, April 29.

(b) Mr. George Hawthorne, Diversity Program Advisors, addressed the Board concerning the issue of minority businesses and the FEMA report relative to the relocation of the Main Street WWTP project. Mr. Hawthorne also spoke to the federal programs and the issue of prime contractors. It was indicated that Mr. Hawthorne has already provided a proposal to the Executive Director.

Mr. Sorrell stated that once he receives the report from Dr. Avant, he will evaluate all submitted proposals, discuss them with Mr. Odom, and report back to the Board.

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ITEM 15 - 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 4:45 p.m.

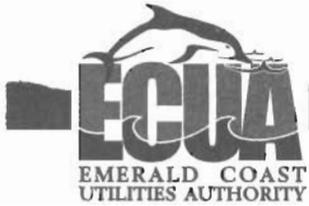
Respectfully submitted,



Stephen E. Sorrell
Executive Director

APPROVED BY THE ECUA BOARD
IN REGULAR SESSION ON _____.

- Without corrections/amendments.
- With corrections/amendments being:



MEMORANDUM

TO: Emerald Coast Utilities Authority Board

DATE: May 26, 2011

SUBJECT: Award of bid - Navy Point Sewer Expansion, Phase IIB (CS317Q)

Background:

The Board approved the Navy Point Sewer Expansion Project, Phase IIB, in December 2010. The project is part of the multi-phase plan for sewer expansion in the Navy Point area. Phase IIB was included in the “shovel ready” projects that we prepared in anticipation of Federal stimulus funds. The project was designed and plans prepared by Jehle-Halstead Engineering.

During the plan preparation and design, Escambia County requested that ECUA include drainage upgrades as an additive alternate to the bidding process for the sewer expansion project. The old drainage system in the Navy Point area is in a very deteriorated condition and the County wanted to coordinate with the ECUA project to include drainage improvements. By working together, the combined project would minimize disruption of the neighborhood. The proposed drainage upgrades are in the same area that is delineated for the sewer work. The County has proposed to reimburse ECUA for all associated drainage costs including engineering services for the drainage-related work.

The Navy Point Sewer Expansion, Phase IIB, will provide gravity sewer service to 125 customers currently served by septic tanks. The project area is on Bayou Grande, west of Navy Boulevard and south of Gulf Beach Highway, as shown on the enclosed map.

The project was advertised in April 2011, and we received bids on Tuesday, May 10, 2011. We received five bids ranging from \$1,761,035.61 to \$1,367,516.00. The three low bids were:

Contractor	Gravity Sewer Base Bid	Drainage Add. Alternate 1	Drainage Add. Alternate 2	Total Bid
Roads, Inc. of NWF	\$1,032,132.00	\$210,365.00	\$125,019.00	\$1,367,516.00
JB Coxwell, Inc.	\$1,073,954.88	\$193,643.69	\$119,002.82	\$1,386,601.39
Gulf Equipment Corp.	\$1,075,067.90	\$188,883.20	\$145,217.60	\$1,409,168.70

Emerald Coast Utilities Authority Board

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May 26, 2011

Subject: Award of Bid - Navy Point Sewer Expansion, Phase IIB

Issue:

The issue is to consider awarding the total bid for the Navy Point Sewer Expansion, Phase IIB Project.

Option 1:

Award the contract for the total bid (Base Bid plus Additive Alternates 1 and 2) to the lowest bidder, Roads, Inc. of NWF.

Supporting Data:

The low bid as submitted by Roads, Inc. of NWF meets all specifications and criteria established for the project.

Option 2:

Take some other action.

Supporting Data:

N/A.

Policy Implications:

None.

Financial Impact:

The approved CIP Budget for Navy Point Sewer Expansion, Phase IIB, is \$1.3 million. In addition, Escambia County will reimburse the full cost of drainage improvements including the engineering services.

Funds in the amount of \$1,169,050 are available in the approved project budget for the sewer expansion. These funds are sufficient for construction of the Navy Point Sewer Expansion, Phase IIB, including an allowance for construction contingency.

Origin:

Staff, this is an approved CIP project.

Emerald Coast Utilities Authority Board

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May 26, 2011

Subject: Award of Bid - Navy Point Sewer Expansion, Phase IIB

Staff Contact:

William E. Jonson, Director of Engineering, 969-3310.

Recommendation:

That the Board: (1) award the contract for the Navy Point Sewer Expansion Project, Phase IIB, to Roads, Inc. of NWF, the lowest bidder, for the total bid amount of \$1,367,516.00 with funding from CIP Project CS317Q; and (2) authorize the Executive Director to enter into a reimbursement agreement with Escambia County for the drainage portion of the project.

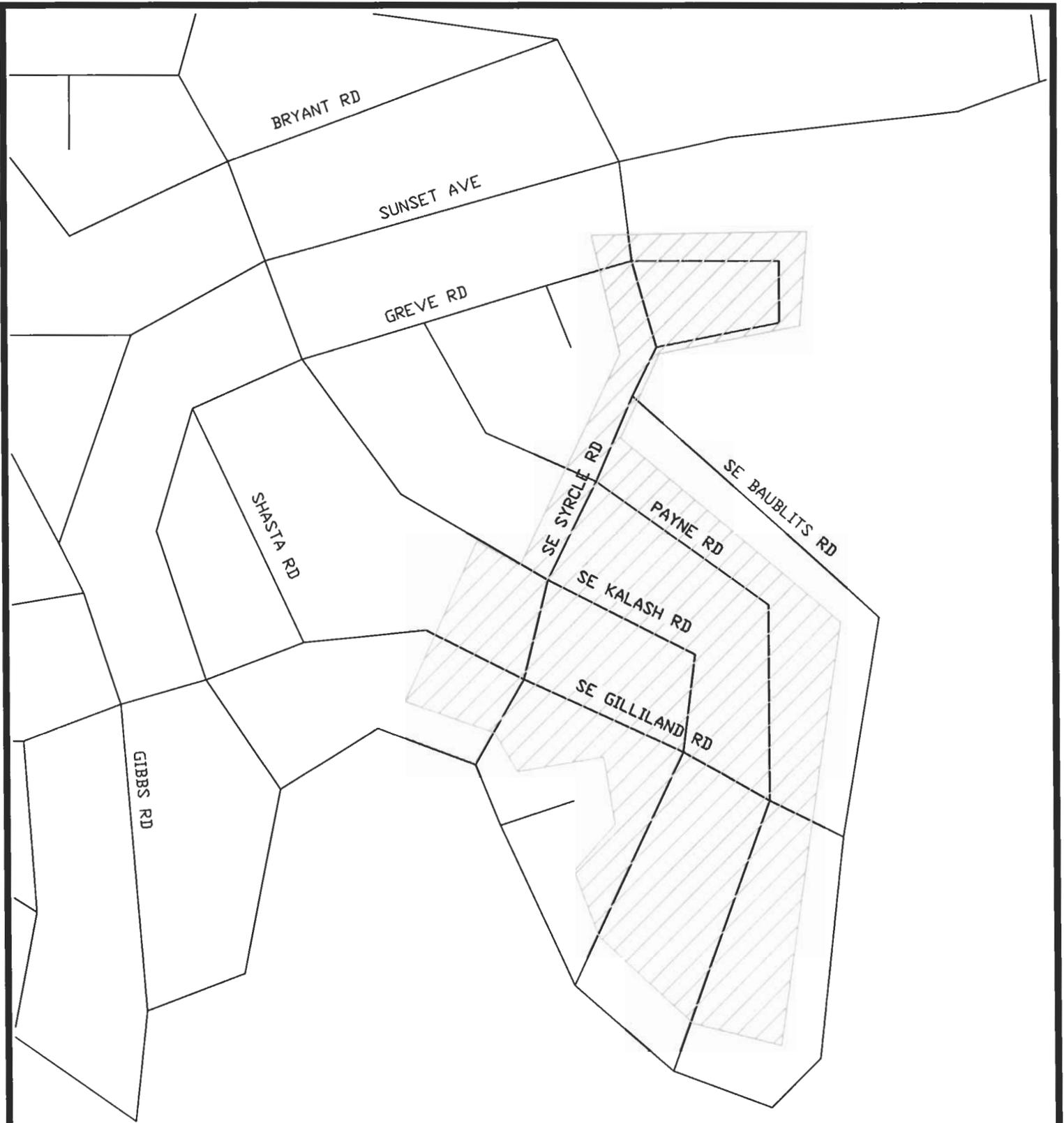
Respectfully submitted,

A handwritten signature in black ink, appearing to read "Stephen E. Sorrell". The signature is written in a cursive style with a large, looped initial "S".

Stephen E. Sorrell
Executive Director

SES/JMS/cs

Attachment



NAVY POINT
SEWER EXPANSION ₁₄ PHASE IIB

EXHIBIT A



MEMORANDUM

TO: Emerald Coast Utilities Authority Board

DATE: May 26, 2011

SUBJECT: Award of Bid: Ellyson Lift Station #14 Renovation/Upgrade (RS312)

Background:

The Board approved the subject project in November 2005. Completion of the project has been delayed because of coordination with Escambia County related to the realignment of Addison Drive and property acquisition through eminent domain. We completed construction plans and specifications in late January 2011. Subsequently, we advertised the project and opened bids on Tuesday, March 8, 2011. Due to a complication during the bidding phase and the desire by ECUA to include a generator and make modifications to the design, the Board rejected all bids at its March 24, 2011 meeting, and instructed the staff to re-bid the project. We opened the bids for the revised project on Tuesday, May 10, 2011. A total of seven bids were received. The three lowest bids received are as follows:

<u>Contractor</u>	<u>Bid Amount</u>
Roads, Inc. of NWF Cantonment, FL	\$560,689.00
Martin Construction, LLC DeFuniak Springs, FL	\$685,000.00
Brown Construction of NWF, Inc. Pensacola, FL	\$698,894.74

The bid consists of replacing the existing deteriorated can-type lift station with one that has a larger wet well and meets current building and electrical codes. The older can-type lift station requires ECUA maintenance staff to enter an unsafe confined space to work on the pumps and electrical equipment. The staff recommends award of the base bid.

The bid prices noted above do not include the electrical components, which we intend to purchaser directly to take advantage of substantial tax savings. The cost of the electrical equipment is not anticipated to exceed \$200,000.00. The staff recommends

Emerald Coast Utilities Authority Board

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May 26, 2011

Subject: Award of Bid: Ellyson Lift Station #14 Renovation/Upgrade

purchasing the equipment from Automation Control Services, Inc. (ACS), the low bidder and selected supplier through the bid process for CIP Project CS141V - CWRf Lift Station Upgrades Phase 1 – Lift Station Control Panels at the Board’s June 2010 meeting.

Issue:

The issue is to consider awarding the bid for the construction of the Ellyson Lift Station #14 Renovation/Upgrade project, and issuance of a change order to ACS for the purchase of electrical control equipment.

Option 1:

Award the contract for the Base Bid to the lowest responsive bidder, Roads Inc. of NWF, Cantonment, Florida, and issue a change order to ACS, Pensacola, Florida for the purchase of electrical control equipment.

Supporting Data:

The low bid, as submitted by Roads, Inc., meets all specifications and criteria established for the project. Roads, Inc., has performed numerous construction projects for ECUA, and their performance has generally been satisfactory.

The low bid for electrical control equipment, as submitted by ACS for a related project, meets all specifications and criteria established for the project. ACS has supplied multiple control panels for ECUA, and their performance has been satisfactory. Selection of ACS for this task ensures the uniformity of this type equipment, which facilitates maintenance and minimizes safety concerns.

Option 2:

Take some other action.

Supporting Data:

N/A.

Policy Implications:

None.

Emerald Coast Utilities Authority Board

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May 26, 2011

Subject: Award of Bid: Ellyson Lift Station #14 Renovation/Upgrade

Financial Impact:

Funds in the amount of \$683,828.00 are budgeted and available in CIP Project RS312 - Ellyson Lift Station #14 Renovation/Upgrade. Additional funds are required to purchase the owner-supplied electrical control equipment at an estimated cost not-to-exceed \$200,000.00. The total anticipated construction cost with a 10% contingency added to the bid price of Roads, Inc., is \$816,758.00 (\$560,689.00 + \$56,069.00 + \$200,000.00). To completely fund the project, a transfer is necessary in the amount of \$133,000.00 from CIP Project RS121 – Lift Station Replacement and Upgrades to CIP Project RS312 - Ellyson Lift Station #14 Renovation/Upgrade. Funds are available in CIP Project RS121 for this transfer.

Origin:

Staff, this is an approved CIP project.

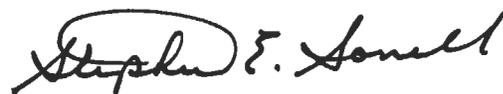
Staff Contact:

William E. Johnson, Director of Engineering, 969-3310.
Stacy N. Hayden, Project Engineer, 969-6648.

Recommendation:

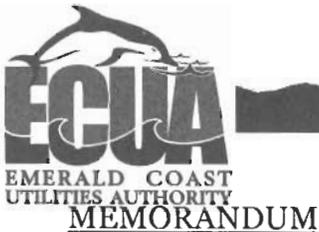
That the Board: (1) award the contract for the Ellyson Lift Station #14 Renovation/Upgrade to Roads, Inc. of NWF, Cantonment, Florida, the lowest bidder for the bid in the total amount of \$560,689.00, with funding from CIP Project RS312; (2) authorize the Executive Director to execute a change order to ACS, Pensacola, Florida, not to exceed \$200,000.00 for the purchase of electrical control equipment for the Ellyson lift station upgrade, with funding from CIP Project RS312; and (3) authorize the transfer of \$133,000.00 from CIP Project RS121-Lift Station Replacement and Upgrades to CIP Project RS312 – Ellyson Lift Station #14 Renovation/Upgrade to fund construction and provide for a 10% contingency.

Respectfully submitted,



Stephen E. Sorrell
Executive Director

SES/WEJ/SNH



TO: Emerald Coast Utilities Authority Board

DATE: May 26, 2011

SUBJECT: Electrical Control Panel - Pen Haven Lift Station (LS #150) Replacement (RS013)

Background:

The Board awarded a contract for the subject project to Brown Construction, Inc. of NWF, at its February 24, 2011 meeting. We intentionally excluded the purchase of the lift station electrical control panel from the contract in order to take advantage of tax savings and avoidance of handling charges through a direct purchase. To that end, the staff recommends the use of Automation Control Services, Inc. (ACS), to construct and provide the control panel for the Pen Haven lift station upgrade. ACS is the contractor we selected through competitive bidding to construct and supply the electrical panels for CIP Project CS141V - CWRP Lift Station Upgrades, Phase 1-Lift Station Control Panels. The cost to construct the electrical control panel for the Pen Haven Lift Station is expected to range from \$150,000 to \$200,000. We can accomplish this through a change order to the contract with ACS.

Issue:

The issue is to consider a change order to the contract with ACS, Pensacola, Florida, for the construction of an electrical control panel for the Pen Haven Lift Station.

Option 1:

Authorize the Executive Director to execute a change order to the contract with ACS, Pensacola, Florida, in the not-to-exceed amount of \$200,000, for the construction of a lift station electrical control panel for the Pen Haven Lift Station project.

Supporting Data:

The construction of electrical control panels for CIP Project CS141V - CWRP Lift Station Upgrades, Phase 1-Lift Station Control Panels was competitively bid, with the bids opened on June 15, 2010. Subsequently, at its June 24, 2010 meeting, the Board awarded the contract to the low bidder, ACS, of Pensacola, Florida. Utilizing the same contractor to provide electrical panels for other lift stations ensures the uniformity of this type equipment, which facilitates maintenance and minimizes safety concerns. Purchasing the panel directly from the fabricator also saves the cost of handling by the prime contractor for the Pen Haven Lift Station.

Emerald Coast Utilities Authority Board

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May 26, 2011

Subject: Electrical Control Panel - Pen Haven Lift Station Replacement

Option 2:

Take some other action.

Supporting Data:

N/A.

Policy Implications:

None.

Financial Impact:

Purchase of the control panel will require a transfer of funds to the project budget. Funds in the amount of \$200,000 are available in CIP Project RS121 – Lift Station Replacement and Upgrades for this purpose.

Origin:

Staff, this is part of an approved CIP project.

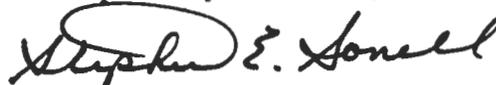
Staff Contact:

William E. Johnson, Director of Engineering, 969-3310.
Stacy N. Hayden, Project Engineer, 969-6648.

Recommendation:

That the Board: (1) authorize the Executive Director to issue a change order to the contract with ACS in the not-to-exceed amount of \$200,000 for the construction of a lift station electrical control panel for the Pen Haven Lift Station with funding from CIP Project RS013; and (2) authorize the transfer of \$200,000 from CIP Project RS121 – Lift Station Replacement and Upgrades to CIP Project RS013 – Pen Haven Lift Station (LS #150) Replacement.

Respectfully submitted,



Stephen E. Sorrell
Executive Director

SES/WEJ/SNH



MEMORANDUM

TO: Emerald Coast Utilities Authority Board
DATE: May 26, 2011
SUBJECT: Purchase of Storage Area Network Technology

Background:

As the Emerald Coast Utilities Authority strives to continually improve its services to its customers through the implementation of more computer-based systems, the need for additional computerized storage capacity to store the resulting data continues to grow at an extraordinary rate. Within the ECUA, nearly all of the data created and maintained, such as Word, Excel, PowerPoint, PDF (Portable Document Format) documents, accounting, payroll, water bills and history, digital data such as maps, aerial photos, meter photos and sewer inspection videos, need to be maintained on computerized storage. This growth in data over the years has resulted in a patchwork of storage that is difficult to manage.

The Information Technology staff is beginning the migration to a virtual computing environment for both our servers and desktop computers. In a virtual computing environment, several operating systems are able to run simultaneously on a single physical machine. Rather than paying for many under-utilized machines, each dedicated to a specific workload; virtualization allows those workloads to be consolidated onto a smaller number of more fully-utilized machines. This will reduce space requirements, management requirements, and power usage resulting in a dollar savings. It will also provide a more cost effective means of implementing disaster recovery and business continuity plans. The ECUA will need centralize storage to continue this migration.

Issue:

The issue is to consider purchasing Storage Area Network (SAN) technology.

Option 1:

Waive the ECUA's formal bid process and purchase network equipment from the Florida State Contract.

Supporting Data:

The fiscal year 2010/2011 CIP budget approved by the ECUA Board contained a project to upgrade ECUA's information technology infrastructure. A key part of this project involves the purchase of SAN technology. A SAN is a data storage system consisting of storage controllers, storage devices, and a high-speed network by which they communicate with computer systems.

Our goal is to better utilize our computer resources, provide for information storage requirements with proven technology, and increase the protection of the ECUA's information assets.

Staff developed a core set of requirements that would accomplish these goals. All of our servers must be able to access the SAN. The SAN must initially provide double our current disk storage requirements and be able to double again with minimal cost. The SAN must be easy to manage using a web browser and it must offer advance features such as: advance Redundant Array of Independent Disk (RAID) levels, data replication and volume snapshots.

With these goals and core requirements in mind, the Information Technology staff met with different vendors to learn about their SAN offerings. Over the last year, staff met with different representatives of EMC, NetApp, and IBM. The vendors explained the features of their SAN and what they could do for the ECUA. At the end of the review period, only IBM met all of our requirements. The others were unable to meet our first requirement that all of our servers must be able to access their SAN.

IBM's V7000 SAN, which was proposed by IBM's business partner Dynamix Group, is the only reasonably priced SAN that could meet all of our requirements. The Dynamix Group's proposal included 5 terabytes of RAID 1 (mirrored) storage, dual fiber switches rated at 8 gigabytes, and the upgrade necessary to connect our iSeries to the SAN. They also have included services to ensure that the installation and configuration is completed correctly and in a minimum amount of time.

Since the State of Florida buys networking equipment in large quantities, vendors are able to provide larger discounts to the State. The ECUA is able to piggyback on the state contract and receive this discount. Section 13-3(a) of the *ECUA Code* "exempts purchases made under purchasing agreements, contracts, and price regulations executed or approved by the state purchasing authority or GSA". Based on the foregoing, staff requests that the purchase be exempted from the competitive bid requirements under Section 13-3(a) of the *ECUA Code*.

Emerald Coast Utilities Authority Board
Page 3
May 26, 2011
Subject: Purchase of Storage Area Network Technology

Option 2:

Take some other action.

Supporting Data:

N/A.

Policy Implications:

None.

Financial Impact:

Funds are budgeted and available for the purchase of the networking equipment and implementation services, in CIP Project No. RA907 – I. T. Infrastructure Upgrade.

Origin:

Staff, this is an approved CIP project.

Staff Contact:

David Roberts, Director of Information Technology, 969-3340.

Recommendation:

That the Board: (1) authorize the Executive Director to initiate CIP Project No. RA907 – I.T. Infrastructure Upgrade; (2) waive the competitive bidding process in order to purchase the SAN technology through the State contract; and (3) authorize an expenditure to Dynamix Group in the amount of \$163,981, with funding from CIP Project RA907.

Respectfully submitted,



Stephen E. Sorrell
Executive Director

SES:DR:dr



MEMORANDUM

TO: Emerald Coast Utilities Authority Board

DATE: May 26, 2011

SUBJECT: Subordination of Utility Interests - Bellview Avenue over Turner's Creek Bridge - Bridge Replacement

Background:

The Florida Department of Transportation (FDOT) is intending to do work along Bellview Avenue which involves replacing the bridge on that roadway over Turner's Creek. The construction of this new bridge, as well as the associated road and drainage work, will necessitate the relocation of practically every utility in the area, including ECUA's facilities. ECUA has approximately 80' of 8" PVC water main located in an easement which runs along the south side of Bellview Avenue. It is generally depicted on Exhibit A.

ECUA's easement interests will be impacted as a result of this FDOT project. This easement interest is a 5' wide utility easement recorded on the Amelia Place Subdivision plat. Because this easement conflicts with FDOT's proposed project, FDOT has asked that ECUA subordinate its interests to FDOT.

ECUA staff has reviewed the proposal, and it appears that ECUA's relocations can be performed without the need for the easement FDOT requires.

ECUA staff has estimated the costs associated with relocating its facilities in the easement area that FDOT would like to subordinate. Those costs, internal and external, were estimated to total \$44,500, and FDOT has agreed to pay that amount in return for ECUA's executing the attached Subordination of Utility Interests form. The second numbered paragraph of that document authorizes ECUA to operate and maintain its facilities. It also obligates FDOT for certain expenses associated with subsequent relocations.

Legal staff has reviewed the proposed Subordination of Utility Interests form (Exhibit B) and would approve it as to its legal form.

Issue:

The issue is whether to: (1) accommodate the contemplated Florida Department of Transportation (FDOT) project; (2) subordinate ECUA's existing utility interests to

Emerald Coast Utilities Authority Board

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May 26, 2011

Subject: Subordination of Utility Interests – Bellview Avenue over Turners' Creek
Bridge-Bridge Replacement

FDOT in return for \$44,500; and (3) authorize the Executive Director to execute the Subordination of Utility Interests form proposed by FDOT.

Option 1:

Authorize the Executive Director to execute the Subordination of Utility Interests form.

Supporting Data:

The contemplated FDOT project is believed to be of benefit to the local area. Authorizing the Subordination of Utility Interests would facilitate the project and avoid the necessity of it having to be redesigned. ECUA has estimated the costs associated with utility relocations in the area affected by the subordination form, both internal and external, and believes the sum of \$44,500 to be a fair one.

Option 2:

Refuse to subordinate ECUA's interests.

Supporting Data:

This option is not recommended. It would likely require the FDOT to reconsider this beneficial project, or at a minimum re-engineer it. Alternatively, FDOT could sue ECUA in eminent domain to acquire the necessary property rights.

Policy Implications:

None. Because the recommended action affects ECUA's real property rights, Board action is required.

Financial Impact:

Although ECUA will incur utility relocation costs outside of the areas affected by the easement to be subordinated, FDOT will pay ECUA \$44,500 for the estimated utility relocation costs within the easement area.

Origin:

Florida Department of Transportation.

Emerald Coast Utilities Authority Board

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May 26, 2011

Subject: Subordination of Utility Interests – Bellview Avenue over Turners' Creek
Bridge-Bridge Replacement

Staff Contact:

Mike Hamlin, Manager of Utilities Development, 969-3310.

Recommendation:

That the Board accommodate the contemplated Florida Department of Transportation project and subordinate ECUA's existing utility interests to FDOT in return for \$44,500, and authorize the Executive Director to execute the Subordination of Utility Interests form proposed by FDOT.

Respectfully submitted,



Stephen E. Sorrell
Executive Director

Attachments



Approx. 734 SF
easement area

EXHIBIT "A"

BELLVIEW AVENUE
UTILITY EASEMENT SUBORDINATION

March 7, 2011

This instrument prepared by,
or under the direction of
Timothy H. Wells
Department of Transportation
P. O. Box 607
Chipley, FL 32428

Legal description approved by:
Bobby White

Parcel 102.3R
Item/Segment No. 4213111
Managing District 3
C.R. No. Bellview Avenue
County Escambia

SUBORDINATION OF UTILITY INTERESTS

THIS AGREEMENT is entered into on _____, 20___, by and between the STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION (FDOT) whose address is Post Office Box 607, Chipley, Florida 32428 and EMERALD COAST UTILITIES AUTHORITY f/k/a ESCAMBIA COUNTY UTILITIES AUTHORITY (Utility).

WITNESSETH:

WHEREAS, the Utility presently has an interest in land that is necessary for highway purposes and the Utility has facilities located on the land.

WHEREAS, the proposed use of the land for highway purposes will require subordination by the Utility to the FDOT of the interest claimed in the land.

WHEREAS, the FDOT is willing to pay to have the Utility's facilities relocated, if necessary to prevent conflict with the facilities on the FDOT's project #4213111.

THEREFORE, in consideration of the mutual covenants and promises of the parties, the Utility and the FDOT agree as follows:

- 1. The Utility subordinates to FDOT, its successors or assigns, its interest in the following described land:

A portion of Lot 1, Block A, Amelia Place Subdivision, as per plat recorded in Plat Book 17, Page 89 of the Public Records of Escambia County, Florida, being in Section 39, Township 1 South, Range 31 West, Escambia County, Florida described as follows: Commence at a pk nail and disk (no ID) marking the northeast corner of said Section 39; thence South 03°30'19" West 2,639.87 feet along the east line of said Section 39 to the centerline of survey of Bellview Avenue, as shown on Florida Department of Transportation (F.D.O.T.) Right of Way Map F.P. No. 4213111 (said map being on file at F.D.O.T. District 3 Office, Chipley, Florida); thence North 87°12'20" West 400.36 feet along said centerline of survey; thence departing said centerline, run South 21°11'28" West 26.15 feet to an intersection of the existing southerly right of way line of said Bellview Avenue (county maintained), as shown on said Right of Way Map with the westerly line of said Lot 1, Block A, Amelia Place Subdivision and POINT OF BEGINNING; thence South 87°12'20" East 88.83 feet along said existing southerly right of way line (northerly line of said Lot 1, Block A) to a point of curve to the right (concave southwesterly); thence southeasterly along said northerly lot line and said curve, having a radius of 25.00 feet, for a distance of 19.44 feet, through a central angle of 44°33'25" to end of curve; thence departing said northerly lot line, run North 87°12'20" West 108.76 feet to said westerly line of Lot 1, Block A, Amelia Place Subdivision; thence North 21°11'28" East 7.57 feet along said westerly lot line to POINT OF BEGINNING;

Containing 734 square feet, more or less.

The interest of the Utility being subordinated includes, but is not necessarily limited to, the interest created by the following described document:

RECORDED:

INSTRUMENT	DATE	FROM	TO	BOOK/PAGE
Easement	7-22-04	S.F.B. Investments of Pensacola, LLC	Escambia County Utility Authority	PB 17 PG 89

2. The Utility shall have the right to relocate its facilities within the FDOT right of way and the right to receive reimbursement from the FDOT for the relocation. Subsequent to the relocation, the Utility shall have the right to operate and maintain its facilities within the FDOT right of way, subject to the provisions of the permit and the Utility Accommodation Manual. However, any new construction or relocation, subsequent to the first relocation, shall be subject to the approval of the FDOT. (Approval shall not be withheld or delayed unreasonably.) If the FDOT does not allow the first relocation of the facilities within the right of way or should the FDOT require any subsequent relocation of the facilities, the FDOT agrees to pay the cost of such relocation, including the cost of acquiring any necessary easements. All work performed and facilities located within the right of way by the Utility, and all payments and reimbursements by the FDOT to the Utility, shall be in accordance with the FDOT's construction plans for the project and the rules, procedures, and Utility Accommodation Manual, which are in effect at the time this agreement is executed by the Utility.
3. Notwithstanding the terms of this subordination agreement, the terms of the utility permits shall supersede any conflicting provisions, with the exception of the terms providing for reimbursement rights.
4. The Utility shall have the right to enter upon the right of way for the purposes stated in Paragraph 2. Maintenance of the facilities shall include the right to trim trees, brush, and growth, which might adversely affect the facilities, provided there are no adverse effects on the operation and safety of the FDOT's facilities.
5. Subject to the provisions of Paragraph 2 above, the Utility agrees to repair any damages to the FDOT facilities resulting from the act or omission of the Utility.

IN WITNESS WHEREOF, the FDOT hereto has executed this agreement on the day and year first above written.

Signed, sealed and delivered
in the presence of witnesses:

Krissy Cook

Vicky Williams

STATE OF FLORIDA DEPARTMENT
OF TRANSPORTATION

By: _____
James T. Barfield, P. E.
Title: District Secretary
for District 3

STATE OF FLORIDA

COUNTY OF WASHINGTON

The foregoing instrument was acknowledged before me this ___ day of _____, 20___, by James T. Barfield, as Secretary for District 3, who is personally known to me or who has produced ___ as identification.

Vicky L. Williams
Notary Public in and for the
County and State last aforesaid.
My Commission Expires: February 09, 2014
Serial No., if any: DD 940774

IN WITNESS WHEREOF, the Utility has caused these presents to be executed in its name, and its Corporate Seal to be hereunto affixed, by its proper officers thereunto duly authorized, the day and year first above written.

ATTEST: _____

Its _____ Secretary

Signed, sealed and delivered in the presence of: (Two witnesses or Corporate Seal required by Florida Law)

Emerald Coast Utilities Authority f/k/a Escambia County Utilities Authority

By: _____

Its _____

(Corporate Seal)

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of _____, 20 __, by _____, as _____ of _____, a _____ Corporation, on behalf of the Corporation, who is personally known to me or who has produced _____ as identification.

Notary Public in and for the County and State last aforesaid.

My Commission Expires: _____

Serial No., if any: _____



MEMORANDUM

TO: Emerald Coast Utilities Authority Board

DATE: May 26, 2011

SUBJECT: Agreement with Zachary Company of Northwest Florida, LLC
Wastewater Septage Treatment and Disposal - Cantonment Wastewater
Treatment Facility

Background:

The Zachary Company of Northwest Florida, LLC (hereinafter "Zachary") and related legal predecessors have operated the Cantonment Wastewater Treatment Plant (WWTP) since 2004, for the purpose of receiving, treating, and disposing of septage wastewater. Zachary's providing this service has improved the efficiencies of ECUA's wastewater treatment system. The existing agreement regarding Zachary's use of the Cantonment WWTP will soon expire.

ECUA's receipt of septage wastewater in the past at one of its WWTPs had a considerable negative impact on those facilities. Although the new Central Water Reclamation Facility (CWRP) is a modern plant, it is believed that treating septage at that location would have a negative impact on plant operations.

Although in the past the County has had objections to Zachary's operation of the Cantonment WWTP site, since that time Zachary has made physical improvements to the site to address those concerns. It has also implemented operational changes. The Escambia County Engineering Department and its attorneys have apparently been satisfied with those actions.

Additionally, since the closing of the Main Street WWTP, additional filtration equipment has been transferred to the Cantonment WWTP. Zachary has and/or will spend significant funds in order to install and modify this equipment and improve the efficiency of its septage treatment. Combined with expenditures as a result of the County's complaints, Zachary has spent or will spend approximately \$100,000 upgrading the Cantonment WWTP site and improving its ability to receive and treat septage wastewater.

Earlier this year the Florida Department of Environmental Protection (FDEP) inspected the Cantonment WWTP site. Last month FDEP issued its determination that the facility was being operated by Zachary in compliance with wastewater permit limits and state regulations.

Emerald Coast Utilities Authority Board

Page 2

May 26, 2011

Subject: Agreement with Zachary Company of Northwest Florida, LLC
Wastewater Septage Treatment and Disposal - Cantonment Wastewater
Treatment Facility

ECUA and Zachary have negotiated the attached Agreement for Septage Treatment and Disposal to allow Zachary to continue to receive, treat, and dispose of septage wastewater at the Cantonment WWTP through September 30, 2015, with the opportunity for extensions thereafter.

Issue:

Whether to enter into the Agreement for Septage Treatment and Disposal with Zachary so that it may use the Cantonment WWTP and ECUA facilities and equipment located thereon for the purpose of receiving, treating, and disposing of septage wastewater.

Option 1:

Approve the attached Agreement for Septage Treatment and Disposal and authorize the Executive Director to execute it on ECUA's behalf.

Supporting Data:

Zachary's receiving, treating, and disposing of septage wastewater at the Cantonment WWTP has improved the efficiency of ECUA's wastewater treatment process, and it is believed that entering into this Agreement will continue to benefit ECUA's operations and wastewater treatment processes.

Option 2:

Take some other action.

Supporting Data:

This option is not recommended.

Financial Impact:

Zachary will pay a nominal amount for the use of the Cantonment WWTP site and the ECUA facilities and equipment on it. It will post a \$100,000 letter of credit, which is subject to annual adjustment. It will procure insurance, as required by the contract. It will also pay disposal costs for the effluent it discharges into the ECUA wastewater collection system based upon 115% percent of the bulk rate disposal charge for the volume of the septage it receives, as reported on the applicable manifests.

Emerald Coast Utilities Authority Board

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May 26, 2011

Subject: Agreement with Zachary Company of Northwest Florida, LLC
Wastewater Septage Treatment and Disposal - Cantonment Wastewater
Treatment Facility

Origin:

Zachary, along with the impending expiration of the prior agreement.

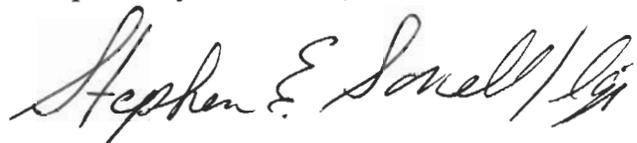
Staff Contact:

Patrick L. Byrne, Deputy Executive Director-Utility Operations, 969-3380, ext.
6686.

Recommendation:

That the Board authorize the Executive Director to enter into the Agreement for
Septage Treatment and Disposal so the Zachary Company of Northwest Florida, LLC,
may use the Cantonment WWTP and ECUA facilities and equipment located thereon for
the purpose of receiving, treating, and disposing of septage wastewater.

Respectfully submitted,

A handwritten signature in black ink that reads "Stephen E. Sorrell" followed by a stylized flourish.

Stephen E. Sorrell
Executive Director

Attachment

AGREEMENT FOR SEPTAGE TREATMENT AND DISPOSAL

THIS AGREEMENT, made and entered into as of the ____ day of _____, 2011, by and between ZACHARY COMPANY OF NORTHWEST FLORIDA, LLC, a Florida limited liability company (hereinafter “Zachary”), and the EMERALD COAST UTILITIES AUTHORITY, a local governmental body, corporate and politic, of the State of Florida (hereinafter “ECUA”) (collectively the “Parties”), as follows:

W I T N E S S E T H:

WHEREAS ECUA provides sewer collection and wastewater treatment services in Escambia County, Florida; and

WHEREAS ECUA owns and operates certain wastewater treatment and disposal facilities in Escambia County, Florida; and

WHEREAS ECUA previously treated and disposed of wastewater from septic tanks, grease traps, and similar facilities (collectively hereinafter “septage” as later defined herein) at one of its wastewater treatment facilities; and

WHEREAS ECUA’s past treatment of septage at its facilities caused detriment to ECUA facilities and operations; and

WHEREAS ECUA owns a site known as the Cantonment Wastewater Treatment Facility which remains ECUA’s property so long as this site is used for the purposes of a wastewater collection and treatment system; and

WHEREAS Zachary believes that using the Cantonment Wastewater Treatment Facility to receive and treat septage treatment constitutes use of the site for wastewater collection and treatment, and ECUA concurs in that belief; and

WHEREAS ECUA previously entered into an agreement whereby septage treatment and disposal services were provided at the Cantonment Wastewater Treatment Facility owned by ECUA; and

WHEREAS the treatment of septage at that facility improved the efficiency of ECUA’s operations; and

WHEREAS Zachary desires to treat and dispose of septage at that location on the terms and conditions set forth herein; and

WHEREAS ECUA desires for Zachary to provide the septage treatment services it provides; and

WHEREAS the Parties believe that entering into this Agreement will provide for better treatment of septage by Zachary;

NOW THEREFORE, in consideration of the premises and mutual covenants and conditions hereinafter set forth, and other good and valuable consideration, the receipt of which is hereby acknowledged, it is agreed as follows:

1. Term. The term of this Agreement shall commence upon the execution of this Agreement and continue until September 30, 2015. Thereafter, this Agreement shall automatically be renewed for up to three successive one-year terms unless either Party should notify the other of its intent not to renew at least one hundred and twenty (120) days prior to the end of the term of this Agreement or any renewal term thereof. Moreover, should this Agreement be renewed for its third term, the Parties shall begin negotiations at least six (6) months prior to the expiration of that third term, i.e., by March 31, 2018. However, in the event Zachary no longer uses the Treatment Site for the purpose of wastewater collection and treatment, than the term of this Agreement shall immediately expire.

2. Use of Treatment Site. During the term of this Agreement and any renewal term thereof, Zachary shall have the right to use the site of the former ECUA Cantonment WWTP ("the Treatment Site") and any ECUA facilities and equipment located thereon for the purpose of receiving, treating, and disposing of septage and other activities attendant thereto. Zachary shall maintain the Treatment Site in a neat and orderly condition and in good repair. As for any ECUA facilities at the Treatment Site which Zachary may use, Zachary will repair and maintain said facilities so they remain in good working order. Zachary may make modifications and improvements to the Treatment Site only with the prior written approval of ECUA, and such approval shall not be unreasonably withheld. In consideration for its use of the Treatment Site pursuant to this Agreement, Zachary shall pay ECUA the sum of one dollar (\$1.00) per year.

3. Septage Treatment and Disposal. Zachary will use the Treatment Site for the purpose of receiving and treating wastewater in the form of septage, which includes wastewater from portable toilets, septic tanks, holding tanks, grease traps, and interceptors and Zachary shall use its best efforts to treat and dispose of such septage as may be delivered to it at the Treatment Site by ECUA or by third parties. Zachary, however, shall have the option to refuse to treat and dispose of septage which was not generated in Escambia County, Florida. Zachary shall not be required to accept radioactive or biomedical waste of any kind. Zachary shall give priority to the treatment and disposal of septage; however, Zachary may, in its discretion, accept for treatment and disposal sludge from domestic wastewater treatment plants (“sludge”) to the extent that the treatment of sludge facilitates or increases the capacity or efficiency of the Treatment Facility (as hereinafter defined) for the treatment and disposal of septage.

4. Treatment of Septage. Zachary shall promptly process all septage which it receives at the Treatment Site, and it shall not store any septage at the Treatment Site overnight. Moreover, Zachary shall process septage in a manner which will result in an end product that can be disposed of or beneficially used, and shall be responsible for the disposal or use of the end product. No wastes shall be disposed of at the Treatment Site, and no wastes should be stored at the treatment site overnight.

5. Hours of Operation. Zachary shall receive septage for treatment and disposal a minimum of nine (9) hours per day, Monday through Saturday of each week, except that Zachary may observe all holidays which are observed by ECUA. As a general rule, however, septage shall be accepted between 8:00 a.m. and 6:00 p.m., excepting a set time for lunch each day. Hours of operation may be adjusted seasonally or in response to community activity such as festivals with the prior approval of ECUA, and such approval by ECUA shall not be unreasonably withheld.

6. Rates and Charges. Zachary shall establish reasonable rates and charges for the treatment and disposal of septage. If services are required outside the normal operating hours specified above, Zachary may also impose a reasonable surcharge fee.

7. Competition. Due to the detrimental impact septage has been demonstrated to have had on its operations, ECUA desires to continue its current

practice of not accepting septage at any of its wastewater treatment plants. The Parties acknowledge and understand, however, that ECUA does not have the authority to grant a franchise for the treatment and disposal of septage or to prohibit any other person or entity from providing septage collection, treatment, and disposal services. Accordingly, ECUA will impose no restriction which would limit the provision of competing services by other persons or entities. Furthermore, ECUA reserves the right to receive, process, and dispose of septage at any time in the event that ECUA should determine, in its sole discretion, that the needs of the public for septage treatment and disposal services are not being adequately met by Zachary or any other service provider in the private sector. Moreover, ECUA does not guarantee that any specific amount of septage will be delivered to Zachary for treatment and disposal pursuant to this Agreement.

8. Disposal of Effluent. Charges for Zachary's disposal of effluent into the ECUA wastewater collection system shall be based upon the volume of septage it receives based upon the manifests referenced in paragraph 15, below. Specifically, Zachary shall pay one hundred and fifteen percent (115%) of the then effective bulk rate disposal charges based upon the volume of septage it receives, as reported on the referenced manifest. Zachary acknowledges that this rate may vary from time to time throughout the term of this Agreement, as ECUA revises those rates.

9. Permits and Regulations. Zachary shall be responsible for obtaining all permits and approvals necessary to provide services under this Agreement and to dispose of byproducts of its operations. Zachary shall also be responsible for compliance with all applicable laws, rules, and regulations, including but not limited to the ECUA Wastewater Collection System Use Regulations as set forth in Chapter 26 of the ECUA Code.

10. No Nuisance. Zachary shall conduct its operations so as not to create or permit odors, noise, dust, fumes, traffic congestion, or other nuisances offensive to residents of areas in the vicinity of the Treatment Site. Within two (2) business days of receipt of any report or complaint of any alleged nuisance Zachary shall notify ECUA in writing of same. Zachary shall also promptly take such action as may be reasonable in order to prevent the reoccurrence of any such nuisance, failing which ECUA may

terminate this Agreement upon such notice to Zachary as ECUA may determine.

11. Odor Control. In order to avoid the generation of objectionable odors, Zachary shall:

- a. Maintain woven or slot screening to the existing chainlink fence surrounding the Treatment Site;
- b. Completely empty and wash down each clarifier tank no less frequently than weekly;
- c. Completely empty and wash down the septage receiving station at the end of each day's operation;
- d. Clean and wash down the dewatering units (belts, filters, presses, and similar equipment) on a regular basis, but no less frequently than weekly;
- e. Ensure that all covered tankage is properly vented and scrubbed; and
- f. Take such further actions as determined by ECUA in order to maintain adequate odor control, as determined by ECUA in its sole discretion, including, but not limited to, the use of additional chemical treatment.

12. Site Restoration; Letters of Credit or Bond. Within ninety (90) days following the expiration or termination of this Agreement, Zachary shall restore the Treatment Site to no less as good a condition and state of repair as the Treatment Site was in May of 2011. Any equipment permanently installed on the Treatment Site by Zachary or any predecessor related entity at any time shall become the property of ECUA. Any sludge treatment equipment, dewatering equipment, or other equipment owned or leased by Zachary which is portable, semiportable, or moveable shall remain the property of Zachary and shall be removed from the Treatment Site by Zachary within the said ninety (90) days. To assure the satisfactory restoration of equipment owned by ECUA, Zachary shall have digital photographs of the Treatment Site taken prior to making any modifications to the Treatment Site. Such photographs shall be included in an equipment review report to be prepared by an independent qualified engineer (the "Consulting Engineer"). Within ninety (90) days following the termination or expiration of this Agreement, Zachary shall have another review completed by the Consulting

Engineer to determine the condition of the Treatment Site. Zachary shall, at its expense, perform any repairs which the Consulting Engineer determines to be necessary to restore the Treatment Site in accordance with the provisions of this Paragraph 12. The Consulting Engineer shall be employed by and at the expense of Zachary, and Zachary shall not employ any engineer to whom ECUA expresses a reasonable objection. Throughout the terms of this Agreement, Zachary shall maintain a letter of credit, in favor of ECUA in the amount of \$100,000 to assure the faithful performance by Zachary of its obligation to restore the Treatment Site. The amount of the Bond may be adjusted not more frequently than annually by mutual agreement of the Parties, based on recommendations of the Consulting Engineer, and the Bond shall remain in the amount of 120% of what the Consulting engineer reasonably believes it will cost to restore the Treatment Site.

13. Inspection by ECUA. ECUA shall have the right to inspect the Treatment Site and to audit Zachary's records and waste manifests and to take samples for analysis at any points in the collection, treatment, and disposal process at any time during Zachary's hours of operation and without any prior notice to Zachary.

14. Security. Zachary shall maintain security at the Treatment Site and shall control access to prevent any act or the unauthorized or illegal introduction of any constituent that would be considered an act of mischief, vandalism, or terrorism, or result in the discharge of effluent which would be detrimental to the ECUA wastewater collection and treatment systems. Provisions shall be made for locking mechanisms that permit access by ECUA personnel. Such locking mechanisms shall utilize a commonly keyed lock already in use by ECUA.

15. Manifest Forms and Reports. Any proposed manifest form shall be subject to prior approval by ECUA. Zachary shall submit to ECUA, not later than the fifteenth (15th) calendar day of each month, a report summarizing the quantity of septage received and the disposition of the final product during the prior month. The content and format of this report shall be subject to approval by ECUA. Zachary shall submit to ECUA on a current basis copies of all correspondence between Zachary and any agency having any regulatory authority over the activities conducted or to be

conducted by Zachary pursuant to this Agreement, within five (5) business days of receipt or generation.

16. Utilities. Zachary shall be responsible for the payment of the costs of all utilities furnished to the Treatment Site, including water.

17. Personnel. The personnel who perform services for Zachary pursuant to this Agreement, either as employees or by contract or subcontract, shall be subject to a background check by ECUA, which they must pass. Zachary shall submit such information to ECUA on forms prepared by ECUA for this purpose. Zachary shall update the information on those forms and complete such additional forms as requested by ECUA at such reasonable times as ECUA may require in its sole discretion.

18. Termination. This Agreement shall not be terminated without cause prior to the expiration of its term, as set forth in Paragraph 1, above. However, in the event Zachary fails to perform or comply with any material provision of this Agreement and such nonperformance/noncompliance shall have continued for thirty (30) days after written notice thereof by ECUA to Zachary, this Agreement may be terminated for cause at the option of ECUA.

19. Assignment. Neither Party shall assign this Agreement without the prior written consent of the other Party.

20. Choice of Law; Venue. This Agreement and the interpretation and performance thereof shall be governed by the laws of the State of Florida, and any action arising out of or related to this Agreement shall be brought only in a court of appropriate jurisdiction in Escambia County, Florida.

21. Notices. Any notice required or permitted by this Agreement shall be sufficient if personally delivered or upon receipt by United States Certified Mail with Return Receipt, or by express mail service with proof of delivery, as follows:

If to ECUA:

Executive Director
Emerald Coast Utilities Authority
9255 Sturdevant Street
Pensacola, Florida 32514

If to Zachary:

Zachary Company of Northwest Florida, LLC
c/o C. Eugene Watson
4101 McClellan Road
Pensacola, Florida 32503

22. Insurance Requirements.

a. The ECUA Risk Management Policy and Standards attached hereto is incorporated herein in its entirety as if set forth fully within this Agreement.

Throughout the term of this Agreement, as delineated in paragraph 1, above, including any renewal terms, Zachary shall maintain insurance which meets or exceeds the requirements of the ECUA Risk Management Policy and Standards, ECUA shall be identified as a certificate holder on all such insurance policies, and Zachary shall present Certificates of Insurance meeting all of the requirements delineated in the ECUA Risk Management Policy and Standards section entitled "Evidence/Certificates of Insurance."

b. However, ECUA understands that presently Zachary intends to have no employees of its own working on the Treatment Site, as it intends to contract and subcontract out the operation of those facilities. Accordingly, ECUA acknowledges that there is no present need for Zachary to procure workers' compensation insurance coverage for itself. In the event that it intends to hire any employees, however, Zachary warrants that it will satisfy the workers' compensation requirements delineated in the ECUA Risk Management Policy and Standards prior to employing any employees.

c. ECUA further understands that Zachary will neither operate any vehicles nor allow any vehicles it owns or has an ownership or leasehold interest in on the Treatment Site premises. Accordingly, ECUA acknowledges that there is no present need for Zachary to procure automobile liability insurance coverage for itself. In the event that Zachary intends to operate any vehicle or allows any Zachary owned or leased vehicle on the Treatment Site premises, however, Zachary warrants that it will satisfy the automobile liability insurance coverage requirements delineated in the ECUA Risk Management Policy and Standards prior to allowing any such vehicles on the Treatment Site.

d. Moreover, Zachary warrants that it shall ensure that each of its contractors and subcontractors will maintain insurance coverage which meets or exceeds the requirements contained in the ECUA Risk Management Policy and Standards. Furthermore, Zachary shall bear the burden, responsibility, and liability of its contractors and subcontractors in the event that its contractors and/or subcontractors fail to maintain the insurance coverage required by this Agreement. Zachary further hereby reaffirms the paragraphs of the ECUA Risk Management Policy and Standards entitled “Hold Harmless” and “Payment on Behalf of Organization”.

23. Contract Documents. The Agreement between the Parties concerning the subject matter hereof consist of the following documents:

- a. This Agreement;
- b. ECUA Risk Management Policy and Standards for Professional Services (which is attached hereto at Tab A);
- c. Equal Opportunity Clause (which is attached hereto at Tab B);
- d. Certification of Non-Segregated Facilities (which is attached hereto at Tab C);
- e. Drug-Free Workplace Form (which is attached hereto at Tab D).

24. Amendment. This Agreement may be amended only by a written agreement signed by an authorized representative of each Party.

25. Survival. All provisions, which by their inherent character, sense, and context are intended to survive the expiration and termination of this Agreement, shall survive the expiration or termination of this Agreement. Without limiting the generality of the foregoing, the provisions of paragraphs 8, 10, 11, 12, and 19 of this Agreement and the “hold harmless/payment on behalf of ECUA” provision of the ECUA Risk Management Policy and Standards for Contracts for Professional Services shall survive the expiration or termination of this Agreement.

26. Successors and Assigns. This Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective successors and assigns.

27. Interpretation. Headings used throughout this Agreement are for the purpose of convenience only and no heading shall modify or be used to interpret the text

of any paragraph. This Agreement shall not be more strictly construed against either Party by reason of the fact that one Party may have drafted or prepared any or all of the terms and provisions of this Agreement.

28. Severability. The invalidity or nonenforceability of any portion or provision of this Agreement shall not affect the validity or enforceability of any other portion or provision. In the invalid or unenforceable portion or provision shall be deemed severed from this Agreement and the balance of this Agreement shall be construed and enforced as if this Agreement did not contain such invalid or unenforceable portion or provision.

29. No Waiver. The failure of a Party to insist upon the strict performance of the terms and conditions of this Agreement shall not constitute or be construed as a waiver or relinquishment of any other provision or of either Party's right thereafter to enforce the same provision in accordance with this Agreement.

30. Dispute Resolution. The Parties agree that in the event of a dispute or claim relating to, arising out of, or interpreting this Agreement, all such disputes or claims shall be fully, finally, and exclusively decided by a court of competent jurisdiction sitting in or presiding over Escambia County, Florida. Additionally, the Parties knowingly and willingly hereby waive their respective rights to have any such disputes or claims decided by a jury; instead, their sole relief shall be via a bench trial in which the judge alone sits as the finder of fact.

IN WITNESS WHEREOF, the Parties have executed this Agreement, by and through their duly undersigned representatives, as of the date and year first written above.

Zachary Company of Northwest
Florida LLC

Emerald Coast Utilities Authority

By: _____
C. Eugene Watson Date
Its: Manager

By: _____
Stephen E. Sorrell Date
Its: Executive Director

TAB 'A'

RISK MANAGEMENT POLICY AND STANDARDS FOR AGREEMENTS, CONTRACTS AND LEASES

DEFINITIONS

The following definitions apply to these Risk Management Provisions:

Contract - The contract or agreement of which these Risk Management Provisions are a part for the construction, alteration, repair, or demolition of a structure or facility.

Organization - The Emerald Coast Utilities Authority, a local governmental body of the State of Florida, its Board, officers, employees, volunteers, representatives, and agents.

Other Party - The other party to the Contract of which these Risk Management Provisions are a part, any subsidiaries or affiliates, officers, employees, volunteers, representatives, agents, contractors, and subcontractors.

HOLD HARMLESS

The Other Party agrees to hold the Organization and the members of its governing board and its other officers and employees harmless against all claims for bodily injury, sickness, disease, death, personal injury, or damage to property or loss of use resulting therefrom, arising out of or related to the Contract, to the extent such claims are caused by the negligence, recklessness, or intentional wrongful misconduct of the Other Party and persons or entities employed or utilized by the Other Party in the performance of the Contract.

PAYMENT ON BEHALF OF ORGANIZATION

The Other Party agrees to pay on behalf of the Organization all claims described in the above "Hold Harmless" paragraph, and to pay the reasonable costs and fees of the attorneys selected by the Organization, at trial and on appeal, to defend the Organization and its officers and employees against such claims. Provided, however, that the total liability of the Other Party to the Organization under the above "Hold Harmless" paragraph and this "Payment on Behalf of Organization" paragraph shall not exceed the sum of One Million Dollars (\$1,000,000) per claim or occurrence.

Such payment on behalf of the Organization shall be in addition to any and all other legal remedies available to the Organization and shall not be considered to the exclusive remedy of the Organization.

LOSS CONTROLS/SAFETY

Precaution shall be exercised at all times by the Other Party for the protection of all persons, including employees, and property. The Other Party shall comply with all laws, regulations, or ordinances relating to safety and health, and shall make special effort to detect hazardous conditions and shall take prompt action where loss control/safety measures should reasonably be expected.

The Organization may order work to be stopped if conditions exist that present immediate danger to persons or property. The Other party acknowledges that such stoppage will not shift responsibility for any loss or damages from the Other Party to the Organization.

SEVERABILITY

The provisions of these Risk Management Provisions are severable. In the event a court of competent jurisdiction should declare any provision of these Risk Management Provisions to be void or contrary to public policy such provision shall be stricken from these Risk Management Provisions, and the remaining provisions shall be enforced as though the provision determined to be void or contrary to public policy had not been included herein.

INSURANCE - BASIC COVERAGES REQUIRED

The Other Party shall procure and maintain the following described insurance, except for coverages specifically waived by the Organization, on policies and with insurers acceptable to the Organization. These insurers shall have A.M. Best (or equivalent) rating of no less than A:VII unless otherwise agreed to by the Organization.

These insurance requirements shall not limit the liability of the Other Party. The Organization does not represent these types or amounts of insurance to be sufficient or adequate to protect the Other Party's interests or liabilities, but are merely minimums.

Except for workers compensation, the Other Party waives its right of recovery against the Organization, to the extent permitted by its insurance policies.

The Other Party's deductibles/self-insured retentions shall be disclosed to the Organization and may be disapproved by the Organization. They shall be reduced or eliminated at the option of the Organization. The Other Party is responsible for the amount of any deductible or self-insured retention.

Insurance required of the Other Party or any other insurance of the Other Party shall be considered primary, and insurance of the Organization, if any, shall be considered excess, as may be applicable to claims which arise out of the Hold Harmless, Payment on Behalf of Organization, Insurance, Certificates of Insurance and any Additional Insurance provisions of this agreement, contract or lease.

Additional Insured

Except for workers compensation and professional liability, the Other Party's insurance policies shall be endorsed to name the Organization as an additional insured for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by the Other Party's acts or omissions; or the acts or omissions of those acting on the Other Party's behalf; in the performance of the Other Party's ongoing operations for the Organization. The preferred Commercial General Liability coverage endorsement is ISO Form CG 20 10.

XXWorkers Compensation Coverage

The Other Party shall purchase and maintain workers compensation insurance for all workers compensation obligations imposed by state law and employer's liability limits of at least \$100,000 each accident and \$100,000 each employee/\$500,000 policy limit for disease.

The Other Party shall also purchase any other coverages required by law for the benefit of employees.

XXGeneral, Automobile and Excess or Umbrella Liability Coverage

The Other Party shall purchase and maintain coverage on forms no more restrictive than the latest editions of the Commercial General Liability and Business Auto policies of the Insurance Services Office.

Minimum limits of **\$1,000,000** per occurrence for all liability must be provided, with excess or umbrella insurance making up the difference, if any, between the policy limits of underlying policies (including employers liability required in the Workers Compensation Coverage section) and the total amount of coverage required.

XXCommercial General Liability Coverage - Occurrence Form Required

Coverage A shall include bodily injury and property damage liability for premises, operations, products and completed operations, independent contractors, contractual liability covering this agreement, contract or lease, broad form property damage, and property damage resulting from explosion, collapse or underground (x,c,u) exposures.

Coverage B shall include personal injury.

Coverage C, medical payments, is not required.

The Other Party is required to continue to purchase products and completed operations coverage, at least to satisfy this agreement, contract or lease, for a minimum of three years beyond the Organization's acceptance of renovation or construction projects.

Business Auto Liability Coverage

Business Auto Liability coverage is to include bodily injury and property damage arising out of ownership, maintenance or use of any auto, including owned, nonowned and hired automobiles and employee nonownership use.

Excess or Umbrella Liability Coverage

Umbrella Liability insurance is preferred, but an Excess Liability equivalent may be allowed. Whichever type of coverage is provided, it should be at least "following form" and shall not be more restrictive than the underlying insurance policy coverages.

EVIDENCE/CERTIFICATES OF INSURANCE

Required insurance shall be documented in Certificates of Insurance, including indication that the policy(s) is endorsed to provide the Organization at least 30 days in advance notice of cancellation, nonrenewal or adverse change.

New Certificates of Insurance are to be provided to the Organization at least 15 days prior to coverage renewals.

If requested by the Organization, the Other Party shall furnish complete copies of the Other Party's insurance policies, forms and endorsements.

For Commercial General Liability coverage the Other Party shall, at the option of the Organization, provide an indication of the amount of claims payments or reserves chargeable to the aggregate amount of liability coverage.

Receipt of certificates or other documentation of insurance or policies or copies of policies by the Organization, or by any of its representatives, which indicate less coverage than required does not constitute a waiver of the Other Party's obligation to fulfill the insurance requirements herein.

ADDITIONAL INSURANCE

If checked below, the Organization requires the following additional types of insurance.

Property Coverage for Leases

The Other Party shall procure and maintain for the life of the lease, all risk/special perils (including sinkhole) property insurance (or its equivalent) to cover loss resulting from damage to or destruction of the building, improvements

and personal property/contents. The policy shall cover 100% replacement cost, and shall include an agreed value endorsement to waive coinsurance.

Coverage shall also include continued full payment of rents to the Organization for up to one year after damage or destruction of the property.

Commercial General Liability Coverage Project Aggregate

Because the Commercial General Liability form of coverage includes an annual aggregate limitation on the amount of insurance provided, a separate project aggregate limit of \$ _____ is required by the Organization for this agreement or contract.

Liquor Liability Coverage

In anticipation of alcohol being served, the Other Party shall provide evidence of coverage for liquor liability in an amount equal to the general/umbrella/excess liability coverage. If the general liability insurance covers liquor liability (e.g. host or other coverage), the Other Party's agent or insurer should provide written documentation to confirm that coverage already applies to this agreement, contract or lease. If needed coverage is not included in the general/umbrella/excess liability policy(ies), the policy(ies) must be endorsed to extend coverage for liquor liability, or a separate policy must be purchased to provide liquor liability coverage in the amount required.

Owners Protective Liability Coverage

For renovation or construction contracts the Other Party shall provide for the Organization an owners protective liability insurance policy (preferably through the Other Party's insurer) in the name of the Organization.

This is redundant coverage if the Organization is named as an additional insured in the Other Party's Commercial General Liability insurance policy. However, this separate policy may be the only source of coverage if the Other Party's liability coverage limit is used up by other claims.

Builders Risk Coverage

Builders Risk insurance is to be purchased to cover subject property for special perils (all risks or equivalent) of loss (including theft and sinkhole), subject to a waiver of coinsurance, and covering on-site and off-site storage, transit and installation risks as indicated in the Installation Floater and Motor Truck Cargo insurance described hereafter, if such coverages are not separately provided.

If flood and/or earthquake risks exist, flood and/or earthquake insurance are to be purchased.

If there is loss of income, extra expense and/or expediting expense exposure, such coverage is to be purchased.

If boiler and machinery risks are involved, boiler and machinery insurance, including coverage for testing, is to be purchased.

The Builders Risk insurance is to be endorsed to cover the interests of all parties, including the Organization and all contractors and subcontractors. The insurance is to be endorsed to cover testing and to grant permission to occupy.

Installation Floater Coverage

Installation Floater insurance is to be purchased when Builder's Risk insurance is inappropriate, or when Builder's Risk insurance will not respond, to cover damage or destruction to renovations, repairs or equipment being installed or otherwise being handled or stored by the Other Party, including off-site storage, transit and installation. The amount of coverage should be adequate to provide full replacement value of the property, repairs, additions or equipment being installed, otherwise being handled or stored on or off premises. All risks coverage is preferred.

Motor Truck Cargo Coverage

If the Installation Floater insurance does not provide transportation coverage, separate Motor Truck Cargo or Transportation insurance is to be provided for materials or equipment transported in the Other Party's or other vehicles from place of receipt to building sites or other storage sites. All risks coverage is preferred.

Contractor's Equipment Coverage

Contractor's Equipment insurance is to be purchased to cover loss of equipment and machinery utilized in the performance of work by the Other Party. All risks coverage is preferred.

Fidelity/Dishonesty Coverage - for Employer

Fidelity/Dishonesty insurance is to be purchased to cover dishonest acts of the Other Party's employees, including but not limited to theft of vehicles, materials, supplies, equipment, tools, etc., especially property necessary to work performed.

Fidelity/Dishonesty/Liability Coverage - for Organization

Fidelity/Dishonesty/Liability insurance is to be purchased or extended to cover dishonest acts of the Other Party's employees resulting in loss to the Organization.

Garage Liability Coverage

Garage Liability insurance is to be purchased to cover the Other Party and its employees for its garage and related operations while in the care, custody and control of the Organization's vehicles.

Garagekeepers Coverage (Legal Liability Form)

Garagekeepers Liability insurance is to be purchased to cover the Other Party's liability for damage or other loss, including comprehensive and collision risks, to the Organization's vehicles while in the care, custody and control of the Other Party. This form of coverage responds only when the Other Party is legally liable for the loss.

Garagekeepers Coverage (Direct-Excess Form)

Garagekeepers Liability insurance is to be purchased to cover damage or other loss, including comprehensive and collision risks, to the Organization's vehicles while in the care, custody and control of the Other Party. This form of coverage responds on a legal liability basis, and also without regard to legal liability on an excess basis over any other collectible insurance.

Watercraft Liability Coverage

Because the Other Party's provision of services involves utilization of watercraft, watercraft liability coverage must be provided to include bodily injury and property damage arising out of ownership, maintenance or use of any watercraft, including owned, nonowned and hired.

Coverage may be provided in the form of an endorsement to the general liability policy, or in the form of a separate policy covering Watercraft Liability or Protection and Indemnity for bodily injury and property damage.

United States Longshoremen and Harborworkers Act Coverage

The Workers Compensation policy is to be endorsed to include United States Longshoremen and Harborworkers Act Coverage for exposures which may arise from this agreement or contract.

Jones Act Coverage

The Workers Compensation policy is to be endorsed to include Jones Act Coverage for applicable exposures (for work on, over or in navigable waters) which may arise from this agreement or contract.

Aircraft Liability Coverage

Because the Other Party's provision of services involves utilization of aircraft, aircraft liability coverage must be provided to include bodily injury and property damage arising out of ownership, maintenance or use of any aircraft, including owned, nonowned and hired.

The minimum limits of coverage shall be \$___,000,000 per occurrence, Combined Single Limit for Bodily Injury (including passenger liability) and Property Damage.

Pollution/Environmental Impairment Liability Coverage

Pollution/environmental impairment liability insurance is to be purchased to cover pollution and/or environmental impairment which may arise from this agreement or contract. The recommended minimum coverage is **\$1,000,000**. The coverage period shall be extended beyond the date of the completed project, until the expiration date of the performance bond.

PROFESSIONAL LIABILITY, MALPRACTICE AND/OR ERRORS OR OMISSIONS

If checked below, the Organization requires the following terms and types of insurance for professional, malpractice, and errors or omissions liability.

Hold Harmless

The following replaces the previous Hold Harmless wording.

The Organization shall be held harmless against all claims for bodily injury, sickness, disease, death or personal injury or damage to property or loss of use resulting therefrom arising out of performance of the agreement or contract, unless such claims are a result of the Organization's sole negligence.

The Organization shall also be held harmless against all claims for financial loss with respect to the provision of or failure to provide professional or other services resulting in professional, malpractice, or errors or omissions liability arising out of performance of the agreement or contract, unless such claims are a result of the Organization's sole negligence.

□ **Professional Liability/Malpractice/Errors or Omissions Insurance**

The Other Party shall purchase and maintain professional liability or malpractice or errors or omissions insurance with minimum limits of \$__,000,000 per occurrence.

If a claims made form of coverage is provided, the retroactive date of coverage shall be no later than the inception date of claims made coverage, unless the prior policy was extended indefinitely to cover prior acts.

Coverage shall be extended beyond the policy year either by a supplemental extended reporting period (ERP) of as great duration as available, and with no less coverage and with reinstated aggregate limits, or by requiring that any new policy provide a retroactive date no later than the inception date of claims made coverage.

The Other Party shall procure and maintain the following described insurance, except for coverages specifically waived by the Organization, on policies and with insurers acceptable to the Organization.

These insurance requirements shall not limit the liability of the Other Party. The Organization does not represent these types or amounts of insurance to be sufficient or adequate to protect the Other Party's interests or liabilities, but are merely minimums.

Except for workers compensation, the Other Party waives its right of recovery against the Organization, to the extent permitted by its insurance policies.

The Other Party's deductibles/self-insured retentions shall be disclosed to the Organization and may be disapproved by the Organization. They shall be reduced or eliminated at the option of the Organization. The Other Party is responsible for the amount of any deductible or self-insured retention.

Insurance required of the Other Party or any other insurance of the Other Party shall be considered primary, and insurance of the Organization shall be considered excess, as may be applicable to claims which arise out of the Hold Harmless, Payment on Behalf of Organization, Insurance, Certificates of Insurance and any Additional Insurance provisions of this agreement, contract or lease.

TAB 'B'

EQUAL OPPORTUNITY CLAUSE

During the performance of this contract, the contractor agrees as follows:

(1) The contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, or national origin. The contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, or national origin. Such action shall include, but not be limited to the following: Employment, upgrading, demotion, or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause.

(2) The contractor will in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, or national origin.

(3) The contractor will send to each labor union or representative of workers which he has a collective bargaining agreement or other contract or understanding, a notice advising the labor union or workers' representative of the contractor's commitments under Section 202 of Executive Order 11246 of September 24, 1965, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) In the event of the contractor's noncompliance with the nondiscrimination clauses of this contract or with any of such rules, regulations, or orders, this contract may be cancelled, terminated or suspended in whole or in part and the contractor may be declared ineligible for further contracts with the Emerald Coast Utilities Authority. Provided, however, that no such action shall be taken without prior notice to the contractor and an opportunity for a hearing before the governing Board of the Emerald Coast Utilities Authority or its designee.

(5) The contractor will include the provisions of paragraphs (1) through (4) in every subcontract or purchase order for an amount exceeding ten thousand dollars (\$10,000) in any twelve (12) month period, so that such provisions will be binding upon each subcontractor or vendor.

Signature

Date

Name & Title of Signer

TAB 'C'

CERTIFICATION OF NONSEGREGATED FACILITIES

By the submission of this bid, the bidder, offeror, applicant, or subcontractor certifies that he does not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not permit his employees to perform their services at any location under his control, where segregated facilities are maintained. He certifies further that he will not maintain or provide for his employees any segregated facilities at any of his establishments, and that he will not permit his employees to perform their services at any location, under his control, where segregated facilities are maintained. The bidder, offeror, applicant, or subcontractor agrees that a breach of this certification is a violation of the Equal Opportunity Clause in this contract. As used in this certification, the term "segregated facilities" means any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, color, religion or national origin, because of habit, local custom, or otherwise. He further agrees that (except where he has obtained identical certifications from proposed subcontractors for specific time periods) he will obtain identical certifications from proposed subcontractors prior to the award of subcontracts or purchase orders exceeding \$10,000; that he will retain such certifications in his files and make them available to the Emerald Coast Utilities Authority upon request.

Provided, however, that such certifications shall not be required in the case of purchase orders or contracts which, in case of a Federal Government contract or subcontract, would be exempt from compliance with the Equal Opportunity Clause by 41 CFR S60-1.5. This section provides for the exemption of transactions not exceeding \$10,000, contracts and subcontracts for indefinite quantities established not to exceed \$10,000 in any contract year, contracts with certain educational institutions, work on or near Indian reservations, facilities (including, but not limited to, agencies, instrumentalities or subdivision of state or local government) which are separate and distinct from activities of the prime contractor or subcontractor related to the performance of the contract or subcontract, and emergencies involving national security.

Signature	Date
Name & Title of Signer	

TAB 'D'

DRUG-FREE WORKPLACE FORM

The undersigned vendor in accordance with Florida Statute 287.087 hereby certifies that
_____ does:

(Name of Business)

1. Publish a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the workplace and specifying the actions that will be taken against employees for violations of such prohibition.
2. Inform employees about the dangers of drug abuse in the workplace, the business's policy of maintaining a drug-free workplace, any available drug counseling, rehabilitation, and employee assistance programs, and the penalties that may be imposed upon employees for drug abuse violations.
3. Give each employee engaged in providing the commodities or contractual services that are under bid a copy of the statement specified in subsection (1).
4. In the statement specified in subsection (1), notify the employees that, as a condition of working on the commodities or contractual services that are under bid, the employee will abide by the terms of the statement and will notify the employer of any conviction of, or plea of guilty or nolo contendere to, any violation of Chapter 1893 or of any controlled substance law of the United States or any state, for a violation occurring in the workplace no later than five (5) days after such conviction.
5. Impose a sanction on, or require the satisfactory participation in a drug abuse assistance or rehabilitation program if such is available in the employee's community, by any employee who is so convicted.
6. Make a good faith effort to continue to maintain a drug-free workplace through implementation of this section.

As the person authorized to sign the statement, I certify that this firm complies fully with the above requirements.

Bidder's Signature

Date

Company: _____

Bid/RFP/PO: _____

MEMORANDUM

TO: Emerald Coast Utilities Authority Board

DATE: May 26, 2011

SUBJECT: Expenditures Approved by the Executive Director-Main Street WWTP Replacement (CS141B)

At its October 28, 2004 meeting, the Board authorized the Executive Director to negotiate and enter into a contract with the highest-ranked firm (the team of Baskerville-Donovan, Inc./Hatch Mott MacDonald (BDI/HMM)) for engineering services on the replacement of the Main Street WWTP (MSP). On December 17, 2004, we signed a contract with BDI/HMM for preparation of a Facilities Plan; the contract has been amended numerous times for the performance of additional services related to the replacement of the plant.

To ensure timely response to time-sensitive issues involving the commitment of funds for the project, at its January 26, 2006 meeting, the Board authorized the Executive Director to approve contracts and expenditures related to the plant replacement, which exceed his current purchasing authority. Any such approvals are to be reported to the Board at its next meeting. This is the report covering the period April 14 through May 11, 2011.

Central Water Reclamation Facility:

BDI/HMM: additional engineering services related to the construction of the third reuse water storage tank. The construction of this tank was delayed because Escambia County required a full Land Development Code review in order to be permitted (BDI argued unsuccessfully that the tank was only a minor addition to the overall site facilities and should be considered de minimus). Because of this, BDI expended additional efforts in the permitting process and extended their time on the project site.

In addition, as the staff gained more experience in operating the facilities, they identified minor design additions/revisions that needed to be made that would benefit the operation of the facility and reduce future maintenance requirements: \$15,500 (lump sum), which brings the total maximum to \$94,500 (lump sum).

Emerald Coast Utilities Authority Board

Page 2

May 26, 2011

Subject: Expenditures approved by the Executive Director-Main Street WWTP
Replacement

Effluent Disposal:

BDI/HMM – Perform surveying, final design, permitting, and preparation of construction documents for the portion of the reuse water transmission main from U.S. Highway 29 to the International Paper junction box connection on the pipeline to the Rainwater Wetlands: \$141,000, lump sum for basic services, and \$64,800 maximum for permitting, surveying, and geotechnical exploration (time and materials).

Royal American Construction, Change Order No. 11: it was initially thought that effluent disposal on the spray fields would be limited to use during initial start-up of the CWWRF and then used occasionally thereafter as the majority, if not all, of the reclaimed water produced would be consumed by the industrial customers. However, for various reasons, the total amount consumed by the industrial customers has been somewhat less than anticipated. This has resulted in the need to dose the spray fields more heavily and more frequently, which caused some significant erosion and transport of sediment. HMM prepared revisions to the construction drawings to construct berms and regrade various areas on Spray Field 19 to eliminate these problems. Minor modifications to the berm location/layout design were effected during the field work to optimize runoff control. Cost: \$142,784.71; contract time adjustment: 59 calendar days.

Respectfully submitted,



Stephen E. Sorrell
Executive Director

SES/WEJ/SPH