MINUTES OF THE EMERALD COAST UTILITIES AUTHORITY BOARD MEETING HELD THURSDAY, APRIL 26, 2012 AT 3:00 P.M. IN THE ECUA BOARD ROOM AT 9250 HAMMAN STREET, ELLYSON INDUSTRIAL PARK, PENSACOLA, FL

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

Counsel present: Bradley S. Odom

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

ITEM 1 – CALL TO ORDER

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

ITEM 2 – INVOCATION AND PLEDGE OF ALLEGIANCE

Dr. Walker provided the invocation and led the Pledge of Allegiance.

ITEM 3 – ADOPTION OF AGENDA

Ms. Benson added "BP" to the agenda under unfinished business, and Chairman McCorvey moved item 8(g) to follow item 6(b).

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

ITEM 4 – COMMUNICATIONS AND PRESENTATIONS

None.

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ITEM 5 – APPROVAL OF MINUTES

A motion was made by Dr. Walker, seconded by Ms. Campbell, to approve the minutes of the regular Board meeting of March 29, 2012 as presented. Motion carried 5-0.

ITEM 6 - PUBLIC HEARING:

(a) 3:00 p.m. – New and revised charges for the disposal of domestic septage, portable toilet, and grease trap wastes

Chairman McCorvey convened the public hearing at approximately 3:04 p.m.

Mr. Barry Tweedie, 10395 Old Dairy Lane, Pensacola, FL, addressed the Board speaking against ECUA competing with a private company currently providing this service. Mr. Tweedie also commented about use of engineering consultants which may receive additional work due to their recommendations.

Mr. Eugene Watson, Zachary Company, 4101 McLellan Road, addressed the Board stating that his company is doing an excellent job processing the septage at the Cantonment facility. Mr. Watson also commented that this action should be looked at with a transitional approach and to determine what would be worthwhile to all parties.

Mr. David Berger, Economy Septic, 9920 Guidy Lane, Pensacola, FL, informed the Board of instances in which his company discriminated against and was charged excessively by Zachary Company. Mr. Berger also stated that other haulers were not present for the hearing in that they were concerned about possible retaliation from Mr. Watson if they expressed their concerns publicly and to the Board.

There were no further comments from the audience and the public hearing was closed at 3:17 p.m.

(b) Adoption of Resolution 12-06

A motion was made by Ms. Campbell, seconded by Dr. Walker, to adopt Resolution 12-06 – A FINAL RATE SETTING RESOLUTION ESTABLISHING NEW AND REVISED CHARGES FOR THE DISPOSAL OF DOMESTIC SEPTAGE, PORTABLE TOILET, AND GREASE TRAP WASTE. Motion carried 5-0.

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ITEM 7 - REPORT OF THE ECUA CITIZENS' ADVISORY COMMITTEE 04/18/12

F. Presentation by Saltmarsh, Cleaveland & Gund - Comprehensive Annual Financial Report for the fiscal year ended September 30, 2011

Presentation in Committee only – no action required.

G. Purchase of Purafil odor control filter media

A motion was made by Ms. Benson, seconded by Mr. Perkins, to approve the sole source purchase of Purafil odor control media from Pump & Process Equipment Incorporated, Pensacola, Florida, for its use at various ECUA sites as described, with funding from the appropriate budget line item. Motion carried 5-0.

ITEM 8 - OPERATIONAL ITEMS:

(a) Award of bid – Hydrofluosilicic acid

A motion was made by Mr. Perkins, seconded by Ms. Benson, to award the contract for hydrofluosilicic acid to Harcros Chemicals, Inc., the lowest bidder, at $3.57 per gallon, with an anticipated expenditure of $142,800.00 for the contract period, with funding from the appropriate budget line item. This contract is for a period of one-year with an option to renew for one consecutive one-year period at the current rate. Motion carried 4-1 with Ms. Campbell voting against the motion.

Ms. Campbell requested that the record show that she is not voting against the award of bid, but is against adding fluoride to the drinking water.

(b) Award of bid – Systems Operations and Maintenance Building

A motion was made by Mr. Perkins, seconded by Ms. Benson, to reject all bids, authorize the Executive Director to explore methods to reduce the overall cost of the Systems Operations & Maintenance Building while maintaining its functionality, incorporate appropriate plan design changes and rebid the project with the possible incorporation of additional deductive alternate bid items for consideration. Motion carried 5-0.

(c) Budget amendment for Sanitation system

A motion was made by Mr. Perkins, seconded by Ms. Benson, to approve the following budget amendment for the Sanitation System fiscal year 2012. Motion carried 5-0.

Sources:	
Lease Purchase Funds	$11,973,722
Interest Income	(15,000)
Uses:	
Support Services	$ (100,000)
Materials and Supplies	(212,500)
Purchase of CNG Trucks	11,973,722
Debt Service	(95,870)
Equipment Lease Payment	148,075
Unrestricted Reserves	245,295

(d) Real property purchase – Ellyson Industrial Park

A motion was made by Mr. Perkins, seconded by Ms. Benson, to approve the negotiated Purchase and Sale Agreement for the property located in the 9300 block of Hamman Street for $170,000, and authorize the Executive Director to execute that document, with funding for the purchase from Project Contingencies. Motion carried 5-0.

Ms. Daisy Steed, Ellyson Industrial Park Association, 3300 Copter Road, Pensacola, FL, presented a letter of support from the Association to the Board for ECUA to purchase the property.

(e) Perdido Key Drive gravity sewer change order

A motion was made by Ms. Benson, seconded by Dr. Walker, to approve a change order to Construction Labor Services in the amount of $433,309 for CS317T-Perdido Key Drive Gravity Sewer, with funding from the project in the amount of $100,000, and from CIP Project RS110, Downtown sewer rehab. in the amount of $334,000. Motion carried 5-0.

(f) Montclair flow diversion project – Evans Contracting

Mr. Odom informed the Board that approximately five minutes prior to the start of the Board meeting, his office received a call from Starfish stating that they have a bond, although it has not been presented. Mr. Odom suggested that if Starfish presents a bond by Monday or Tuesday of next week, then they should be allowed to proceed with the project. If not, then the project should go to the next low bidder-Evans Contracting.

A motion was made by Ms. Benson, seconded by Mr. Perkins, to extend to Starfish until Tuesday the ability to produce the bond for review and if they do so, and it meets the requirements of the attorney and staff, they be allowed to continue with the project. If they cannot produce the bond, then the Board grants authority to the staff and attorney to proceed with termination of Starfish's contract for cause and approve: (1) entering into a contract for the Montclair Flow Diversion Project with Evans Contracting, Inc., of Cantonment, Florida, (2) utilizing all funds currently in CIP CS141U, and (3) transferring additional funds, if necessary and validated, from CIP Project CS141B, Main Street WWTP Replacement. Motion carried 5-0.

(g) Appointment of new member to the ECUA Citizens' Advisory Committee-Board member McCorvey

Although reflected in agenda order in these minutes, this item was considered following Item 6(b).

Chairman McCorvey introduced Mr. Hurey J. Smith as his appointee to the vacant position on the ECUA's Citizens' Advisory Committee.

A motion was made by Ms. Benson, seconded by Ms. Campbell, to approve the appointment of Mr. Hurey J. Smith as a member of the Committee. Motion carried 5-0.

ITEM 9 - INFORMATIONAL REPORTS

None.

ITEM 10 - EXECUTIVE DIRECTOR'S REPORT:

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

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

(b) Mr. Sorrell informed the Board of the lack of air conditioning efficiency at two of the three regional lift stations, stating staff is taking steps to correct the problems prior to the high summer temperatures. Mr. Sorrell expressed the importance of keeping the pumps at the lift stations from overheating and expenditures would need to be made on an emergency basis to prevent the pumps from overheating and shutting down. Further, staff will be seeking remuneration from the mechanical contractor.

(c) Dr. Walker inquired as to the amount of funds remaining from the completion of the CWRF. Mr. Sorrell stated it will be approximately $30 million from the original estimates, depending on the sale of the Main Street property.

(d) Mr. Sorrell also reported that Gulf Power is not taking as much reclaimed water from the CWRF as originally planned; however, International Paper has requested more and they are very pleased with the high quality of the water.

(e) Zachary Company

Mr. Sorrell commented on their investigation of the situation with the Zachary Company at the Cantonment facility, stating the facility continues to have problems. Mr. Sorrell presented a letter drafted to the Zachary Company immediately terminating the lease agreement and providing Zachary Company 90 days to clean up the site. Mr. Sorrell requested that the Board authorize him to sign the letter and present it to Zachary Company c/o Mr. Eugene Watson. Ms. Campbell stated she visited the site and found the conditions appalling.

A motion was made by Ms. Campbell, seconded by Mr. Perkins, to authorize the Executive Director to sign and deliver the letter to the Zachary Company. Motion carried 5-0.

ITEM 11 - ATTORNEY'S REPORT

The attorney did not have anything to report.

ITEM 12 - UNFINISHED BUSINESS

(a) BP (Benson)

Ms. Benson inquired if ECUA has submitted or will be submitting any claims to BP for reimbursement as a result of the oil spill in the Gulf. Mr. Sorrell advised that staff looked into this possibility; however, ECUA did not have any expenses to submit.

Mr. Perkins stated that he disagrees in that the lack of tourist also resulted in the lack of utilization of water and sewer services on the Beach and this resulted in loss of revenues to ECUA.

Ms. Benson stated that it is her understanding that there are "boat loads" of money available and ECUA should pursue getting some of these funds

from the County to use for I & I as this would be one of the best uses of this money. Ms. Benson further suggested that a package be put together and presented to Escambia County for utilization of some of the money for I & I. Staff indicated they would put together such a request for the Board Chairman's signature.

(b) Master metering-Residential parks within the City (Perkins)

Mr. Perkins inquired if it would be possible for the attorney to meet with the City of Pensacola to possibly have a master meter for the parks located in residential neighborhoods and thus only one impact fee. Mr. Odom stated that the problem is that impact fees are site specific and thus one master meter would not be possible.

ITEM 13 - NEW BUSINESS

None.

ITEM 14 - BOARD COMMUNICATIONS

None.

ITEM 15 - OPEN FORUM

(a) Mr. Hosea Jones, Jr., 3118 N. Roosevelt Street, Pensacola, FL, addressed the Board requesting a waiver of impact fee for his property in that he missed the deadline by only a few days and is ready to connect to the sewer system.

A motion was made by Mr. Perkins, seconded by Ms. Campbell, to grant a 90-day extension and waive the impact fee. Motion carried 5-0.

(b) Mr. Barry Tweedie inquired as to what the time frame would be for accepting septage at CWRF. Mr. Sorrell responded that the ECUA will start accepting septage the morning of April 27, 2012.

ITEM 16 - 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 4:00 p.m.

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Respectfully submitted,

Stephen E. Sorrell
Executive Director

APPROVED BY THE ECUA BOARD
IN REGULAR SESSION ON 05/24/12.

(X) Without corrections/amendments.
( ) With corrections/amendments being: