OFFICIAL
Approved by the
ECUA Board 03/29/12

MINUTES OF THE EMERALD COAST UTILITIES AUTHORITY BOARD MEETING HELD THURSDAY, FEBRUARY 23, 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
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
Randy Rudd, Deputy Executive Director-Shared Services

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

Chairman McCorvey requested that Item 7(g) be moved to follow item 5.

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

ITEM 4 – COMMUNICATIONS AND PRESENTATIONS

None.

ITEM 5 – APPROVAL OF MINUTES

A motion was made by Ms. Benson, seconded by Dr. Walker, to approve the minutes of the regular Board meeting of January 26, 2012 as presented. Motion carried 5-0.

ITEM 6 - REPORT OF THE CITIZENS' ADVISORY COMMITTEE 02/15/12

F. Presentation by Malcolm Pirnie - Inflow and Infiltration Program Update

Presentation in Committee only – no action taken.

G. Pharmaceuticals Take-Back Program – Discussion

Discussion in Committee only – no action taken.

H. Main Street WWTP Property

A motion was made by Ms. Benson, seconded by Mr. Perkins, that ECUA go on record that it is objecting to the proposed changes to the Land Development Code in that it is overly restrictive and devalues the Main Street property. Motion carried 5-0.

Ms. Benson reported that she contacted members of the County Commission and the County Administrator as to the proposed changes and the position of the ECUA.

ITEM 7 - OPERATIONAL ITEMS:

(a) St. Joseph sewer expansion – Change order no. 2

A motion was made by Ms. Benson, seconded by Ms. Campbell, to authorize the Executive Director to execute a change order with Utility Service Company in the amount of $57,404.61 for paving associated with the St. Joseph Street Sewer Expansion, with funding from CIP Project CS317. Motion carried 5-0.

(b) Award of bid: Innerarity Point Road watermain upgrades

A motion was made by Ms. Benson, and seconded, to award the contract for Innerarity Point Road Watermain Upgrades to Evans Contracting, the lowest bidder, for the Base Bid plus Additive Alternate Bids I and II in the

amount of $424,749.00, with funds allocated from CIP Project RW306Q. Motion carried 5-0.

(c) Award of purchase: Replacement vehicles-fiscal year 2012

A motion was made by Dr. Walker, seconded by Ms. Campbell, to approve staff to utilize state purchasing contracts to purchase replacement vehicles for fiscal year 2012 in the amount of $1,188,898 which is approved and available in the fiscal year 2012 CIP budget for vehicle replacement, with funding from CIP Project RA209, and declare all vehicles listed for replacement as surplus. Motion carried 5-0.

(d) Easement agreement – Gulf Power Company

A motion was made by Mr. Perkins, seconded by Ms. Benson, to approve the easement agreement and authorize the Executive Director to execute that document.

An amendment was made to grant the Executive Director the power to rescind approval of the easement as he sees fit. The vote on the amendment carried 5-0.

The vote on the motion as amended carried 5-0.

Mr. Sorrell reported on the outcome of the meeting between ECUA staff and City of Pensacola staff regarding the proposed City changes to the City's Land Development Code. Mr. Sorrell stated that the City is willing to work with the ECUA and they are willing to make changes to the Code to something that ECUA can live with.

Mr. Barry Tweedie commented on the Board's discussion relative to the proposed changes to the Land Development Code.

Discussion was held concerning the granting of a 10 foot easement to Gulf Power along the entire southern portion of the Main Street WWTP property, with Ms. Benson requesting that the attorney and/or staff get with Gulf Power and express the concerns the Board has regarding possible structures being placed on the easement.

(e) Procurement guidelines and thresholds

A motion was made by Dr. Walker, seconded by Ms. Campbell, to revise the ECUA purchasing policy as outlined. Motion carried 3-2 with Ms. Benson and Mr. Perkins voting against the motion.

a. Increase the threshold for purchases requiring more than one quote from $1,000.00 to $2,500.00 per transaction.

b. Increase the limits of the architectural, engineering and surveying services for construction projects from $120,000.00 to $325,000.00 and planning or study services from $6,000.00 to $35,000.00.

c. Increase the amount of construction and repair costs from $15,000.00 to $100,000.00 before requiring Payment and Performance bonds.

d. Increase the Executive Director's authority to approve construction projects and change orders from $50,000.00 to $100,000.00.

(f) Adoption of Resolution 12-03

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

A motion was made by Mr. Perkins, seconded by Ms. Benson, to adopt Resolution 12-03 - A RESOLUTION AUTHORIZING THE LEASING OF COMPRESSED NATURAL GAS VEHICLES. Motion carried 5-0.

(g) Adoption of Resolution 12-04

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

Mr. Mitch Owens, ECUA Financial Advisor, and Mr. Richard Lott, ECUA Bond Counsel, provided an overview of the sanitation system bond refunding, outlining how the transaction will occur and the benefits to ECUA. Mr. Owens stated that ECUA would see a savings of approximately $680,000, or 7.9%, which includes all closing costs. Also, Mr. Owens indicated that the transfer will be completed on March 1.

A motion was made by Mr. Perkins, seconded by Ms. Benson, to adopt Resolution 12-04 – A RESOLUTION OF THE EMERALD COAST UTILITIES AUTHORITY PROVIDING FOR THE ISSUANCE FROM TIME TO TIME OF SANITATION SYSTEM REVENUE BONDS TO PAY THE COST OF CERTAIN CAPITAL IMPROVEMENTS TO THE SANITATION SYSTEM OF THE ISSUER AND TO PAY THE COST OF REFUNDING CERTAIN OUTSTANDING OBLIGATIONS OF THE ISSUER; AUTHORIZING THE ISSUANCE OF A NOT EXCEEDING $8,800,000

SANITATION SYSTEM REFUNDING REVENUE BOND, SERIES 2012, FOR THE PURPOSE OF REFUNDING THE SANITATION SYSTEM IMPROVEMENT AND REFUNDING REVENUE BONDS, SERIES 1998; PLEDGING THE NET REVENUES OF THE SANITATION SYSTEM TO SECURE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THE BONDS; MAKING CERTAIN OTHER COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; PROVIDING FOR THE RIGHTS OF THE HOLDERS OF BONDS; AWARDING THE 2012 BOND; FIXING THE DATE, DENOMINATION, MATURITY, INTEREST RATE, INTEREST PAYMENT DATES AND REDEMPTION PROVISIONS WITH RESPECT TO THE 2012 BOND; AUTHORIZING OTHER ACTION IN CONNECTION WITH THE DELIVERY OF THE 2012 BOND; AND PROVIDING AN EFFECTIVE DATE. 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 action.

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

Mr. Sorrell provided an additional update on the meeting with the City of Pensacola staff relative to proposed changes to the City's Land Development Code, stating the City is willing to work with ECUA so that the Main Street property will not be devalued.

Staff was requested to provide the results of the negotiations with the City to the Board.

Mr. Sorrell also reported that a draft Consent Order from the Florida Department of Environmental Protection on inflow and infiltration of the ECUA system has been received and that staff is negotiating a timeframe of 15 years. Once negotiations are complete, the document will be presented to the Board for approval.

ITEM 10 - ATTORNEY'S REPORT

Mr. Odom reported the following:

(1) That they were able to secure a dismissal of an alleged discrimination case that was pending in Federal Court with ECUA owing nothing.

(2) Regarding a case of alleged discrimination that was investigated by the EEOC, it was determined that there was no cause and ECUA was not in the wrong and was in compliance with all of the laws.

(3) An employee appeal that was discharged to an administrative law judge who found that the employee was properly charged and that the employee did in fact do what he had been accused of and that the termination was upheld.

Mr. Odom further stated that in all three cases brought against ECUA, and in three separate instances, ECUA was found to be in compliance with all laws, rules and regulations and that is a credit to the organization - that arbitrary and capricious decisions are not being made, but are being done based upon sound, reason, fact, etc.

(4) Mr. Odom stated that there was a decision rendered by the Federal Court regarding the Numeric Nutrient Criteria (NNC) case and the part that ECUA was most concerned, the stream criteria that has been established, was stricken down by the Court as being arbitrary and capricious.

ITEM 11 - UNFINISHED BUSINESS

Mr. Sorrell informed the Board of recent hires and promotions, highlighting their skills, knowledge and abilities.

Dr. Walker commented that the Board should be proud and pleased with the quality of people that are working for ECUA.

Chairman McCorvey suggested that the recently promoted employees be invited to appear before the Board.

ITEM 12 - NEW BUSINESS

None.

ITEM 13 - BOARD COMMUNICATIONS

Ms. Benson reported on her successful recent trip to Tallahassee seeking legislative changes to particular laws regarding the designation of what

is considered a manufacturing business. Ms. Benson further suggested that ECUA look at other applicable laws that could be improved and that would allow ECUA to better do what it does.

Chairman McCorvey provided a report on his recent trip to the NACWA conference held in Los Angeles, CA, at which he accepted on ECUA's behalf an award for the Main Street WWTP replacement project.

Mr. Tim Haag provided additional comments on the award and advised that the NACWA would be conducting a Pre-treatment Workshop in Pensacola at the beach May 9-12. Tours of the new Central Water Reclamation Facility would be offered to those attending the workshop.

ITEM 14 - OPEN FORUM

None.

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 4:03 p.m.

Respectfully submitted,

Stephen E. Sorrell
Executive Director

APPROVED BY THE ECUA BOARD
IN REGULAR SESSION ON 03/29/12.

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