MINUTES OF THE EMERALD COAST UTILITIES AUTHORITY BOARD MEETING HELD THURSDAY, MAY 24, 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
Karen Cooey, Financial Services Manager
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
Nettie Williams, Director of Customer Service

ITEM 1 – CALL TO ORDER

Chairman McCorvey called the regular meeting of the Emerald Coast Utilities Authority Board to order at approximately 3:02 p.m.

ITEM 2 – INVOCATION AND PLEDGE OF ALLEGIANCE

Chairman McCorvey provided the invocation and led the Pledge of Allegiance.

ITEM 3 – ADOPTION OF AGENDA

Ms. Campbell added "health warning" to the agenda under new business.

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.

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ITEM 5 – APPROVAL OF MINUTES

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

ITEM 6 - REPORT OF THE ECUA CITIZENS' ADVISORY COMMITTEE 05/16/12

A motion was made by Ms. Benson, seconded by Mr. Perkins, to approve the following recommendations for Items F through K as presented. Motion carried 5-0.

F. Extension of Chemical Contact – Bagged Hydrated Lime

Approve the optional one-year extension of the contract with Cheney Lime and Cement Co., of Allgood, AL, for the supply of bagged hydrated at the terms and rates offered by the supplier, with funding from the appropriate budget line item.

G. Extension of Chemical Contracts – Aluminum Sulfate (Liquid Alum) and Sodium Hypochlorite (Bleach)

Extend the contracts for aluminum sulfate to Southern Ionics, Inc., in the amount of $213.90 per ton, and sodium hypochlorite to Allied Universal Corporation, in the amount of $0.089 per pound for the first year of the two one-year options to extend, with pricing as agreed to by the suppliers and with the approval of the ECUA Board, and authorize payment from the appropriate budget line items.

H. Award of Bid – Grounds Maintenance – Water Wells

Award the annual grounds maintenance contract for ECUA Water Well sites to the low bidder, Executive Landscaping, Pensacola, FL, for a total of $36,300, and authorize payment from the appropriate budget line item. The duration of the contract will be for one year, with two optional one-year extensions upon the mutual agreement of both parties with no change in price.

I. Award of Bid – Grounds Maintenance – Lift Stations

Award the annual grounds maintenance contract for select ECUA Lift Station sites to the low bidder, Gulf Coast Environmental Contractors, Inc., Pensacola, FL, for a total of $24,960, and authorize payment from the appropriate budget line item. The duration of the contract will be for one year,

with two optional one-year extensions upon the mutual agreement of both parties with no change in price.

J. Award of Bid – Grounds Maintenance – Central Water Reclamation Facility and Regional Lift Stations

Award the annual grounds maintenance contract at the Central WRF and the three Regional Lift Stations to the lowest bidder, Executive Landscaping, Inc., Pensacola, FL, for a total of $52,105.00, with payment from the appropriate budget line item. The duration of the contract will be for one year, with two optional one-year extensions upon the mutual agreement of both parties with no change in price.

K. Automated Payment Solutions

Select KUBRA EZ-PAY, the lowest and best bidder, offering a fixed-rate convenience fee of $1.45 for the customer, as the vendor to provide these automated payment solutions and enter into a three-year contract with two optional one-year extensions.

ITEM 7 - OPERATIONAL ITEMS:

(a) Auditing services engagement letter

A motion was made by Mr. Perkins, seconded by Ms. Benson, to authorize the Executive Director to sign the proposed engagement letter with SC&G for the audit for the fiscal year ending September 30, 2012, with funding from the appropriate budget line item. Motion carried 5-0.

(b) Award of bid: Escambia County CDBG Fire Hydrant Program – 2011 Program Year

A motion was made by Ms. Benson, seconded by Ms. Campbell, to award the contract for Escambia County CDBG Fire Hydrant Program – 2011 Program Year to Utility Service Co., the lowest bidder, for the Base Bid in the amount of $143,596.23, with funds allocated from CIP Project RW909J. Motion carried 5-0.

(c) Reclaimed water master plan

A motion was made by Mr. Perkins, seconded by Ms. Benson, to authorize the Executive Director to enter into a contract with Baskerville-Donovan, Inc., for the development of a Reclaimed Water Master Plan, with

funding through a transfer of $100,000 from CIP Project CS901E – Bayou Marcus Wetlands to a newly created CIP project. Motion carried 5-0.

(d) Escambia Bay watershed modeling-CWRF

Ms. Benson requested that staff provide a statement from the American Water Works Association (AWWA) that supports ECUA's findings regarding the ERG report on water quality.

A motion was made by Dr. Walker, seconded by Ms. Campbell, to authorize the Executive Director to continue with the existing agreement with stakeholders in the Escambia Bay Modeling effort and increase the budget by $80,000 with funding from CWRF Operational account. Motion carried 5-0.

(e) Sludge dryer improvements

A motion was made by Ms. Benson, seconded by Mr. Perkins, to (a) establish a new CIP project for Sludge Dryer Improvements, (b) authorize a transfer to the new project in the amount of $550,000 from CIP Project RS121 – Lift Station Replacement & Upgrade; and (c) authorize expenditure of funds for improvements to Sludge Dryers No. 1 and No. 2 and upgrade of the Biosolids Building bridge crane, with funding from the newly established CIP project. Motion carried 5-0.

Chairman McCorvey expressed his appreciation for the workers at the CWRF in resolving the problems at the new plant. Chairman McCorvey also stated that something needs to be done at some point to provide recognition to the workers.

(f) Final Consent Order-FDEP

A motion was made by Dr. Walker, seconded by Ms. Benson, to approve the FDEP Final Consent Order regarding sanitary sewer overflows (SSO) and authorize the Executive Director to execute the documents and to begin the corrective actions as required by this CO. Motion carried 4-1 with Mr. Perkins voting against the motion.

Mr. Perkins expressed his displeasure with the method by which it appears the EPA is basing their actions on, stating that whenever certain reports are generated by a certain company; the EPA comes in following those reports with very expensive recommended corrective actions. The companies (engineering) that generated the reports are then making proposals to make those EPA corrective actions.

(g) Property purchase – Scott Street sewer expansion

A motion was made by Ms. Campbell, seconded by Mr. Perkins, to approve the negotiated Purchase and Sale Agreement for the property located in the 2500 Block of North Baylen Street for $18,000, and authorize the Executive Director to execute that document, with funding for the purpose from CIP Project CS317. Motion carried 5-0.

(h) Real property purchase – Potter Street

A motion was made by Mr. Perkins, seconded by Ms. Campbell, to approve the negotiated Purchase and Sale Agreement and authorize the Executive Director to execute that document once contract provisions are satisfied, with funding for the purchase in the amount of $295,000 from Project Contingencies. Motion carried 5-0.

ITEM 8 - INFORMATIONAL REPORTS:

(a) Sewer Use Ordinance – Pre-treatment Enforcement Plan - *HANDOUT*

Information handout only – no action taken. Mr. Odom stated the issue is to be considered via a resolution at the June Board meeting.

ITEM 9 - EXECUTIVE DIRECTOR'S REPORT:

The following reports were presented for information only and action was not required.

(a) Expenditures approved by the Executive Director – Main Street WWTP Replacement project
(b) Notification of expenditures approved by the Executive Director

Mr. Sorrell also reported that two Compressed Natural Gas (CNG) vehicles have arrived and they are being prepared for service and the workers are being trained on the vehicles.

Mr. Sorrell reported that the permit for dispersion of reclaimed water at the Rainwater Tract has been granted to ECUA.

Mr. Sorrell provided an update on the progress on the new building as well as possible move-in timeframes.

Mr. Sorrell also provided a report on the private lift station for the Deerfield Estates subdivision, stating that the county has agreed to utilize MSBU for the homeowners to bring the lift station up to standard, and once the station and system have been brought up to ECUA standards, ECUA will assume ownership.

Further, Mr. Sorrell provided an update on the demolition of the Main Street WWTP, stating that he is making a selection for appraisal of the property and will issue a contract unless there are any objections from the ECUA Board.

ITEM 10 - ATTORNEY'S REPORT

Mr. Odom commented that he was pleased, and somewhat surprised, with how expeditiously the permit for the Rainwater Tract was issued.

Mr. Odom also reported that regarding the Board's previous actions relative to the Montclair Flow Diversion project and the low bidder not being able to obtain bonding, the bond was not obtained and the project did go to the next low bidder-Evans Contracting-and the project will be remobilized soon with Evans Contracting.

Mr. Odom advised that the Ellyson property that the Board approved the purchase of at its last meeting is subject to a $200 per day nuisance lien by the County which is going to impact the purchase price and will be shifted to the seller. Legal is currently working with the County so that once ECUA takes ownership, this lien will abate for a period of time so ECUA will have the time to do the demolition and not have the $200 per day nuisance lien. In order to accomplish this, legal needs something official from ECUA to the BCC once it is determined what the County attorney's office wants in order to make the abatement happen. Mr. Odom stated he wanted to get approval from the Board to have either the Chairman or the Executive Director sign the document in order to get the nuisance lien abated as applied to ECUA.

A motion was made by Mr. Perkins, seconded by Ms. Benson, to grant the authority to abate the nuisance. Motion carried 5-0.

ITEM 11 - UNFINISHED BUSINESS

None.

ITEM 12 - NEW BUSINESS

(a) Heath warning (Campbell)

Ms. Campbell distributed copies of recent documentation from the Center for Disease Control (CDC) and Prevention in which they were discussing the proper amount of fluoride in infant formula and dental fluorosis. Ms. Campbell stated that since ECUA is now in "the health business by fluoridating the water", she feels there is an ECUA obligation to get the CDC findings out to its customers that fluoride in infant formula can cause dental fluorosis.

Ms. Campbell requested that the Board prepare some type of warning to the customers and that this issue be referred to staff for provision to the Committee for consideration.

Mr. Perkins stated that until we receive something from the health official saying we should not do this, then we should not be bringing this issue up.

Ms. Benson stated that the proper source for getting this message out is the pediatric community.

A motion was made by Ms. Campbell, seconded by Dr. Walker, that the Board request staff to investigate the current warning regarding the use of fluoridated water with infant formula and make a recommendation as to how ECUA might inform parents of infants as to the risk, per the CDC data, of using infant formula made exclusively with tap water and bring back their findings or recommendations. Motion failed 2-3 with Ms. Benson and Messrs. McCorvey and Perkins voting against the motion.

ITEM 13 - BOARD COMMUNICATIONS

Chairman McCorvey reported that he received a phone call from a reporter with the Pensacola News Journal concerning the number of boil water notices that are issued. Chairman McCorvey stated that the reporter was wanting to make comparisons with other systems, particularly south Florida. He explained to the reporter that there were many variables that would not permit an accurate comparison, i.e. age and types of pipe, soil conditions, cause of the breaks, etc. Chairman McCorvey stated he feels this is something that the organization needs to be aware of.

ITEM 14 - OPEN FORUM

Mr. W.M. Lojo, Bayou Grande Management, addressed the Board concerning the account for 8240 N . Davis Highway and the actions taken by ECUA relative to that account. Mr. Lojo stated that he is paying the current charges and was requesting that ECUA not cut off his water because there are disputed past due charges that he is not yet paying.

Mr. Odom stated that he feels the bill is proper. There was a problem with the meter as to how it was recording and this led to some billing issues and Customer Service has been working to get the account current. Mr. Lojo has received many notices requesting that he enter into some type of payment plan for the arrearages and Customer Service has not been successful in getting Mr. Lojo to enter into such an agreement. Further, Customer Service is following the policies as set forth by the Board.

Ms. Nettie Williams, Director of Customer Service, explained that they have worked with Mr. Lojo and made adjustments to the account and installed a new meter at no cost to Mr. Lojo. Further, they have attempted to set up payment arrangements with Mr. Lojo and are attempting to work out a five year plan via an interest free promissory plan on the arrearages. The five year plan would be $323.96 per month in addition to the regular monthly bill.

Mr. Lojo further commented that he was concerned about the negligence in the reading of the meter in that the errors were not caught. Chairman McCorvey directed Mr. Lojo to work through the Customer Service Department staff.

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 4:23 p.m.

Respectfully submitted,

Stephen E. Sorrell
Executive Director

APPROVED BY THE ECUA BOARD
IN REGULAR SESSION ON 06/28/12.

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

Page 4, item (f), second paragraph, third sentence, wording corrected to read "...by a certain company..." rather than "by certain companies".

Page 7, first paragraph, last sentence, wording corrected to read "...formula can cause dental fluorosis" rather than "...formula is causing dental fluorosis".