MINUTES OF THE EMERALD COAST UTILITIES AUTHORITY BOARD MEETING HELD THURSDAY, SEPTEMBER 15, 2011 AT 3:00 P.M. IN THE ECUA BOARD ROOM AT 9250 HAMMAN STREET, ELLYSON INDUSTRIAL PARK, PENSACOLA, FL

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

Counsel present: Bradley S. Odom

Staff present: Stephen E. Sorrell, Executive Director
Nathalie Bowers, Public Information Officer
Debra Buckley, Director of Finance
Tim Haag, Director of Communications and 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 special meeting of the Emerald Coast Utilities Authority Board to order at approximately 3:00 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

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

ITEM 4 - PUBLIC HEARING:

(a) 3:00 P.M. – REVISED RESIDENTIAL SANITATION SERVICE CHARGES

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Chairman McCorvey declared the public hearing open at approximately 3:02 p.m. The following individuals addressed the Board speaking against the proposed rate adjustment.

Mr. Rick Crowder

Mr. Ron Truett
4644 Deerfield Drive
Pensacola, FL

Mr. Crowder pointed out several areas that he felt the Board should be aware of, stating that ECUA needs to tighten its belt before considering placing a rate increase on the customers.

Mr. Truett suggested that the Board conduct its meetings at a time of day that people could attend rather that mid-afternoon when people are working. Mr. Truett also advised of a problem he has with one of his accounts at 314 S. "L" Street.

Dr. Walker commented that in years past, ECUA changed its meeting time to the evening hours and there was no difference in attendance; however, it did require overtime or administrative leave time on the part of some employees required attendance at the meetings.

Staff was requested to meet with Mr. Truett after the meeting concerning his account.

Mr. Bob Gurski, 7 Parda Blvd., Pensacola, FL, 32526, addressed the Board concerning the establishment of a program by ECUA to sell its dried sludge similar to the one that the City of Milwaukee uses. Staff explained that ECUA already sells its dried, pelletized sludge in bulk form to the highest bidder.

Mr. Barry Tweedie, 10395 Old Dairy Lane, Pensacola, FL, 32534, addressed the Board stating that the Board, in consideration of its budget, needs to keep in mind the condition of the ECUA infrastructure, the problems with inflow and infiltration in particular, and the aging trunk lines.

There being no further comments from the audience, Chairman McCorvey closed the public hearing at approximately 3:23 p.m.

(b) <u>ADOPTION OF RESOLUTION 11-07</u>

A motion was made by Dr. Walker, seconded by Mc. Campbell, to adopt Resolution 11-07 – A FINAL RATE SETTING RESOLUTION ESTABLISHING REVISED RESIDENTIAL SANITATION SERVICE CHARGES. Motion carried 5-0.

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ITEM 5 - FISCAL YEAR 2012 BUDGET

A motion was made by Dr. Walker to approve the budget as presented by staff.

Chairman McCorvey turned the Chairmanship over to Vice Chairman Walker and seconded by motion. The Chairmanship was then returned to Chairman McCorvey.

Mr. Perkins expressed his concerns about allowing firms to participate on projects resulting from studies those firms had made of the ECUA system, as is the case with the inflow and infiltration evaluation done by Malcolm Pirnie.

An amendment to the motion was made by Mr. Perkins, seconded by Dr. Walker, to not contract or sub-contract any of this work out to Malcolm Pirnie.

After further discussion, Dr. Walker withdrew his second and Mr. Perkins' amendment died for lack of a second.

Dr. Walker's motion failed 2-3 with Messes. Benson and Campbell and Mr. Perkins voting against the motion.

Ms. Benson expressed her concerns with areas that she feels could be cut, i.e. budgeting for retirement parties, employee benefits.

A motion was made by Mr. Perkins to reduce I & I by $1 million, lift station replacement by $1 million, sewer expansion by $1 million, project contingencies by $1 million, unrestricted reserves by $1 million, and go with a 4% rate increase.

After an explanation as to why Mr. Perkins' motion would not work, Mr. Perkins withdrew his motion.

A motion was made by Mr. Perkins to take $2 million out of project contingencies, $1 million out of the $3.5 million unrestricted reserves, and reduce the proposed 8% rate increase by 3% and go with a 5% rate increase. Motion died for lack of a second.

Ms. Benson stated that she would like to see the budget deliberations start earlier in the year and involve the Citizens' Advisory Committee – get into the nuts and bolts of the budget in May or June. Further, Ms. Benson stated that the ECUA employee benefits package is not in-line with

those that pay the rates. Also, the budget needs to be sent back to staff and have them come back with some recommendations.

Ms. Campbell commented that if we are looking at shaving costs, then we need to also look at the cost of adding fluoride to the water, stating that there are other means by which children can get the necessary dental care and prevention.

A motion was made by Mr. Perkins to go with a 5% rate increase with $2 million out of project contingencies and $1 million out of unrestricted reserves. Motion died for lack of a second.

A motion was made by Ms. Benson to approve a budget that contemplates a 4% rate increase and have staff come back with particulars on how this will be accomplished. Motion died for lack of a second.

A motion was made by Dr. Walker, seconded by Ms. Campbell, to approve a budget that would include a 7% rate increase and instruct staff and the attorney to prepare the necessary resolutions and have a special Board meeting as soon as possible to consider them. Motion carried 3-2 with Ms. Benson and Mr. Perkins voting against the motion.

ITEM 6 - OPEN FORUM

Mr. Sorrell reported that action has already been taken relative to the line that had the recent breaks near the University of West Florida (Thompson Bayou). Also, Mr. Sorrell reported that he feels that FDEP may require ECUA to complete its 30-year project plan in just seven years.

In response to a question from Ms. Campbell relative to Mr. Gurski's suggestions, Mr. Odom stated that ECUA cannot distribute fertilizer.

Ms. Campbell suggested that the Board consider conducting any public hearings in the evenings for the convenience of our customers. Also, Ms. Campbell suggested that a greater effort be put forth in providing information to our customers that would assist them in detecting leaks in and around their homes. Mr. Sorrell explained that the type of information that Ms. Campbell is referring to is already being provided via the customer pipeline and ECUA website.

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ITEM 7 - ADJOURNMENT

There being no further business to come before the special meeting of the Emerald Coast Utilities Authority Board, Chairman McCorvey declared the meeting adjourned at approximately 4:44 p.m.

Respectfully submitted,

Stephen E. Sorrell
Executive Director

APPROVED BY THE ECUA BOARD
IN REGULAR SESSION ON 09/29/11.

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