MINUTES OF THE EMERALD COAST UTILITIES AUTHORITY BOARD MEETING HELD THURSDAY, JANUARY 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
Debra Buckley, Director of Finance
Lydia Fortin, Human Resources 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
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

Mr. Perkins 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 – COMMUNICATIONS AND PRESENTATIONS

(a) Special Recognition award to former Citizens' Advisory Committee member James Ditterline

Mr. Ditterline was not present to receive his Special Recognition award.

Board meeting 01/26/12

ITEM 5 – APPROVAL OF MINUTES

(a) Organizational Board meeting of December 15, 2011
(b) Regular Board meeting of December 15, 2011

A motion was made by Ms. Benson, seconded by Ms. Campbell, to approve the minutes of the organizational Board meeting of December 15, 2011 and the regular Board meeting of December 15, 2011 as presented. Motion carried 5-0.

ITEM 6 - OPERATIONAL ITEMS:

(a) Purchase of Alk-AQUIT Odor and Corrosion Control

A motion was made by Mr. Perkins, seconded by Ms. Campbell, to waive the formal bidding process based on product trials and approve a contract for two years with Siemens for the sole source purchase of Alk-AQUIT at the price of $1.38 per gallon, with funding from the appropriate budget line item. Motion carried 5-0.

(b) Lakewood sewer expansion, Phase 5-change order

A motion was made by Dr. Walker, seconded by Ms. Campbell, to approve a change order to the existing Lakewood Sewer Expansion, Phase 5A (Basin 3) contract in the amount of $990,122.21, with funding from the Sewer Expansion Program. Motion carried 5-0.

Ms. Benson suggested that staff obtain information as to what other communities are doing relative to sewer expansion and septic tank abatement.

Ms. Benson also expressed her concerns relative to decisions to bid, waive bidding or not bid projects.

(c) Lakewood sewer expansion, Phase 4A-change order

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 $137,561.08, for the Lakewood Sewer Expansion, Phase 4A project with funding from CIP Project CS317R. Motion carried 5-0.

(d) Scott Street sewer expansion

A motion was made by Mr. Perkins, seconded by Dr. Walker, to authorize and direct the ECUA attorney to: (1) initiate condemnation

proceedings by eminent domain to acquire the needed easement; and (2) take title and possession of the property in advance of the entry of final judgment. Motion carried 5-0.

(e) Adoption of Resolution 12-01

A motion was made by Dr. Walker, seconded by Ms. Benson, to adopt Resolution 12-01- A RESOLUTION OF THE EMERALD COAST UTILITIES AUTHORITY AUTHORIZING AND DIRECTING GENERAL COUNSEL TO INITIATE CONDEMNATION PROCEEDINGS OVER CERTAIN PROPERTY WITHIN ESCAMBIA COUNTY, FLORIDA BY EMINENT DOMAIN AND THE TAKING OF POSSESSION AND TITLE IN ADVANCE OF THE ENTRY OF FINAL JUDGMENT FOR THE PURPOSE OF PROVIDING WASTEWATER SERVICE TO TWO RESIDENCES; PROVIDING AN EFFECTIVE DATE. Motion carried 5-0.

(f) Adoption of Resolution 12-02

A motion was made by Ms. Benson, and seconded, to adopt Resolution 12-02 - A RESOLUTION CONCERNING THE SECTION 457(B) DEFERRED COMPENSATION PLAN; PROVIDING AN EFFECTIVE DATE. Motion carried 5-0.

(g) Financing for the purchase of the Compressed Natural Gas sanitation vehicles

A motion was made by Mr. Perkins, seconded by Ms. Benson, to approve funding for the purchase of the CNG Sanitation Vehicles from a bank loan, bond issue or a Lease Purchase through whichever financing program provides the least cost to ECUA, and authorize the Executive Director and legal counsel to execute the appropriate documents. Motion carried 5-0.

(h) Amendments to State Revolving Fund Loan Agreements

A motion was made by Ms. Benson, seconded by Ms. Campbell, to approve Amendment 3 to Loan Agreement WW816090 and Amendment 1 to Loan Agreement WW816100 from the SRF and authorize the Executive Director and legal counsel to execute them. Motion carried 5-0.

ITEM 7 - INFORMATIONAL REPORTS:

None.

Board meeting 01/26/12

ITEM 8 - EXECUTIVE DIRECTOR'S REPORT:

The following report was presented for information only and did not require any action.

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

Mr. Sorrell also reported that ECUA is replacing, on an emergency basis, approximately 75 feet of an old galvanized water main servicing Vinyl Music Hall and other customers along Palafox Street that are experiencing low water pressure problems. Mr. Sorrell stated that the line is being replaced with a four inch PVC main by ECUA's contractor - Pensacola Concrete Construction.

Mr. Sorrell also provided an update on the demolition of the Main Street WWTP, stating that the buildings are coming down and the contractor is currently working on the six-story building and it should be down in approximately two weeks.

ITEM 9 - ATTORNEY'S REPORT

Mr. Odom reported on the City's proposed changes to the land development code, stating there are concerns that the changes would devalue the ECUA's Main Street WWTP property. Further, these concerns were expressed to the City and the issue has been tabled until early March.

Mr. Odom advised that ECUA prevailed in a discrimination case filed by an employee, and the attorneys fees were also awarded to ECUA.

Further, Mr. Odom stated that a lift station contractor has filed a lawsuit against ECUA and should any Board member wish to discuss the case individually with Mr. Odom, he would be happy to accommodate.

ITEM 10 - UNFINISHED BUSINESS

(a) Citizens' Advisory Committee appointment by Board Member McCorvey

Chairman McCorvey appointed Mr. Samuel A. Horton, Sr. as his representative to the ECUA Citizens' Advisory Committee.

A motion was made by Ms. Benson, seconded by Ms. Campbell, to approve the appointment of Mr. Horton. Motion carried 5-0.

Board meeting 01/26/12

ITEM 11 - NEW BUSINESS

Chairman McCorvey reported that, as ECUA's representative, he would be attending the National Association of Clean Water Agencies winter conference in Los Angeles, CA, February 12-16. Chairman McCorvey stated that he would be reimbursing ECUA for costs for his extended stay not associated with the conference.

Mr. Sorrell commented that the National Association of Clean Water Agencies has selected ECUA to receive its 2012 National Environmental Achievement Award for the Main Street WWTP replacement project. Further, the award will be presented in Los Angeles, CA on February 13 and Chairman McCorvey will be accepting the award on behalf of ECUA.

Mr. Sorrell also reported that the *Water and Wastewater Digest* magazine has selected the Main Street WWTP replacement project as one of its Top 10 projects for 2011.

A motion was made by Ms. Benson, seconded by Ms. Campbell, to approve Chairman McCorvey's conference attendance and travel to Los Angeles, CA, as indicated. Motion carried 5-0.

ITEM 12 - BOARD COMMUNICATIONS

Ms. Benson reported on a situation with a company in her district, stating that the company is ready to undertake some improvements and expansions. However, due to the high cost they are experiencing with various utilities, the company wants to see changes made so that they would be considered a manufacturer and thus save on sales tax. Therefore, she will be traveling to Tallahassee to seek an amendment to change the rule that would allow the company to be considered a manufacturer.

Mr. Perkins advised of concerns that have been expressed to him relative to the cost for annual inspection of backflow devices, stating that perhaps they could be inspected every five years rather than annually. Mr. Sorrell stated that this issue falls under the purview of the Florida Department of Environmental Protection and he would present this issue to them.

ITEM 13 - OPEN FORUM

None.

Board meeting 01/26/12

ITEM 14 - 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 3:43 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: