

**MINUTES OF THE EMERALD COAST UTILITIES AUTHORITY BOARD MEETING
HELD THURSDAY, SEPTEMBER 29, 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
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

Ms. Benson provided the invocation and led the Pledge of Allegiance.

ITEM 3 – ADOPTION OF AGENDA

Mr. Sorrell added item 12(a) – Organizational meeting – to the agenda.

Mr. Perkins added “lack of answers to questions concerning the consumptive use permit” to the agenda as item 11(a).

Dr. Walker added [equipment] “wear and tear at the Central Water Reclamation Facility” as item 12(b).

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A motion was made by Ms. Campbell, 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 Dr. Walker, seconded by Mr. Perkins, to approve the minutes of (a) the regular Board meeting of August 25, 2011, and (b) the special Board meeting of September 15, 2011 as presented. Motion carried 5-0.

ITEM 6 – REPORT OF THE CITIZENS' ADVISORY COMMITTEE 09/21/11

F. Staff presentation – Pharmaceuticals Take-Back Program

Information only – Committee only.

A motion was made by Ms. Benson, seconded by Mr. Perkins, to approve the following recommendations for items G through M. Motion carried 5-0.

G. Blanket purchase order – Gulf Coast Electric Motor

Waive the bid requirement due to the need for timely repair of specialized equipment necessary for the continued operation of our utility system, and approve the issuance of blanket purchase orders to Gulf Coast Electric Motor in the total amount of \$465,000 to cover the cost of motor, pump and equipment repair for the Lift Station Division, the Plant Maintenance Department and Water Production Department, with funding from the appropriate budget line items.

H. Blanket purchase order – Thioguard (magnesium hydroxide)

Approve a contract with Premier Chemicals, LLS, for the sole source purchase of Thioguard at the price of \$1.72 a gallon for turn-key and \$1.54 a gallon for non-turn-key purchases, with funding from the appropriate budget line item.

I. Blanket purchase order – Triple H Specialty of Alabama

Waive the formal bid requirement due to Triple H Specialty of Alabama being the only authorized supplier of Yaskawa drives and components

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in our area, and approve the issuance of a blanket purchase order to Triple H Specialty of Alabama in the total amount of \$75,000 to cover the cost of VFD equipment and component purchases for the continued operation of our utility system, with funding from the respective operating budget.

J. Award of bid – Generators

Find the apparent low bidder, Tampa Armature Works, Inc., nonresponsive, and award the contract in the total amount of \$507,453 to Cummins Mid-South, LLC, the lowest responsive bidder, with funding from CIP Project CS514.

K. Contract extension – Granular Activated Carbon

Waive the formal bid process and award the contract extension for granular activated carbon to Calgon Carbon Corporation, the only bidder meeting all the requirements of the bid specifications, with funding from the appropriate budget line item. This contract is for a period of one year.

L. Contract extension – liquid polymer

Waive the formal bidding process and award a contract to Polydyne, Inc., Riceboro, GA, for liquid polymer at the price of \$0.93 per pound for one year.

M. Write-off uncollectibles

Authorize the Executive Director or his designee to write off as uncollectible accounts receivable in the total sum of \$577,205, and make appropriate entries in the financial records of ECUA to reflect the write off of said uncollectible accounts.

These accounts are to be written off solely to enable the Executive Director to carry out his duties in accordance with generally accepted accounting principles, and ECUA does not waive any rights it may have to collect said accounts.

N. Impact fee policy for large volume customer

A motion was made by Ms. Benson, seconded by Dr. Walker, to adopt the policy as presented and direct the staff to initiate the necessary rate resolution process and public hearings in order to implement the policy.

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Mr. Odom stated that he does have some concerns with the way the policy is written, stating there needs to be further establishment of the factual basis of the policy if the Board chooses to move forward with the policy.

A substitute motion was made by Dr. Walker, seconded by Ms. Benson, that the Board authorize staff to continue to work on developing a modified impact fee structure and bring it back to the Board. Motion carried 4-1 with Mr. Perkins voting against the substitute motion.

The vote on the substitute motion as the main motion carried 4-1 with Mr. Perkins voting against the motion.

O. Employee benefits package for fiscal year 2012

A motion was made by Dr. Walker to approve the proposed benefits package described in Option 2 at a total cost of \$5,804,703, and including the following plan components: (1) accept the proposal submitted and change the health insurance carrier to Blue Cross & Blue Shield of Florida, and (a) offer three modified plan designs for employee and dependent health coverage, (b) provide the employee premium for the three plans, (c) provide an average of 65% of the dependent premium for the three plans, and (d) contribute \$750 of the employee deductible into a health savings account for each employee enrolled in the Health Savings Account health plan; (2) accept the proposal submitted by the current dental carrier, United Concordia, and provide the employee premium for the Basic Plan; and (3) accept the proposal submitted and change the life and disability carrier to Unum, and provide the premium for basic life and disability coverage. *Motion died for lack of a second.*

Mr. Perkins expressed his concerns with the methods utilized by Blue Cross/Blue Shield relative to the mental health aspect of coverage, stating that they outsource that portion of coverage to another company.

A motion was made by Mr. Perkins, seconded by Ms. Benson, to ask staff to go back to United Health Care to attempt to negotiate a plan with them. Motion failed 2-3 with Ms. Campbell and Messrs. McCorvey and Walker voting against the motion.

A motion was made by Mr. Perkins to award the contract to United Health Care and try to negotiate the rate down and go ahead with the way it is. *Motion died for lack of a second.*

Mr. Todd Torgensen, Combined Insurance Services, Inc., responded to questions from the Board concerning the mental health coverage/service under Blue Cross/Blue Shield. Mr. Torgensen stated that to

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the best of his knowledge, Blue Cross/Blue Shield provides the services covered under their policy.

A motion was made by Dr. Walker to approve the proposed benefits package described in Option 2 at a total cost of \$5,804,703, and including the following plan components: (1) accept the proposal submitted and change the health insurance carrier to Blue Cross & Blue Shield of Florida, and (a) offer three modified plan designs for employee and dependent health coverage, (b) provide the employee premium for the three plans, (c) provide an average of 65% of the dependent premium for the three plans, and (d) contribute \$750 of the employee deductible into a health savings account for each employee enrolled in the Health Savings Account health plan; (2) accept the proposal submitted by the current dental carrier, United Concordia, and provide the employee premium for the Basic Plan; and (3) accept the proposal submitted and change the life and disability carrier to Unum, and provide the premium for basic life and disability coverage.

Chairman McCorvey turned the Chairmanship over to Vice Chairman Walker and seconded Dr. Walker's motion. Dr. Walker returned the Chairmanship to Chairman McCorvey.

A substitute motion was made by Ms. Campbell, seconded by Mr. Perkins, to delete item (1) and go with items (2) and (3). Motion failed 2-3 with Ms. Benson and Messrs. McCorvey and Walker voting against the substitute motion.

The vote on the main motion as made by Dr. Walker, and seconded by Mr. McCorvey, carried 3-2 with Ms. Benson and Mr. Perkins voting against the motion.

Staff was requested to automatically appeal any denials of mental health coverage.

P. Request for reimbursement of rentals losses – Bob Holmes

A motion was made by Ms. Benson, seconded by Ms. Campbell, to instruct the Executive Director to handle this as he does any other claim.

Mr. Bob Holmes addressed the Board requesting that the Board return the issue to the Executive Director so that he could meet with the Executive Director and present an alternate request.

A substitute motion was made by Dr. Walker, seconded by Ms. Benson, that we instruct the Executive Director to provide payment of \$22,500

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to Mr. Holmes in exchange for the rental losses resulting from road closures related to the replacement of the Main Street WWTP replacement. Motion failed 2-3 with Ms. Campbell and Messrs. McCorvey and Perkins voting against the motion.

The vote on the main motion as made by Ms. Benson, and seconded by Ms. Campbell, carried 5-0.

ITEM 7 - OPERATIONAL ITEMS:

(a) **Adoption of Resolution 11-08**

A motion was made by Ms. Campbell, seconded by Dr. Walker, to adopt Resolution 11-08 - A PRELIMINARY RATE SETTING RESOLUTION PROVIDING FOR NOTICE AND PUBLIC HEARING CONCERNING THE PROPOSED ESTABLISHMENT OF NEW AND REVISED WATER AND WASTEWATER RATES AND CHARGES. Motion carried 3-2 with Ms. Benson and Mr. Perkins voting against the motion.

(b) **Award of contract – Evaporated salt**

A motion was made by Ms. Benson, seconded by Ms. Campbell, to reject the apparent low bid from United Salt Corporation based on the failure to meet specifications, and award the contract for evaporated salt to the second lowest bidder, Cargill Salt, St. Claire, Minnesota, for Cargill Bulk CMF Flow Eversalt evaporated salt at the price of \$174.38 per ton for one year, with an option to renew annually up to a total contract duration of three years, subject to vendor and Board acceptance, and authorizes payment from the appropriate line item from the Operating Budget. Motion carried 5-0.

(c) **Award of bid – Truck tire retread services**

A motion was made by Ms. Benson, seconded by Ms. Campbell, to award a one-year contract, not to exceed \$125,000, to Columbus Tire Company, Inc., Columbus, GA, with two one-year optional contract extensions upon mutual agreement of both parties, with no increase in price, to supply services related to the retreading of truck tires for the ECUA fleet. Funding for these services will be provided from the appropriate line item within the Sanitation operating budget. Motion carried 5-0.

(d) **Award of bid – Baptist Hospital area water main upgrades**

A motion was made by Mr. Perkins, seconded by Ms. Benson, to award the contract for Baptist Hospital Area Water Main Upgrades (Texar Dr. to

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Yonge St.) to Lee Construction, the lowest bidder, for the Base Bid plus the Additive Alternate Bid in the total amount of \$370,064.25, with funds allocated from CIP Project RW306P and a transfer of \$115,000.00 from CIP Project RW906. Motion carried 5-0.

(e) Award of bid – Downtown South/Pen Haven sewer, Phase 2, test and seal

A motion was made by Ms. Benson, seconded by Mr. Perkins, to award a contract to South Baldwin Plumbing, Inc., Pensacola, Florida, the low bidder in the amount of \$1,087,886, for Downtown South/Pen Haven Phase 2 – Test and Seal, and allocate \$1,100,000 for the project budget with funds from CIP Project RS624. Motion carried 5-0.

(f) Purchase of unleaded and diesel-bio diesel fuel

A motion was made by Mr. Perkins, seconded by Dr. Walker, to approve and authorize staff to utilize Escambia County's existing contract with Cougar Oil, Inc., Pensacola, FL, for the purchase of diesel and unleaded gasoline, with funding provided in the appropriate budget line items. Motion carried 5-0.

(g) Cured-in-place lateral lining – Prequalification of bidders

A motion was made by Dr. Walker, seconded by Mr. Perkins, to approve the following list of contractors as prequalified for purposes of bidding on the cured-in-place lateral-lining services in ECUA's sewer system. Motion carried 4-1 with Mr. Perkins voting against the motion.

Cured-in-Place Lateral Liners (RFQ No. 2009-25)

1. LMK Pipe Renewal, LLC
Fort Lauderdale, FL
2. South Baldwin Plumbing (SBP), Inc.
Pensacola, FL

Mr. Perkins expressed his concerns with allowing the firm of Malcolm Pirnie being the consultant on projects that they recommended to ECUA as needing to be done.

Mr. Sorrell explained that Malcolm Pirnie does not have anything to do with this project as it is a construction project only. Further, Malcolm Pirnie only evaluates areas that staff has requested them to evaluate.

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(h) Surplus vehicles and equipment

A motion was made by Dr. Walker, seconded by Ms. Campbell, to authorize disposition of the listed items by auction or sale to other interested governmental entities as authorized by *ECUA Code*, Section 2-16. Motion carried 5-0.

(i) Compressed Natural Gas agreement – City of Pensacola

A motion was made by Dr. Walker, seconded by Ms. Campbell, to approve of the agreement in concept and authorize the Executive Director to finalize details of the draft agreement between ESP and the ECUA and execute all required documents. Motion carried 5-0.

Mr. Perkins suggested that, regarding section 5 c)., that the five cents be changed to a percentage basis. Mr. Odom stated that this could be considered as it is a conceptual agreement at this point.

(j) Purchase of real property – Humphreys well replacement

A motion was made by Dr. Walker, seconded by Ms. Benson, to approve the negotiated Purchase and Sale Agreement and authorize the Executive Director to execute that document. Motion carried 4-1 with Mr. Perkins voting against the motion.

(k) Amendment 2 – State Revolving Fund loan agreement

A motion was made by Mr. Perkins, seconded by Ms. Benson, to approve Amendment 2 to Loan Agreement WW816090 and authorize the Executive Director and legal counsel to execute it. Motion carried 5-0.

ITEM 8 - INFORMATIONAL REPORTS:

None.

ITEM 9 - 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

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Mr. Sorrell also reported on repairs currently being undertaken on an emergency basis, those being: Greenbrier lift station, Creighton Road, and Foxford Drive. Mr. Sorrell commented that this information has been, or will be, provided in his weekly report to the Board.

ITEM 10 - ATTORNEY'S REPORT

The Attorney did not have anything to report.

ITEM 11 - UNFINISHED BUSINESS

(a) **Consumptive Use Permit (Perkins)**

Mr. Perkins commented he is still looking for answer to his previous questions regarding the consumptive use permit issued by the Northwest Florida Water Management District, stating they are apparently planning to require those that use more water to pay higher prices for it. Mr. Perkins requested that staff ask the District two questions: (1) Why? (2) What happens to the water that is not used?

Mr. Sorrell reported that this has been resolved and ECUA is not going to have to do this.

ITEM 12 - NEW BUSINESS

(a) **Organizational meeting**

A motion was made by Mr. Perkins, seconded by Dr. Walker, to excuse the application of Section 2-56 of the ECUA Code and elect to hold ECUA's organizational meeting at 3:00 p.m. on Thursday, November 17, 2011 and the regular Board meeting at 3:15 p.m. on Thursday, November 17, 2011, and reschedule/notice those meetings accordingly. Motion carried 5-0.

(b) **Wear and tear-CWRF (Walker)**

Dr. Walker expressed concern that there has been an excessive amount of replacement of parts at the Central Water Reclamation Facility. Mr. Sorrell responded it is normal wear and tear due to the environment of the product/processes. There have been some warranty issues; however, those are being taken care of.

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ITEM 13 - BOARD COMMUNICATIONS

None.

ITEM 14 - OPEN FORUM

(a) Mr. Barry Tweedie, 10395 Old Dairy Lane, addressed the Board commenting on the Northwest Florida Water Management District.

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 4:40 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: