OFFICIAL
Approved by the
Board 09/26/13

MINUTES OF THE EMERALD COAST UTILITIES AUTHORITY BOARD MEETING HELD THURSDAY, AUGUST 29, 2013 AT 2:00 P.M. IN THE ECUA BOARD ROOM AT 9255 STURDEVANT STREET, ELLYSON INDUSTRIAL PARK, PENSACOLA, FL

Members present: Larry Walker, Chairman
Vicki Campbell, Vice Chairman
Lois Benson
Elvin McCorvey
Dale Perkins

Counsel present: Bradley S. Odom

Staff present: Stephen E. Sorrell, Executive Director
Nathalie Bowers, Public Information Officer
Debra Buckley, Director of Finance
Tom Dawson, Director of Water Production
Tim Haag, Director of Communications and Government Affairs
Steve Holcomb, Director of Wastewater Infrastructure
Linda Iversen, Executive Assistant to the Board
Bill Johnson, Director of Engineering
Ned McMath, Deputy Executive Director-Utility Operations
Don Palmer, Director of Water Reclamation
Gerry Piscopo, Director of Maintenance & Construction
Jim Roberts, Public Information Officer
Patricia Sheldon, Director of Budgets and Cash Management
Cindy Southerland, Director of Human Resources and Administrative Services

ITEM 1 – CALL TO ORDER

Chairman Walker called the regular meeting of the Emerald Coast Utilities Authority Board to order at approximately 2:02 p.m.

ITEM 2 – INVOCATION AND PLEDGE OF ALLEGIANCE

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

ITEM 3 – ADOPTION OF AGENDA

Chairman Walker requested that item 4(e) follow item 9(j) and that items 4(b) and 4(d) be considered after item 8K.

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 - PUBLIC HEARINGS/RESOLUTIONS:

(a) 2:00 p.m. – Proposed new and revised water and wastewater rates and charges

Chairman Walker convened the public hearing on the proposed new and revised water and wastewater rates and charges at approximately 2:08 p.m.

Mr. Barry Tweedie addressed the Board indicating that he only wished to speak during the public hearing if the representative from District Five was still going to push for a 6% increase. Chairman Walker responded that he was not going to push for a 6% increase and Mr. Tweedie stated that he did not wish to speak.

There were no additional comments from the audience and the hearing was closed at approximately 2:09 p.m.

(b) Adoption of Resolution 13-10

Although reflected in agenda order in these minutes, this item was considered following item 8K.

A motion was made by Ms. Campbell, seconded by Ms. Benson, to adopt Resolution 13-10 – A FINAL RATE SETTING RESOLUTION ESTABLISHING NEW AND REVISED WATER AND WASTEWATER RATES AND CHARGES. Motion carried 4-1 with Mr. McCorvey voting against the motion.

(c) 2:00 p.m. – Proposed new and revised sanitation disposal charges

Chairman Walker convened the public hearing on the proposed new and revised sanitation disposal charges at approximately 2:09 p.m. There were no comments from the audience and the hearing was closed at approximately 2:10 p.m.

(d) Adoption of Resolution 13-11

Although reflected in agenda order in these minutes, this item was considered following item 8K.

Staff provided a revised Exhibit 1 to the Board reflecting the Board action taken during consideration of item 8K to adopt a 3.7% for sanitation.

A motion was made by Ms. Benson, seconded by Ms. Campbell, to adopt Resolution 13-11 – A FINAL RATE SETTING RESOLUTION ESTABLISHING NEW AND REVISED SANITATION DISPOSAL CHARGES. Motion carried 4-1 with Mr. Perkins voting against the motion.

(e) Adoption of Resolution 13-12

Although reflected in agenda order in these minutes, this item was considered following item 9(j).

A motion was made by Mr. Perkins, seconded by Mr. McCorvey, to adopt Resolution 13-12 - A RESOLUTION OF THE EMERALD COAST UTILITIES AUTHORITY INITIATING THE CONFLICT RESOLUTION PROCEDURE UNDER THE FLORIDA GOVERNMENTAL CONFLICT RESOLUTION ACT PERTAINING TO ITS REQUEST THAT THE CITY OF PENSACOLA EXECUTE DEEDS FORMALLY CONVEYING THE AIRPORT NORTH AND HAGLER WELL PROPERTIES TO ECUA, IN ACCORDANCE WITH THE CITY TRANSFER AGREEMENT ENTERED INTO BETWEEN THE PARTIES ON SEPTEMBER 10, 1981; AND PROVIDING NOTICE TO THE CITY OF PENSACOLA. Motion carried 5-0.

ITEM 5 - OPEN FORUM

Mr. Barry Tweedie addressed the Board concerning asphalt equipment and vehicles being parked on the property around water well plant 4A, expressing his concerns that the equipment may be leaking hazardous fluids that would contaminate the groundwater. Mr. Tweedie suggested that the equipment be kept away from the plant.

ITEM 6 - PRESENTATIONS:

(a) Presentation of the National Association of Clean Water Agencies 2012 Silver Peak Performance Award for the Central Water Reclamation Facility

Mr. Don Palmer, Director of Water Reclamation, was presented with the 2012 Silver Peak Performance Award from the National Association of Clean Water Agencies for the Central Water Reclamation Facility.

ITEM 7 - APPROVAL OF MINUTES:

A motion was made by Ms. Campbell, seconded by Mr. McCorvey, to approve the minutes of the regular Board meeting of July 25, 2013 as presented. Motion carried 5-0.

ITEM 8 - REPORT OF THE ECUA CITIZENS' ADVISORY COMMITTEE 08/21/13

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

F. Blanket Purchase Order – Gulf Coast Electric Motor Services

Waive the normal 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 Service in the total amount of $545,000 to cover the cost of motor, pump and equipment repair for the Maintenance & Construction Department and the Water Production Department, with funding from the appropriate budget line items.

G. Waiver of Bidding – Liquid Polymer

Waive the bidding process based on product trials, and award a contract to Polydyne, Inc., Riceboro, GA, at the price of $0.93 per pound for one year.

H. Contract Extension – Evaporated Salt

Approve the second of two optional one-year extensions of the contract for evaporated salt in the amount of $174.38 per ton, with payment from the appropriate budget line item.

I. Award of Bid – Chemical Contract – Bagged Hydrated Lime

Award a contract to Cheney Lime & Cement Company of Allgood, AL, the only bidder, for the purchase of bagged hydrated lime at an estimated annual cost of $371,178.00, for a one-year contract with two optional one-year contract extensions, and authorize payment from the appropriate budget line item.

J. Purchase of Purafil Odor Contract Filter Media

Approve the sole-source purchase of Purafil odor control media from Pump & Process Equipment Incorporated, Pensacola, Florida, the local

Purafil sole-source provider, for its use at various ECUA sites at an estimated total cost of $119,387.20, with funding from the appropriate budget line item.

K. Fiscal Year 2014 Budget

(1) A motion was made by Ms. Benson, seconded by Mr. Perkins, to approve the water and wastewater budget.

A substitute motion was made by Mr. McCorvey that the 1.93% increase be 3.18% for fiscal year 2013.

Chairman Walker turned the Chairmanship over to Vice Chairman Campbell and seconded Mr. McCorvey's motion.

Mr. McCorvey indicated that the additional funding would be utilized for Information Technology equipment replacement, the I & I program and increase the reserves.

Ms. Benson stated that she would like to have a study conducted on where ECUA needs to go with regard to the Information Technology program. Further, she supports the pay increase for employees and would like to see action taken relative to the erroneous report that ECUA has the worst water in the United States. Ms. Benson commented that she feels the money transferred to the FOG program should be used for public information and development of a long term plan on how we are going to deal with the misconception on the water and education of the public with regard to recycling.

Ms. Benson requested that staff be directed to evaluate these issues and come up with a plan.

The vote on Mr. McCorvey's substitute motion failed 2-3 with Messes. Benson, Campbell and Mr. Perkins voting against the motion. The vote on the main motion as made by Ms. Benson carried 4-1 with Mr. McCorvey voting against the motion.

The Chairmanship was returned to Chairman Walker.

(2) A motion was made by Ms. Benson, seconded by Ms. Campbell, to adopt a 3.7% increase for sanitation. Motion carried 4-0 with Mr. Perkins voting against the motion.

Discussion was held relative to the situation with West Florida Recycling and the County's attempt to put them out of business and have everything taken to the landfill. It was indicated that should that happen, ECUA

would need to find somewhere else to take its recyclables or take it to the County's Perdido Landfill. The cost associated with this action was also discussed, as was the increase in the tipping fees.

Mr. Perkins commented that he feels we should invite the County back and take their offer and try to work with the County in the long term on a waste-to-energy pelletized-type of program.

M. Unfinished Business

(1) CAC functioning

Held in Committee.

N. New Business

(1) Rags

Information only.

(2) Zoning for the Main Street plant property

That ECUA provide its support and endorse the commercial zoning of the area that would incorporate the Main Street property, and that in expressing its support, ECUA also indicate its opposition to the overlay district.

ITEM 9 - OPERATIONAL ITEMS:

(a) Award of bid: Annual Service contract for entrance roads and trees for lift station sites

A motion was made by Mr. Perkins, seconded by Ms. Campbell, to award the annual service contract for entrance roads and trees for ECUA lift station sites to HHH Construction of NW Florida, Pensacola, FL, the lowest responsive bidder, in the amount not to exceed the unit cost pricing per bid tab attached, 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 increase in unit cost prices. Motion carried 5-0.

(b) Purchase of new tires for the ECUA fleet

A motion was made by Ms. Benson, seconded by Mr. McCorvey, to authorize staff to purchase tires for the ECUA fleet from the list of State-

approved local vendors at the current State Contract price, through September 30, 2014, with estimated annual funding of $200,000 coming from the appropriate budget line item of the Sanitation Operating Budget. Motion carried 5-0.

(c) Contract extension – purchase of unleaded and diesel/bio diesel fuel

A motion was made by Mr. Perkins, seconded by Ms. Campbell, to approve staff to continue to utilize the Santa Rosa County School Board's existing contract with McPherson Oil, Inc., of Pensacola, FL, for the purchase of diesel fuel and unleaded gasoline, with funding provided in the appropriate budget line items for fiscal year 2014. Motion carried 5-0.

(d) Rate increase for Otto Container maintenance

A motion was made by Mr. Perkins, seconded by Mr. McCorvey, to approve Otto's request for a rate increase for 2013 for their container maintenance contract with ECUA, with funding from the appropriate budget line item of the Sanitation Operating Budget. Motion carried 5-0.

(e) Call Center renovation – furnishings/office equipment-owner furnish (purchase)

A motion was made by Mr. McCorvey, seconded by Mr. Perkins, to approve staff proceeding with the purchase of furnishings for the Call Center project off State contract in an amount not to exceed $115,000, with funding through a transfer of funds in that amount from New WWTP Project Contingency – CIP Project CS141Z to Call Center Renovation - CIP Project RA307. Motion carried 5-0.

(f) Amendment 1 to the State Revolving Fund Loan Agreement WW816080

A motion was made by Mr. McCorvey, seconded by Ms. Campbell, to approve Amendment 1 to the SRF Loan Agreement WW816080, and authorize the Executive Director, with review by legal counsel, to execute the amendment. Motion carried 5-0.

(g) Real estate purchase from General Electric Company-Lift Stations 57 and 58

A motion was made by Mr. Perkins, seconded by Mr. McCorvey, to approve the purchase of two parcels of real property from GE near Lift Stations

57 and 58 for $25,000, and authorize the Executive Director to execute all documents necessary to effectuate the property purchase. Motion carried 5-0.

(h) Northern transmission main – Reconciliation of contractor's claims

A motion was made by Mr. McCorvey, seconded by Ms. Benson, to authorize the Executive Director to approve settlement of three claims on the Northern Transmission Main with Morgan Contracting, Inc., via payment in the amount of $175,000, with payment through a transfer of funds in the amount of $145,000 from Main Street Plant Replacement Project Closeouts, CIP Project CS141A, to Northern Transmission Main, CIP Project CS141K, as part of an overall contract close-out. Motion carried 5-0.

(i) Award of bid – ECUA Call Center remodel

A motion was made by Mr. McCorvey, seconded by Ms. Benson, to (1) award a contract to Birkshire Johnstone, Pensacola, Florida, the low bidder in the lump sum amount of $150,000, for construction of the Call Center Remodel Project; and (2) approve a transfer of funds in the amount of $165,000 ($150,000 plus 10% contingency to address unknown or unforeseen items) from New WWTP Project Contingency – CIP Project CS141Z to CIP Project RA307. Motion carried 5-0.

(j) Airport North and Hagler Wells – Ownership Issue – Florida Governmental Conflict Resolution Act

A motion was made by Mr. McCorvey, seconded by Mr. Perkins, to initiate procedures under the Florida Governmental Conflict Resolution Act regarding ECUA's request that the City execute deeds formally conveying the Airport North and Hagler Well properties to ECUA, as provided by the Transfer Agreement entered into between the parties in 1981. Motion carried 5-0.

ITEM 10 - INFORMATIONAL REPORTS

None.

ITEM 11 - EXECUTIVE DIRECTOR'S REPORT:

The following reports were presented for information only and did not require any action.

(a) Notification of Emergency Purchase – Fairfield Drive resurfacing

(b) Notification of Emergency Purchase – Air Release Valve repairs on Sorrento Road

Mr. Sorrell thanked the Board for the deliberations on the budget and the actions taken.

Also, Mr. Sorrell provided a report on the "rags" getting into the wastewater system, stating that 22 cubic yards of debris were removed from the Moreno Street lift station and staff is still trying to determine the source.

Further, the utilization of the Main Street property by Winterfest for parking continues to be profitable with ECUA averaging $1,000 per month.

ITEM 12 - ATTORNEY'S REPORT

Mr. Odom provided a verbal report on recent meetings of the City relative to changes to the Land Development Code and its impact of the proposed changes on the value of the Main Street property, stating the Code was sent back to the Planning Board to work on some of the issues that ECUA addressed.

Ms. Benson commented that an overlay district is still being considered and a meeting is scheduled for Tuesday.

ITEM 13 - UNFINISHED BUSINESS

None.

ITEM 14 - NEW BUSINESS

None.

ITEM 15 - BOARD COMMUNICATIONS

Although reflected in agenda order in these minutes, the expression of appreciation by Ms. Campbell was made following item 4(c) and prior to item 5.

Ms. Campbell expressed her appreciation to the Lift Station crews for their hard work over the last 60 days as a result of the large volumes of rain

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ITEM 16 - ADJOURNMENT

There being no further business to come before the regular meeting of the Emerald Coast Utilities Authority Board, Chairman Walker declared the meeting adjourned at approximately 3:44 p.m.

Respectfully submitted,

Stephen E. Sorrell
Executive Director

APPROVED BY THE ECUA BOARD
IN REGULAR SESSION ON 09/26/13.

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