MINUTES OF THE EMERALD COAST UTILITIES AUTHORITY BOARD MEETING HELD THURSDAY, JULY 25, 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
Tom Dawson, Director of Water Production
Steve Holcomb, Director of Wastewater Infrastructure
Linda Iversen, Executive Assistant to the Board
Bill Johnson, Director of Engineering
Jim Roberts, Public Information Officer
Randy Rudd, Deputy Executive Director-Shared Services
Patricia Sheldon, Director of Budgets and Cash Management
Nettie Williams, Director of Customer Service

ITEM 1 – CALL TO ORDER

Chairman Walker called the regular meeting of the Emerald Coast Utilities Authority Board to order at approximately 2:00 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

Chairman Walker added the following items to the agenda:

12(a) – Discussion of possible Sunshine Law violation by Chairman Walker
12(b) – New proposal for the Main Street property
12(c) – Changes to the order of the agenda

Ms. Campbell added 12(d) - CAC appointment, to the agenda.

Ms. Benson added as 12(e) – Main Street property, to the agenda contingent on the outcome of the consideration of the new proposal.

Chairman Walker advised that Item 7(i) – Northern Transmission main was being removed from the agenda.

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 – PRESENTATIONS

None.

ITEM 5 – APPROVAL OF MINUTES

A motion was made by Ms. Campbell, seconded by Ms. Benson, to approve the minutes of the regular Board meeting of June 27, 2013 as presented. Motion carried 5-0.

ITEM 6 - REPORT OF THE ECUA CITIZENS' ADVISORY COMMITTEE 07/17/13

F. Fiscal Year 2014 Budget

Held in Committee.

H. Unfinished Business

(1) Continued presentation - Inflow and Infiltration

Committee only.

(2) Continued presentation/discussion - Public notification policies

Committee only.

(3) Discussion - CAC meeting location

This issue was referred to staff for evaluation.

I. New Business

(1) Main Street Property

In Committee discussion only – no action taken.

ITEM 7 - OPERATIONAL ITEMS:

(a) Adoption of Resolution 13-08

A motion was made by Mr. Perkins, seconded by Mr. McCorvey, to adopt Resolution 13-08 - 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 5-0.

(b) Adoption of Resolution 13-09

A motion was made by Mr. McCorvey, seconded by Ms. Campbell, to adopt Resolution 13-09 - A PRELIMINARY RATE SETTING RESOLUTION PROVIDING FOR NOTICE AND PUBLIC HEARING CONCERNING THE PROPOSED ESTABLISHMENT OF NEW AND REVISED SANITATION DISPOSAL CHARGES. Motion carried 5-0.

(c) Annual water well maintenance and repair contract extension

A motion was made by Ms. Benson, seconded by Mr. McCorvey, to approve the second one-year contract extension with Layne Christensen Company of Pensacola, Florida, for maintenance of the ECUA wells with no change to the price, terms and conditions of the original contract, with funds allocated from CIP Project RW901U - Well Maintenance and Testing. Motion carried 5-0.

(d) Extension of small scale utility projects contract

A motion was made by Ms. Benson, seconded by Mr. McCorvey, to approve extension of the Small Scale Utility Projects contract as awarded to Warrington Utility and Excavating, Inc., with original bid prices, for one additional year. Motion carried 5-0.

(e) Award of bid: Cured-in-Place Lateral Lining-Downtown South and West Pen Haven sewer rehabilitation

A motion was made by Mr. Perkins, seconded by Mr. McCorvey, to reject the bids. The staff will consider alternate approaches to the project in order to reduce costs and add flexibility to the process of repairing our sewer collection system. Motion carried 5-0.

(f) City of Pensacola 2013 Resurfacing Program-ECUA manhole and valve box adjustments

A motion was made by Ms. Benson, seconded by Ms. Campbell, to establish a project and budget in the amount of $125,000, through a transfer from CIP Project CR405, for manhole and valve box adjustments related to the City of Pensacola's 2013 Street Resurfacing Program, and authorize the Executive Director to enter into an agreement to reimburse the City for ECUA work performed under their resurfacing contract. Motion carried 5-0.

(g) Call center renovation-furnishings/office equipment-owner furnish (purchase)

A motion was made by Mr. McCorvey, seconded by Ms. Campbell, 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.

A motion was made by Mr. Perkins, seconded by Ms. Benson, to table this item.

The vote on making Mr. Perkins' motion the main motion carried 5-0. The vote on Mr. Perkins' motion as the main motion varied 5-0.

Ms. Benson indicated she would like to review the plans and cost for the renovations.

(h) Request for additional funds-Emergency Operations Support Addition

A motion was made by Mr. Perkins, seconded by Mr. McCorvey, to approve a transfer of funds in the amount of $70,000 from CZ999 Project Contingency Funds to CA141E - Ellyson Office Additions & Renovations. Motion carried 5-0.

Ms. Benson indicated she would like to receive a percentage indicating the amount of the change order compared to the overall contract.

ITEM 8 - INFORMATIONAL REPORTS:

None.

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ITEM 9 - EXECUTIVE DIRECTOR'S REPORT:

(a) Mr. Sorrell provided a report on the tropical storm in the Atlantic, stating that ECUA staff is making preparations at this time.

(b) Mr. Sorrell also reported that ECUA has received another check in excess of $1,000 from the Winterfest parking activity at the Main Street property.

(c) Mr. Sorrell reported on the situation with an air release valve at the lift station on Kingsfield Road, stating that staff is evaluating various options to address the odors that are being generated at this location and will take whatever action they can at this time to reduce the odors.

ITEM 11 - ATTORNEY'S REPORT:

(a) Mr. Odom reported that he has addressed the issue of a recent situation with a sub-contractor.

(b) Mr. Odom provided a report on the City of Pensacola workshop as it relates to ECUA with the changes to the Land Development Code and how those changes will impact the value of the Main Street property. Further, the City did proceed with action to make those changes to the Land Development Code. Mr. Odom stated that he communicated with Councilman Wu and he indicated that he would like to see more dialogue between ECUA and the City Council in the future.

(c) Mr. Odom reported that the situation with the Oak Shadow Mobile Home Park is being resolved with assistance from the Health Department.

ITEM 11 - UNFINISHED BUSINESS:

None.

ITEM 12 - NEW BUSINESS

12(a) - Discussion of possible Sunshine Law violation by Chairman Walker (Walker)

Chairman Walker reported that after the last CAC meeting, he was approached by one of the members commenting that he thought the topic of the Main Street contract should go through the Committee prior to going to the

Board. Chairman Walker stated that he told the member that he sympathized with that without any further conversation.

Mr. McCorvey reported that a Committee member approached him as well after the meeting; however, he did not discuss that topic with the member.

12(b) - New proposal for the Main Street property (Walker)

Chairman Walker advised that a new proposed contract had been received from the same company that made the $7.6 million offer at the Board meeting last month.

A motion was made by Mr. Perkins, seconded by Mr. McCorvey, to accept the latest version of the contract, including the changes made thereto.

Staff provided an overview of the changes to the contract, stating that it is a contract with a purchase price of $7.6 million, with a $150,000 deposit, of which $50,000 will be due upon acceptance. Further, this $50,000 deposit will be refunded to HT Land Company only under three scenarios: the property is (1) unsuitable for multi-use purposes under the City of Pensacola Land Development Code, (2) unsuitable for multi-use purposes due to environmental reasons, or (3) ECUA is unable to produce an appraisal dated 7/1/12 or later indicating the property value is at or above the purchase price.

The following individuals addressed the Board concerning this issue.

Councilman Brian Spencer
3 E. Zaragoza
Pensacola, FL 32502

Councilman Spencer stated that he was addressing the Board as an individual citizen and not as a Council member. Mr. Spencer made the suggestion that the word hazardous be placed prior to the word environmental. He also suggested that the Board become more familiar with the buyer, recommending that consideration of the transaction be paused for a period of 30 days and that at least one Board member meet face-to-face with the buyer.

Mr. Mike Russo
801 Panferio Drive
Pensacola Beach, FL 32561

Mr. Russo indicated that his firm, Coldwell Banker United Commercial, is the buyer's broker and stated that the buyer, Mr. Aaron Wiese-HT Land Company has met members of his firm and expressed his desire to construct a similar development as represented in information provided to the Board. Mr. Russo indicated that the rendering presented was that of a local architect and he granted permission for its use. Mr. Russo also indicated that the buyer is interested in a number of parcels in the Pensacola area.

Mr. T. R. Eagan
997 South Palafox Place
Pensacola, FL 32502

Mr. Eagan, AGI Bruce Beach Development, addressed the Board speaking against the presented contract stating that he feels there are a number of things missing. Further, he hopes the Board would delay further consideration until all issue related to this property are resolved.

Ms. Benson expressed various concerns, i.e. is the property going to close in a timely manner, will the land lay fallow for years, is this going to be a flipping situation, is this going to tie-up the property for six months for a free look. Further, Ms. Benson asked the Board to reject the contract that is before the Board.

Mr. McCorvey stated that it is the responsibility of the City of Pensacola to determine what is allowed to be built on the Main Street property – it is not within the purview of the ECUA Board.

A motion was made by Mr. McCorvey to call the question. *Motion died for lack of a second.*

Mr. Odom pointed out that in Section 5 of the contract contemplates that this is going to be a cash transaction and is not contingent on the buyer obtaining financing.

Mr. Barry Tweedie, 10365 Old Dairy Lane, addressed the Board inquiring if any realtor fees would be paid by ECUA. Staff responded that there will not be any fees paid by ECUA – the buyer will be paying all fees and closing costs.

The vote on the motion as made by Mr. Perkins carried 4-1 with Ms. Benson voting against the motion.

A recess was called at approximately 3:53 p.m. and the meeting was reconvened at approximately 3:58 p.m.

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12(c) - Changes to the order of the agenda (Walker)

Chairman Walker indicated that if there are no objections, he would request that staff add a section to the order of the agenda "Resolutions/Public Hearings" as #4, and that the 'Open Forum" section be moved to #5 with the remaining numbers of the agenda to follow accordingly.

12(d) - CAC appointment (Campbell)

Ms. Campbell informed the Board that her citizen appointment to the Citizens' Advisory Committee (CAC), Mr. David Karasek, has missed recent meetings due to the health of his mother, and ECUA rules require that he be automatically removed from the CAC. Although Mr. Karasek has indicated his desire to continue to be a member, she feels a new appointment needs to be made and perhaps in November Mr. Karasek can be considered again. Therefore, she is recommending the re-appointment of Ms. Deborah Benn to the CAC.

A motion was made by Ms. Campbell, seconded by Mr. Perkins, to re-appoint Ms. Benn as the replacement for Mr. Karasek, and to waive the requirement that a résumé be before the Board at the time of the appointment, recognizing that Ms. Benn's résumé is on file. Motion carried 5-0.

12(e) – Main Street property (Benson)

Ms. Benson stated, that based on Board action, she no longer needs to have this issue considered.

ITEM 13 - BOARD COMMUNICATIONS

(a) Ms. Campbell advised that Commissioner Wilson Robertson is in the hospital due to an injury received while he played golf.

(b) Chairman Walker reported that former County Administrator, Rod Kendig, is also in the hospital – West Florida.

(c) Mr. Perkins reported that former long-term School Board member, Ed Stanford, recently passed away.

ITEM 14 - OPEN FORUM

(a) Mr. Barry Tweedie addressed the proposed rate increase.

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(b) Mr. Josh Womack, 504 Greenberry Drive, Cantonment, FL, reported to the Board a situation with an ECUA "can" station located at Booker Street and Sheppard. Mr. Womack stated there is a stormwater drainage problem at this location and it is overwhelming the station creating a discharge of raw sewage.

Chairman Walker stated that he would personally contact Commissioner Barry to discuss this issue and will get with staff on the possibility of a joint County/ECUA project.

Staff indicated they are aware of the situation and the problem is as Mr. Womack stated in that the stormwater is just overwhelming the station. Further, staff has already been talking with the County and ECUA is going to upgrade the station but cannot until the County does something about the drainage. It was suggested that Mr. Womack address the stormwater problem with the County and ECUA will continue to look at evaluating ways to alleviate the sewer overflows.

A representative from Constantine Engineering addressed the Board informing the members that they are currently contracted with ECUA for the study portion of the upgrade of the station.

ITEM 15 – 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 4:19 p.m.

Respectfully submitted,

Stephen E. Sorrell
Executive Director

APPROVED BY THE ECUA BOARD
IN REGULAR SESSION ON 08/29/13.

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