MINUTES OF THE EMERALD COAST UTILITIES AUTHORITY BOARD MEETING HELD THURSDAY, MAY 23, 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
Karen Cooey, Financial Services Manager
Tom Dawson, Director of Water Production
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
Patricia Sheldon, Director of Budgets and Cash Management

ITEM 1 – CALL TO ORDER

Chairman Walker called the regular meeting of the Emerald Coast Utilities Authority Board to order at approximately 2:03 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

Mr. Sorrell informed the Board that a correction to Item 6(a) was before the Board, as well as addendums to Items 6(g) and 10(a).

Ms. Benson requested that the Board allow individuals from Laguna Point Condominiums to address the Board following Item 5.

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

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ITEM 4 – PRESENTATIONS

(a) Consumptive Use Permit Consistency Rule-Northwest Florida Water Management District

Mr. Edgar of the Northwest Florida Water Management District conducted a presentation providing an overview of the Consumptive Use Permit "draft" rules. Mr. Edgar also outlined the permit conditions and public water supply water conservation plans.

ITEM 5 – APPROVAL OF MINUTES

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

(a) Laguna Point Condominiums

Ms. Roberta Newberry, 4060 Indigo Drive, addressed the Board concerning improper billing of the account for the Condominium, requesting that ECUA issue a credit to the association for the erroneous billing of the account.

Mr. Jack Haskins, 4060 Indigo Drive, also addressed the Board concerning the improper billing.

Ms. Benson urged staff to work with Laguna Point to see that the bill is satisfied.

Mr. Odom advised the Board that the ECUA bond covenants prohibit waiver of charges and issues such as this are handled at the staff level.

A motion was made by Mr. Perkins, seconded by Ms. Benson, to reduce the amount owed by 50% and work out an interest-free payment plan for the remaining charges.

Mr. Odom commented again that this action would be prohibited by the bond covenants and he recommends against it.

A motion was made by Ms. Campbell, seconded by Mr. McCorvey, to table this issue until next month and have staff meet with the individuals to evaluate the account. Motion carried 4-1 with Ms. Benson voting against the motion.

A motion was made by Mr. Perkins to reconsider the motion to table issue. *Motion died for lack of a second.*

Although reflected in agenda order in these minutes, Item 10(g) was considered prior to Item 6 and following a recess from 3:03-3:08 p.m. Consideration of Item 6 began following a recess from 5:05-5:11 p.m. Mr. McCorvey left the meeting at this time.

ITEM 6 - OPERATIONAL ITEMS:

(a) Extension of contracts: Aluminum sulfate (liquid alum) and sodium hypochlorite (bleach)

A motion was made by Mr. Perkins, seconded by Ms. Benson, to extend the contracts for: (1) aluminum sulfate to Southern Ionics, Inc., in the amount of $213.90 per ton; and (2) sodium hypochlorite to Allied Universal Corporation, in the amount of $0.089 per pound, for the second year of the two one-year options to extend, with pricing as agreed to by the suppliers and with the approval of the ECUA Board, and authorize payment from the appropriate budget line items. Motion carried 4-0.

(b) Award of bid: HVAC maintenance services-Central WRF, Regional Lift Stations, Bayou Marcus WRF, Pensacola Beach WWTP

A motion was made by Ms. Campbell, seconded by Ms. Benson, to award the annual HVAC maintenance contract for the Central WRF, the three Regional Lift Stations, Bayou Marcus and Pensacola Beach plants to the lowest bidder, Engineered Cooling Services, Pensacola, FL, for a total of $68,814.96, with payment from the appropriate budget line item. The duration of the contract will be for two years, with two optional one-year extensions upon the mutual agreement of both parties with no change in price. Motion carried 4-0.

(c) Award of bid: Baptist Hospital area water main upgrades, Phase II

A motion was made by Ms. Benson, seconded by Ms. Campbell, to award the contract for Baptist Hospital Area Water Main Upgrades, Phase II, (CIP Project RS306U) to Evans Contracting, the lowest bidder, for the Base Bid plus Additive Alternate Bid #1 and Additive Alternate Bid #2 in the amount of $806,628.00, with funds in the amount of $850,000.oo allocated from CIP Project RW906. Motion carried 4-0.

(d) Auditing Services

A motion was made by Ms. Campbell, seconded by Ms. Benson, to (1) approve the ranking of the firms as follows:

1. Saltmarsh, Cleaveland & Gund
2. Carr, Riggs, & Ingram
3. Warren Averett (formerly O'Sullivan Creel)

and (2) authorize the Executive Director to negotiate, and enter into a contract, with the top-ranked firm as to the fee for the auditing services and for their assistance in applying for the Certificate of Achievement. If a fee cannot be agreed upon, negotiate with the second ranked firm and enter into a contract for the required services. Motion carried 4-0.

(e) Beck's Lake Road bridge replacement-FDOT-property sale and temporary construction easement

A motion was made by Ms. Benson, seconded by Mr. Perkins, to approve the sale to FDOT of fee simple title to the 0.338 acres (+/-) for the offered amount of $4,450, grant FDOT a Temporary Construction Easement (TCE) to the adjoining 0.822 (+/-) acres for the negotiated sum of $8,000, and authorize the Executive Director to execute such instruments as necessary to effectuate said sale and grant. Motion carried 4-0.

(f) Real property purchase from General Electric

A motion was made by Ms. Campbell, seconded by Ms. Benson, to approve the purchase of two parcels from General Electric for the total purchase price of $25,000 and authorize the Executive Director to execute all documents necessary to effectuate the property purchase. Motion carried 4-0.

(g) Revisions to Chapter 26-*ECUA Code*-Sewer Use Ordinance

A motion was made by Mr. Perkins, seconded by Ms. Benson, to adopt Resolution 13-06 - A RESOLUTION PROVIDING FOR NOTICE AND PUBLIC HEARING CONCERNING THE PROPOSED REVISION OF WASTEWATER COLLECTION AND TREATMENT SYSTEM USE REGULATIONS. Motion carried 4-0.

Members Benson, Campbell and Perkins requested that a "cleaned-up" version of Chapter 26 be e-mailed to them.

ITEM 7 - INFORMATIONAL REPORTS:

None.

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ITEM 8 - EXECUTIVE DIRECTOR'S REPORT:

Mr. Sorrell expressed his appreciation to the Board members for their efforts today.

ITEM 9 - ATTORNEY'S REPORT:

None.

ITEM 10 - UNFINISHED BUSINESS:

(a) Award of bid: Systems Operations & Maintenance Building Renovation

A motion was made by Ms. Benson, seconded by Ms. Campbell, to (a) award a contract to Larry Hall Construction, Pace, Florida, the low bidder, in the total amount of $1,733,000 for the base bid, for the renovation of the Systems Operations & Maintenance Building, with funding from CIP Project CS141E; and (b) approve transfer of funds in the amounts of $1,200,000, from CIP Project CS141Z-New WWTP Project Contingency and $650,000, from CIP Project CZ999-Project Contingency to CIP Project CS141E-Ellyson Office Additions and Renovations. Motion carried 4-0.

(b) Proposed Southern Waste Recovery Agreement

The following County officials addressed the Board with Mr. Touart requesting that the ECUA Board consider the option that was provided, stating that he would like to proceed with an RFP in conjunction with ECUA.

Mr. Perkins commented that his fellow Board members should be considerate of the Board of County Commissioners' efforts and viewpoints.

Mr. George Touart, County Administrator
Commissioner Grover Robinson
Commissioner Wilson Robertson
Commissioner Gene Valentino
Commissioner Steve Barry
Mr. Patrick Johnson, County Solid Waste Director (provided a presentation of the programs that are being implemented at the Perdido Landfill)

Mr. Bruce Shuman, Southern Waste Recovery, addressed the Board stating that if it is decided to go out for an RFP, the project would not be in place

until 2017. Mr. Shuman also spoke to the issue of methane gas and its impact on the environment.

Mr. Doug Hollings addressed the Board speaking to the issue of methane gas at the landfill, stating there are ways to address the concerns and they are doing so.

Mr. Pat Johnson again addressed the Board explaining the program they have relative to the production of methane gas-to-energy with Gulf Power Company.

Ms. Jane Birdwell, 23 Star Lake, Pensacola, FL addressed the Board speaking in support of the agreement.

A motion was made by Ms. Benson, seconded by Ms. Campbell, to proceed with the Southern Waste Recovery agreement for resource recovery.

A substitute motion was made by Mr. Perkins for Option 3 – [Approve the recently negotiated solid waste arrangement with Escambia County and authorize the Executive Director, with legal assistance from our attorney, Mr. Bradley Odom, to finalize the details and sign a Memorandum of Understanding consistent with the provisions outlined above. The agreement involves the following provisions:

- Net reduction in ECUA tipping fees of $3.50 per ton for all of the ECUA loads delivered to the County. The rates would not be increased during this time frame and the ECUA would continue to deliver its collected waste stream to the Perdido Landfill the same as it does today. The agreement would be valid until December 31, 2014, unless extended by mutual agreement of the parties.

- The ECUA will assume the household hazardous waste program and dumpster recycling program previously administered by the County. The ECUA will determine the appropriate level of service and manage the programs as necessary, without interference from the County.

- The County will acknowledge ECUA's ability to construct and utilize loading ramp type transfer stations at geographically advantageous solid waste collection sites throughout Escambia County without

interference from representatives of the County, and take formal action regarding same.

- The County will utilize private consultant services to analyze Dirty MRF and WTE options, and then prepare a joint Request for Proposals (RFP) to determine private sector participation and the costs for the facilities. ECUA will financially participate in those aspects which do not involve MSW. There will not be any preconceived site locations or type of facilities by either party. The goal will be to determine the most efficient and least costly operations to serve Escambia County residents.

- Approval of this option would include providing the BCC with 30 calendar days to approve the agreement. If they fail to act and protract the deadline, the item will be presented to the ECUA Board at the earliest opportunity for reconsideration of the agreement with Southern Waste Recovery (SWR)]

Motion died for lack of a second.

A motion was made by Mr. Perkins to table this issue until the next Board meeting. *Motion died for lack of a second.*

Chairman Walker turned the Chairmanship over to Vice Chairman Campbell and made a motion, seconded by Mr. Perkins, to delay action on this for two weeks and have a special meeting two weeks from today. Motion failed 2-3 with Messes. Benson, Campbell and Mr. McCorvey voting against the motion.

Chairmanship was returned to Chairman Walker.

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

ITEM 11 - NEW BUSINESS

None.

ITEM 12 - BOARD COMMUNICATIONS

Ms. Campbell invited everyone to the "neon splash party" this weekend.

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ITEM 13 - OPEN FORUM

There were no additional comments from the audience.

ITEM 14 – 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 5:22 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: