MINUTES OF THE EMERALD COAST UTILITIES AUTHORITY BOARD MEETING HELD THURSDAY, NOVEMBER 21, 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 Government Affairs
Amanda Handrahan, Recycling Coordinator
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

ITEM 1 – CALL TO ORDER

Chairman Walker called the regular meeting of the Emerald Coast Utilities Authority Board to order at approximately 2:08 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

Ms. Benson added the following topics to the agenda.

Item 13(a) – Transparency
Item 13(b) – Transparency #2

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 - PUBLIC HEARINGS

None.

ITEM 5 - OPEN FORUM

(a) Ms. Flintroy, 106 Sheppard Street, Cantonment, FL, and Mr. Fountain, 498 Booker Street, Cantonment, FL, addressed the Board concerning soil contamination due to stormwater runoff in their area, stating that it has caused Ms. Flintroy's family members to experience various medical issues. Ms. Flintroy stated that she had submitted a claim to ECUA but it was denied by Mr. Patterson and requested that the Board reverse that decision.

Chairman Walker requested that Mr. Fountain provide the medical documentation to Ms. Iversen so that she could make copies and provide that information to each Board member. Staff was requested to provide a report to the Board members.

(b) Mr. Barry Tweedie addressed the Board urging the Board to reconsider the recommendation from the Committee for item 8.M.(4), stating that individuals and smaller businesses would not be able to qualify for an exemption relative to the impact fee policy.

Ms. Benson responded that Mr. Tweedie's concerns have already been factored into the equation.

(c) Mr. Wally Davis, 2527 Sanibel Place, Gulf Breeze, FL, addressed the Board speaking on behalf of Mr. Derik Schneider, concerning flood damage done to Mr. Schneider's home as a result of a broken washing machine valve. Mr. Davis stated that he feels when the ECUA technician turned the water on, he should have noticed that water was coming through the meter.

Mr. Odom responded that the ECUA employee restoring the water service pursuant to the customer's request is very adamant that upon turning the water on, there was not water flowing through the meter. Further, it is believed that the valve subsequently broke and this belief was confirmed by an independent plumber who looked at the situation and felt that ECUA had followed the proper procedures, but that the valve or the piping inside the residence ultimately failed after it was restored, and thus the claim was denied.

Staff was requested to reexamine the case and take a second hard look at it. If it seems reasonable that the claim might make sense, make some sort of minor adjustment. Or, if there is clear evidence that we are 100 percent

sure that we are in the right, then deny, but just to take a second look and try to look at it in an objective manner.

ITEM 6 - PRESENTATIONS

None.

ITEM 7 - APPROVAL OF MINUTES

A motion was made by Ms. Benson, seconded by Ms. Campbell to approve the minutes of the regular Board meeting of October 24, 2013 as presented. Motion carried 5-0.

ITEM 8 - REPORT OF THE ECUA CITIZENS' ADVISORY COMMITTEE 11/13/13

A motion was made by Ms. Benson, seconded by Ms. Campbell, to approve the following recommendations for items F. through M(4). Motion carried 5-0.

Mr. Barry Tweedie provided additional comments regarding the impact fees for Navy Federal.

F. Presentation/Discussion – Lift Station Operating Concerns

Presentation/discussion only – no action taken.

G. Presentation/Recommendation – Professional Services for Development of a CWRF Master Plan and Design-Generator Maintenance and Odor Control Building

Authorize the Executive Director to sign the contract with BDI for professional services for the Generator Maintenance & Odor Control Building and to provide the CWRF Master Plan, with funding in the amount of $184,964 from CIP Project CS418 and $53,000 from the MTBE Settlement Funds, for a total of $237,964.

H. Presentation/Recommendation – CWRF Potable Water Wellfield Evaluation – Engineering Services

Authorize the Executive Director to enter into a contract with CDM-Smith to provide engineering services to assist ECUA with the next phase in the review of the feasibility of utilizing property owned by ECUA at the CWRF for potable water wells at a not-to-exceed cost of $206,000. Funds are available from the MTBE Settlement Funds for this work, with possibly supplementation of

funds through a Water Supply Development Community Assistance Initiative grant, if approved by the Northwest Florida Water Management District.

I. ECUA/Escambia County Site Lease – Barcelona Elevated Water Storage Tank

(1) Direct the Executive Director to notify the County in writing that ECUA will not renew the existing Site Lease Agreement, dated July 1, 1985, for the Barcelona Tank; and (2) direct the Executive Director to offer the County a new Tower Space Lease Agreement for its communication equipment on ECUA's Barcelona Elevated Water Storage Tank; and (3) authorize the Executive Director to negotiate terms of the agreement and execute a new Tower Space Lease Agreement which is generally consistent with Exhibit "A".

J. Budget Amendment – Water and Wastewater and Sanitation Systems

Approve the following budget amendment in the not-to-exceed amounts for the Water and Wastewater Systems and Sanitation System for fiscal year 2013:

Sources:

Water and Wastewater System	
Monthly Charges-Water	$(4,295,000)
Monthly Charges-Wastewater	994,000
Connection Fees	85,600
Sewer Improvement Fees	(372,000)
Impact Fees	1,044,813
Interest Income	19,700
Other Income	685,000
Sanitation System	
Sanitation-Residential	286,500
Sanitation-Commercial	202,260
Fuel Recovery Fee	(420,000)
Recyclables Commodities	(36,100)
Interest Income	1,375
Other Income	116,500

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Uses:

Water and Wastewater System	
Operating Expenditures	$(1,837,887)
Sanitation System	
Operating Expenditures	1,275,535
Unrestricted Reserves	(1,125,000)

M. New Business

(1) Award of Bid – Eastgate Lift Station (LS #12) Replacement

(1) award a contract to Morgan Contracting, Inc., Baker, FL, the low bidder, in the total amount of $1,003,300.00 for the base bid, for the Eastgate Lift Station (LS #12) Replacement - CIP Project RS034; and (2) transfer funds in the amount of $850,000.00, from Lift Station Replacement & Upgrading (CIP Project RS121).

(2) Interlocal Agreement – Escambia County CDBG Fire Hydrant Program – 2012 Program Year

Authorize the Executive Director to enter into a contract with Escambia County for work related to the 2012 CDBG Fire Hydrant Program.

(3) Navy Federal Credit Union site expansion – ECUA cost-sharing participation

Establish a project and budget in the approximate amount of $300,000 for cost-sharing associated with the NFCU expansion, and to authorize the Executive Director to execute the Utility Service Agreement that outlines the cost- sharing arrangements.

(4) Navy Federal Credit Union site expansion – Impact fees

(1) determine that the expansion of the Navy Federal Credit Union site constitutes an expansion by an existing user of its water and wastewater utility systems which will provide a significant benefit to the community in terms of increased job opportunities, economies of scale, and economic development in the area;

(2) approve the reduction of capacity impact fees for the planned expansion of the Navy Federal Credit Union facilities on Nine Mile Road by 16% for water and 21% for sewer in accordance with Table 4 of the Policy on Impact

Fee Charges for Large Volume Customers adopted at the October 2013 ECUA Board meeting; and

(3) adopt a resolution defining the anticipated economic benefits justifying this reduction.

(5) Request from United Way

Mr. Sorrell explained that due to the cost and circumstances surrounding the placement of an insert into the bills, it was determined that It could not be done; however, a public service statement could be placed within the customer newsletter.

Mr. Odom also explained why ECUA should not permit the insertion of information from outside ECUA into customer bills, stating that a public service announcement would be permissible with the customer newsletter.

A motion was made by Mr. Perkins to direct staff to formulate a public service announcement. Motion died for lack of a second.

A motion was made by Ms. Campbell, seconded by Ms. Benson, to deny the request from the United Way agency and direct staff to issue a public information announcement advising customers of this worth service. Motion carried 4-1 with Mr. Perkins voting against the motion.

ITEM 9 - OPERATIONAL ITEMS:

(a) Adoption of Resolution 13-15

A motion was made by Ms. Benson, seconded by Ms. Campbell, to adopt Resolution 13-15- A RESOLUTION AUTHORIZING A REDUCTION OF WATER AND WASTEWATER IMPACT FEES FOR NAVY FEDERAL CREDIT UNION PURSUANT TO SECTION 189.40401, FLORIDA STATUTES; PROVIDING AN EFFECTIVE DATE. Motion carried 5-0.

(b) Real estate purchase – lift station #186

A motion was made by Ms. Campbell, seconded by Mr. Perkins, to approve the real estate purchase from International Paper of the approximately 0.52 acre parcel for Lift Station 186, and authorize the Executive Director to execute the documents necessary to purchase that parcel for $5,500. Motion carried 5-0.

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ITEM 10 - INFORMATIONAL REPORTS

None.

ITEM 11 - EXECUTIVE DIRECTOR'S REPORT:

Mr. Sorrell reported on the changes/repairs made regarding sewers to the Booker Street area, stating that the stormwater situation will continue to impact the area.

Mr. Sorrell reported that he does not have anything in hand regarding the Main Street property and if he gets anything he will bring it to the Board.

ITEM 12 - ATTORNEY'S REPORT

Mr. Odom commented on the second Conflict Assessment meeting with the City regarding ownership of the Airport well property, stating that nothing has been resolved and, therefore, a joint meeting between ECUA and the City Council will be required. Further, he expects that the joint meeting will be held in January and Board members should individually advise him of any potential personal scheduling conflicts.

Mr. Odom provided an update relative to changes to the Land Development Code, stating the overlay district has made it out of the Planning Board and will be going back to the City Council. Further, he will be getting a revised Land Development Code overlay and he would be distributing copies to the Board members and will discuss it individually with each member.

Also, Mr. Odom reported on a tort claim regarding a contractor work site and has been informed that the contractor has resolved the issue.

Mr. Odom commented on a pending litigation and the parameters of settlement that he previously sent to each Board member and requested guidance from the Board, without having to go into a private session, as to whether to move forward as generally outlined in that communication.

A motion was made by Ms. Campbell, seconded by Ms. Benson, to authorize Mr. Odom to move forward with pending litigation with a property owner regarding a project to provide some sewer service as he outlined in his e-mail to the members. Motion carried 5-0.

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ITEM 13 - UNFINISHED BUSINESS

(a) Transparency (Benson)

Ms. Benson stated that ECUA is the only elected local body that does not televise its meetings. Further, she feels ECUA has a great story to tell and ECUA should be getting kudos for the things we are doing. Ms. Benson stated that starting next month, she would like for ECUA meetings to be on videotape and posted on YouTube and the ECUA website. Also, she would like to direct staff to take the necessary steps to move toward televising the ECUA meetings starting in 2014.

A motion was made by Ms. Benson, seconded by Ms. Campbell, that by next month, ECUA have video tapings of ECUA Board and Committee meetings and that staff work toward live feed of ECUA meetings in real time starting in 2014.

Mr. Perkins stated that if meetings are going to be televised, that due to costs, they be limited to just the Board meetings. Further, he would like to see the televising of the meetings start in January 2014.

Mr. Perkins offered an amendment to the motion to televise the Board meetings, starting with the January meeting.

Ms. Benson stated that the Committee meetings should at least be videotaped for downloading to You Tube and the ECUA website.

Ms. Benson indicated her acceptance of Mr. Perkins' amendment with the codicil and the CAC is videotaped and linked.

The vote on the motion as amended carried 4-1 with Mr. McCorvey voting against the motion.

(b) Transparency #2 (Benson)

Ms. Benson commented on the appearance of management selecting its own auditor, stating that she feels there should be a policy regarding that.

A motion was made by Ms. Benson, seconded by Ms. Campbell, that (1) any contract that involves any management audit or review of financial functions would be exempt from the Executive Director's purchasing power and should come before the Board for a vote; and (2) a provision that the Board is notified when the lowest bid is not accepted.

Mr. Perkins requested that the question be divided and he would do that by making substitute motions. Ms. Benson agreed to the division of the question.

A substitute motion was made by Mr. Perkins, seconded by Ms. Benson, that all contracts for financial and management audits require Board approval. Motion carried 5-0 as the main motion.

A substitute motion was made by Mr. Perkins, seconded by Ms. Benson, that when the Executive Director approves contracts that are not the low bid, that the Board be notified by any means appropriate. Motion carried 5-0 as the main motion.

ITEM 14 - NEW BUSINESS

None.

ITEM 15 - BOARD COMMUNICATIONS

Ms. Campbell wished everyone a happy Thanksgiving and asked that everyone keep Buford Lipscomb, Pastor at Liberty Church, and his teams in their prayers as they were in the Philippines when the storm hit doing missionary work. Further, he and his team are staying there to help with relief efforts.

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 3:32 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: