

**MINUTES OF THE EMERALD COAST UTILITIES AUTHORITY  
BOARD MEETING**

**THURSDAY, NOVEMBER 15, 2018, 3:00 p.m.  
ECUA BOARD ROOM  
9255 STURDEVANT STREET, ELLYSON INDUSTRIAL PARK  
PENSACOLA, FLORIDA**

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

**Members Absent:** None

**Counsel Present:** Bradley S. Odom

**Staff Present:** Stephen E. Sorrell, Executive Director

**ITEM 1 - INVOCATION AND PLEDGE OF ALLEGIANCE**

Prior to the regular meeting of the Board being called to order, Mr. Perkins provided the invocation and led the Pledge of Allegiance.

**ITEM 2 - CALL TO ORDER**

Chairman Benson called the regular meeting of the Emerald Coast Utilities Authority Board meeting to order at 3:50 p.m.

**ITEM 3 - ADOPTION OF AGENDA**

**Motion and Vote:**

A motion was made by Ms. Campbell, seconded by Dr. Walker, to approve the adoption of the agenda as presented.

***Motion carried 5-0.***

**ITEM 4 - PUBLIC HEARING**

None.

**ITEM 5 - OPEN FORUM**

- (a) Mr. Larry Kuhn, Court of North Hill, Pensacola, Florida, addressed the Board to discuss the impact of the Capital Improvement Fee (CIF) that ECUA imposed on

customers in 2017. This 22-unit condominium complex that he manages pays \$600 per month in fees and they paid \$7,800 in fees over the last 13 months. This equates to a 27% increase in their water bill and they had to increase their homeowner dues. Mr. Kuhn indicated he had been informed that the fee is based upon the size of the meter, and they have a four-inch meter. They attempted to change the meter to a smaller size, but the contractors informed them that the meter could not be changed because it would disrupt the water pressure for condominium owners. The unit owners are asking for relief of the CIF charge currently.

Mr. Kuhn manages another housing complex with 16 units and their fee is only \$61.25 per month. He realizes those units are on a different meter, but he is asking for consistency. He also relayed that an engineer informed him they were zoned commercial rather than residential, and he is asking the Board to consider charging them for water usage, not the size of the meter.

Mr. Odom informed Mr. Kuhn that this is not a zoning issue, but a definition issue, and ECUA's definition of non-residential is based on service to more than five units on the same meter. The ECUA deems such apartment complexes and condominiums as non-residential.

Chairman Benson asked staff to review the policy and determine if there were options to make changes that could assist all multi-family complexes. She informed Mr. Kuhn that it would be after the beginning of the new year before staff could make a determination.

- (b) Mr. Robert (Bob) Haney, 208 West LaRue, Pensacola, Florida, addressed the Board to ask what basis was used to determine that commercial was defined as any development consisting of more than five units. Mr. Odom said that decision was determined by the Board decades ago and has been that way since a rate process was established.

#### **ITEM 6 - PRESENTATION**

None.

#### **ITEM 7 - APPROVAL OF MINUTES**

- (a) A motion was made by Mr. Perkins, seconded by Dr. Walker, to approve the minutes of the special ECUA Board meeting of November 7, 2018, as presented.

***Motion carried 5-0.***

- (b) A motion was made by Dr. Walker, seconded by Ms. Campbell, to approve the minutes of the regular ECUA Board meeting of October 25, 2018, as presented.

***Motion carried 5-0.***

**ITEM 8 - REPORT OF THE CITIZENS' ADVISORY COMMITTEE of NOVEMBER 7, 2018**

Chairman Benson recognized Ms. Campbell to present the Report of the ECUA Citizens' Advisory Committee.

**(F) Award of Bid – Annual Water Well Maintenance and Repair**

**Recommendation:**

That the Board approve award of contract for Task #1 through Task #4 and Task #6 through Task #8 to Griner Drilling Services, Inc., of Spanish Fort, Alabama, the lowest responsive bidder with funding from CIP Project RW-901-Well Maintenance and Testing.

**(G) Award of Contract – Plant No. 6 Well Vessel Coating Replacement, *HANDOUT***

**Recommendation:**

That the Board waive the formal bidding process and award the Plant No. 6 Well Vessel Coating Replacement to DACA Specialty Services, the low bidder, in the amount of \$116,000 with funding through a transfer of \$123,000 from CIP Project RW901Z-Well Maintenance and Testing.

**(H) Sole Source Purchase – Moreno Street Regional Pumping Station Grinder Replacement, *HANDOUT***

**Recommendation:**

That the Board waive the bid requirement due to the nature of this equipment and the successful operation and performance of the other three grinders installed at Government Street and Moreno Street Regional Lift Stations, and approve the issuance of a sole source purchase order to Franklin Miller, Inc., in the total amount of \$162,500 for one Taskmaster® grinder, with funding through the appropriate budget line item in the operating budget.

**(I) Project Trinity Coast Update**

The Project Trinity Coast update was rescheduled for the next Citizens' Advisory Committee meeting.

**(J) ECUA Capital Improvement Program Update**

The ECUA CIP update was presented by Mr. Stacy Hayden, Director of Engineering. Mr. Hayden provided a general overview on potable water, sanitary sewer, utility relocation projects and system extension reviews.

**(K) Social Media**

**Recommendation:**

That the Board requests staff to begin researching social media implementation.

**Motion and Vote:**

A motion was made by Ms. Campbell, seconded by Mr. Perkins, to move items F through H, and item K for approval.

***Motion carried 5-0.***

**ITEM 9 - OPERATIONAL ITEMS**

**(a) Adoption of Resolution 18-09**

**Recommendation:**

That the Board approve A PRELIMINARY RATE SETTING RESOLUTION PROVIDING FOR NOTICE AND PUBLIC HEARING CONCERNING THE PROPOSED ESTABLISHMENT OF REVISED RESIDENTIAL SANITATION SERVICE CHARGES IN SANTA ROSA COUNTY, FLORIDA AS WELL AS THE TOWN OF JAY, FLORIDA.

**Comments:**

Mr. Odom provided each Board member with a handout that was a revised exhibit because the latest Consumer Pricing Index (CPI) was released yesterday, which is a little lower than the previous year.

**Motion and Vote:**

A motion was made by Ms. Campbell, seconded by Dr. Walker, to approve staff recommendation.

***Motion carried 5-0.***

**(b) Re-paving of Asphalt around Ellyson Garage**

**Recommendation:**

That the Board waive the normal bid process and approve the award of a contract to Panhandle Grading and Paving, Inc., the low bidder, for re-paving services at the Ellyson Garage in the amount of \$239,758, with funding from CIP Project RA-807.

**Comments:**

Mr. Odom said there should be a revised page for this item in the agenda and the recommendation refers to the waiver of the normal bidding process based upon the circumstances, and staff acquired three quotes. Chairman Benson asked if the quotes were competitive and Mr. Odom relayed the quotes were competitive.

Mr. Perkins asked if the quotes were on file, and Mr. Sorrell stated the quotes were located in the Purchasing Department.

**Motion and Vote:**

A motion was made by Mr. Perkins, seconded by Dr. Walker, to approve staff's revised recommendation.

***Motion carried 5-0.***

**(c) Award of Bid – Annual Contract for Utility Construction**

**Recommendation:**

That the Board award the Annual Contract for Utility Construction to Pensacola Concrete Construction Company, Inc., the lowest qualified bidder, and use the contract's hourly rates as needed on ECUA projects.

**Comments:**

Mr. Sorrell explained that staff requires a private contractor to assist or complete various construction activities on an emergency basis. They are based upon competitive bids for estimated quantities.

**Motion and Vote:**

A motion was made by Mr. Perkins, seconded by Mr. McCorvey, to approve staff recommendation.

***Motion carried 5-0.***

**(d) Annual Service Contract – Entrance Roads and Trees for Lift Stations and ECUA Easements**

**Recommendation:**

That the Board approve the optional one-year extension of the current contract for entrance roads and trees for ECUA lift station and easement sites with HHH Construction of NWF, Inc., at a projected total cost of \$210,000, with funding as follows: \$110,000 from CIP Project RS849E–L/S Codes & Standards for the Lift Stations and \$100,000 from CIP Project CA515–Easements/Access Maintenance for Regional Services. The duration of the contract will be for one year at the same cost and terms as the current contract.

**Comments:**

There were no comments.

**Motion and Vote:**

A motion was made by Ms. Campbell, seconded by Dr. Walker, to approve staff recommendation.

***Motion carried 5-0.***

**(e) Residential Sanitation Truck Replacement Lease Program**

**Recommendation:**

That the Board waive normal purchasing guidelines and approve the purchase of ten Peterbilt chassis with New Way Rotopac automated side-loader bodies from the Sansom Equipment Company of Mobile, Alabama, for a total price of \$3,396,609.10, with pricing based on the National Joint Powers Alliance bid and authorize staff to develop and enter into a seven-year lease-purchase of these vehicles, with funding from revenue received from the Capital Funding Fee, which the Board approved in the fiscal year 2019 Sanitation Budget for the Escambia County trucks and Santa Rosa rate revenues for trucks used in Santa Rosa County.

**Comments:**

Dr. Walker asked if the lease-purchase agreement would help ECUA get ahead with the purchase of Sanitation trucks. Mr. Sorrell said the purchase will help obtain the trucks needed with the funding available. Since ECUA does not have a sufficient cash flow to buy the trucks, the lease-purchase allows them to pay for the trucks over a period of years while utilizing them within the Sanitation Department.

Dr. Walker also asked if an additional \$1.50 monthly Capital Funding Fee will have to be added to next year's budget in order to purchase another ten trucks. Mr. Sorrell said he does not believe that to be the case at this point because ECUA is trying to establish a long-term program.

Mr. Perkins asked if ECUA pays for the trucks at the beginning of the lease-purchase and the money collects interest for a year. Mr. Sorrell said a purchase order is generated, but the vendor will not receive money until the vehicles are delivered.

**Motion and Vote:**

A motion was made by Mr. McCorvey, seconded by Mr. Perkins, to approve staff recommendation.

***Motion carried 5-0.***

**(f) Escambia County Correctional Facility – Interlocal Agreement  
ECUA Submittal #2018-009**

**Recommendation:**

That the Board approve the Agreement and authorize the Executive Director to execute the Agreement.

**Comments:**

At the request of Chairman Benson, Mr. Sorrell explained that the County purchased property to build a new jail, but part of that facility will be located above ECUA's existing sewer lines. For safety reasons, the County will maintain those portions of the utility lines, and ECUA will continue to own the property.

Dr. Walker asked how the County expects to maintain the sewer lines, and Mr. Sorrell relayed that the County anticipates using a private contractor.

**Motion and Vote:**

A motion was made by Dr. Walker, seconded by Mr. McCorvey, to approve staff recommendation.

***Motion carried 5-0.***

**(g) Budget Amendment – Fiscal Year End 2018, All Funds**

**Recommendation:**

That the Board approve the following budget amendment in the not-to-exceed amounts for the Water and Wastewater Systems, the Sanitation System, and the Materials Recycling Facility (MRF) for fiscal year 2018:

**Sources:**

<b>Water and Wastewater System</b>	
Monthly Charges-Water	\$917,116
Monthly Charges-Wastewater	1,644,414
Sewer Improvement Fee	200,672
Capital Improvement Fee	(109,980)
Impact Fees	1,588,955
Interest Income	1,577,057
Other Revenues	1,264,865
<b>Sanitation System</b>	
Escambia Sanitation	\$1,107,549
Santa Rosa Sanitation	431,807
Composting	(77,495)
Interest Income	4,958
Other Income	41,283
<b>Materials Recycling</b>	
Recycling revenue	\$(1,234,145)
Other Income	24,180

**Uses:**

<b>Water and Wastewater System</b>	
Operating Expenditures	\$3,987,249
Project Funds	3,095,850
<b>Sanitation System</b>	
Operating Expenditures	\$2,901,829
Unrestricted Reserves	(1,393,727)
<b>Materials Recycling</b>	
Operating Expenses	\$60,000
Debt Service	(500,000)
Unrestricted Reserves	(769,965)

**Comments:**

There were no comments.

**Motion and Vote:**

A motion was made by Mr. Perkins, seconded by Mr. McCorvey, to approve staff recommendation.

***Motion carried 5-0.***

**ITEM 10 - BUDGET REPORT**

- (a) Ms. Patty Sheldon, Finance Director, provided a comprehensive budget report, which covers 100% of the fiscal year. For the Water/Wastewater fund, there were some departments/divisions over budget, but the revenues and shortages from the other departments covered the overages.

There is not a difference in the Sanitation fund report from the previous monthly budget to actual report. There were overages and overtime associated with repairs and maintenance and gas, oil and lubricants in many department divisions. The budget amendment that the Board passed earlier during this meeting trues up the revenue. A shortfall remains and they are using unrestricted reserves, but the ECUA does not control some of those costs. The tipping fees were an exceptionally high expense due to the amount of rainfall, which made the trucks heavier.

The Materials Recycling Facility was over budget due to non-payment from a third party vendor, Zero Waste. Previously, the Board approved a loan up to \$450,000 from the Water/Wastewater fund to cover the MRF shortfall. Currently, they have used approximately \$70,000 to cover the cash shortage.



Revenues are coming in from Storelli for recyclables and they have received approximately \$313,000 in cash from the company.

Chairman Benson asked Ms. Sheldon if she identified anything that could be a red flag going forward. Ms. Sheldon believes they have addressed the Sanitation issues with the approval of the recent rate increase and the \$1.50 Capital Funding Fee. The rate increase should alleviate some of the overages because Sanitation can use that money for capital and the debt service they are currently using as revenue.

Dr. Walker said he feels the rate increase and Capital Funding Fee will help.

#### **ITEM 11 - EXECUTIVE DIRECTOR'S REPORT**

**(a) New Telephone System**

Mr. Sorrell informed the Board that the new telephone system has been installed and the Information Technology Department staff are making minor tweaks to ensure all features function properly.

**(b) Guillemard Emergency Tank Storage**

Mr. Sorrell informed the Board that the new Guillemard tank in Mr. McCorvey's district is operational and they anticipate the installation of electronic controls to be complete within a couple of weeks.

**(c) National Association of Clean Water Agencies (NACWA) Membership**

Mr. Sorrell informed the Board that he has elected to cancel this membership due to the expenses associated with the membership.

#### **ITEM 12 - ATTORNEY'S REPORT**

**(a) Zero Waste Arbitration**

Mr. Odom relayed that a final date of May 28, 2019, has been established for arbitration between the ECUA and Zero Waste.

Mr. Perkins said he thought the contract read that arbitration or trial would take place in another state, possibly California or Oregon. Mr. Odom assured Mr. Perkins that arbitration would take place in Pensacola, Florida, in the ECUA Board Room. Mr. Perkins asked about the jurisdiction if arbitration failed, and Mr. Odom said that arbitration would be a final matter. If there were a substantial departure from the law, which is rare in arbitration, Pensacola, Florida, would still be the location for litigation.

#### **ITEM 13- UNFINISHED BUSINESS**

None.

**ITEM 14 - NEW BUSINESS**

None.

**ITEM 15 - BOARD COMMUNICATION**

Ms. Campbell said she is proud of how the ECUA Board functions and feels the staff is wonderful about answering questions and providing information requested by the Board. She also wished the staff and the Board a "Happy Thanksgiving".

Mr. Perkins commented about the misleading information that is sometimes presented by people during Open Forum and he wanted to remind the Board that they should consider the source of the information.

Dr. Walker feels that people should be allowed to speak freely during Open Forum as long as they do not use obscenities or make personal comments.

**ITEM 16 - OPEN FORUM**

There were no comments from the audience.

**ITEM 17 - ADJOURNMENT**

There being no further business to come before the regular meeting of the ECUA Board, Chairman Benson declared the meeting adjourned at 4:34 p.m.

Respectfully submitted,



Stephen E. Sorrell  
Executive Director and Secretary

APPROVED BY THE ECUA BOARD

IN REGULAR SESSION ON: 12-13-18

Without corrections/amendments

With corrections/amendments being: