

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

**THURSDAY, DECEMBER 13, 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, Dr. Walker 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 3:01 p.m.

ITEM 3 - ADOPTION OF AGENDA

Chairman Benson removed Operational Item 9(e), Contract Amendment - Otto Inc., from the agenda due to legal issues.

- (a) Chairman Benson added Lift Stations as Item 14(a) to Unfinished Business.
- (b) Chairman Benson added Legal Issues as Item 14(b) to Unfinished Business.
- (c) Dr. Walker added 2019 Water/Wastewater Rate Increase as Item 14(c) to Unfinished Business.
- (d) Dr. Walker added Sanitation Services as Item 14(d) to Unfinished Business.

Motion and Vote:

A motion was made by Ms. Campbell, seconded by Mr. McCorvey, to approve the adoption of the agenda as presented and amended.

Motion carried 5-0.

ITEM 4 - PUBLIC HEARING

- (a) 3:00 p.m., Proposed Establishment of Revised Sanitation Service Charges in Santa Rosa County, Florida as well as the Town of Jay, Florida.

Chairman Benson convened the Public Hearing at 3:03 p.m. and there being no individuals requesting to address the Board, Chairman Benson closed the Public Hearing at 3:03 p.m.

- (b) Adoption of Resolution 18-10.

Comments:

Dr. Walker asked Mr. Sorrell if he could explain why the rates are less for Santa Rosa County customers compared to Escambia County customers.

Mr. Sorrell explained that the level of services defined in the Santa Rosa County contract is different, and Escambia County charges a higher landfill rate.

Motion and Vote:

A motion was made by Dr. Walker, seconded by Mr. McCorvey, to approve the adoption of Resolution 18-10.

Motion carried 5-0.

ITEM 5 - OPEN FORUM

Mr. Brian Gossett, 677 Hanley Downs Drive, Cantonment, Florida, speaking on behalf of Bin Masters Sanitation, addressed the Board to discuss the possible services his company could provide to the ECUA and ECUA's sanitation customers.

ITEM 6 - PRESENTATIONS

- (a) Dr. Walker presented the Special Recognition Award to Mr. Paul Frederick for his service as a member of the ECUA Citizens' Advisory Committee.
- (b) Dr. Mike Steltenkamp also received the Special Recognition Award for his service as a member of the ECUA Citizens' Advisory Committee, but was unable to attend the

meeting. The ECUA staff will make arrangements with Dr. Steltenkamp to ensure he receives his award.

ITEM 7 - APPROVAL OF MINUTES

- (a) A motion was made by Ms. Campbell, seconded by Mr. McCorvey, to approve the minutes of the ECUA Organizational Board meeting of November 15, 2018, as presented.

Motion carried 5-0.

- (b) A motion was made by Mr. McCorvey, seconded by Ms. Campbell, to approve the minutes of the regular ECUA Board meeting of November 15, 2018, as presented.

Motion carried 5-0.

ITEM 8 - REPORT OF THE CITIZENS' ADVISORY COMMITTEE of DECEMBER 5, 2018

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

F. Bayou Marcus Clarifier Coating Repairs #3 and #4

Recommendation:

That the Board waive the bid requirement due to the operational requirements of this equipment and approve the issuance of a purchase order for repairs of the Bayou Marcus clarifier to DACA Specialty Services, of Norcross, Georgia, the lowest bidder, in the amount of \$285,829, with funding from CIP Project RS882–Bayou Marcus Clarifier Coating Repairs.

G. Sole Source Purchase – Alk-AQUIT® and Bioxide® Plus 71

Recommendation:

That the Board approve the renewal of the current contract for one year with Evoqua Water Technologies of Sarasota, Florida, for the sole source purchase of Alk-AQUIT® and Bioxide® Plus 71, with funding from the appropriate budget line item. The duration of the contract will be for one year, with an option to renew for an additional year with the mutual consent of both parties.

H. Annual Rental Contract – Diesel By-pass Pumps and Storage Tanks

Recommendation:

That the Board approve the optional one-year extension of the current rental contract with Rain for Rent, Inc., for diesel by-pass pumps and liquid storage Fractional (FRAC) tanks, at a proposed total cost of approximately \$125,000, with

funding from CIP Project RS728K–Annual L/S Mechanical Needs. The duration of the contract will be for one year at the same cost and terms as the current contract.

I. Project Trinity Coast Update

The Project Trinity Coast update was presented by Mr. John Daane, Director of Information Technology. Mr. Daane provided the Committee with an update on the integration of the Enterprise Resource Planning system, Tyler Munis software, which will standardize and streamline business processes across finance, human resources, customer service and other ECUA operational functions.

J. Water Quality Report

Mr. Tom Dawson, Director of Water Production, made a presentation on the quality of ECUA's drinking water, which is regulated by the Environmental Protection Agency (EPA) and the Florida Department of Environmental Protection (FDEP). The ECUA water meets all EPA and FDEP drinking water standards without exception. The contaminants regularly tested include lead, copper and total chromium. The ECUA was selected as "best tasting drinking water" in the 2018 Drinking Water contest from the American Water Works Association, Florida Section, Region IX. ECUA also earned this award in 2005, 2006, 2009 and 2013.

Motion and Vote:

A motion was made by Ms. Campbell, seconded by Mr. Perkins, for approval of items F through H.

Motion carried 5-0.

Items I and J were project updates provided by staff and a vote was not required for those two items.

ITEM 9 - OPERATIONAL ITEMS

- (a) **Encroachment Agreement – ECUA Force Main Sewer Located Near the Intersection of South Pace Boulevard and West Garden Street, Pensacola, Florida.**

Recommendation:

That the Board approve the encroachment agreement and authorize the Executive Director to execute that document.

Comments:

Mr. David Fitzpatrick, 10250 North Palafox Street, Pensacola, Florida said he is the engineer of record and he appreciates how the ECUA is helping them through the process.

Motion and Vote:

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

Motion carried 5-0.

(b) Real Property Purchase – Navy Point Phase 4 Sewer Expansion

Recommendation:

That the Board approve the negotiated Purchase and Sale Agreement for the real property located at 511 Gordon Avenue, Pensacola, Florida, for Navy Point Phase 4 sewer expansion with funding from CIP Project CS317-Sewer Expansion Program, and authorize the Executive Director to execute that document.

Comments:

Chairman Benson asked Mr. Stacy Hayden, Director of Engineering, if there were other parcels in the Navy Point area that are not connected to the sewer system and Mr. Hayden stated that this is the final phase of the Navy Point project.

Motion and Vote:

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

Motion carried 5-0.

Chairman Benson recognized Ms. Campbell to speak between Operational Items 9(b) and 9(c) to specifically acknowledge Mr. Gerry Piscopo, Deputy Executive Director of Maintenance and Construction, and Mr. Daniel Corliss, Assistant Director of Water Production, for their involvement in the community.

(c) Pensacola Beach Reclaimed Water Main, Phase I – Rejection of Bids

Recommendation:

That the Board reject all bids and direct staff to rebid at a later date.

Comments:

Mr. Sorrell explained that the bid tabulations that ECUA received for this project were over budget and contained irregularities that were not acceptable to their attorney. Mr. Sorrell indicated that he does not believe the project would be complete before the peak of the 2019 tourist season if they were to move forward now with the award of bid.

Motion and Vote:

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

Motion carried 5-0.

(d) Pensacola Beach Reclaimed Water System – Change Order

Recommendation:

That the Board approve the change order to CROM, LLC in an amount not to exceed \$300,000 for shoreline restoration measures associated with the Pensacola Beach Reclaimed Water System project, with payment for the sand to be unit-cost and payment for the turbidity and silt fencing to be a lump sum, with funding through CIP Project CS419 or grant funding, or a combination of these two sources.

Motion and Vote:

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

Motion carried 5-0.

(e) Amendment to Contract with Otto Container Management, LLC., related to Collection Carts

This item was removed from the agenda due to legal issues.

(f) FEMA Grant – West Pensacola Well Elevation

Recommendation:

That the Board approve and authorize the execution of the Federally-Funded Sub Award and Grant Agreement for flood mitigation work involving the elevation of critical equipment at the West Pensacola Well, with estimated cost-sharing in the amount of FEMA \$212,936 and ECUA \$70,979, with funding from CIP Project RW901Z-Well Maintenance and Testing.

Motion and Vote:

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

Motion carried 5-0.

(g) Adoption of Schedules – 2019 Meeting Dates for Regular Board and Citizens' Advisory Committee

Recommendation:

Mr. Odom requested that the Board ratify all items from the organizational meeting held on November 15, 2018.

Motion and Vote:

A motion was made by Ms. Campbell, seconded by Mr. McCorvey, to adopt the schedules for the 2019 meeting dates for the Board and Citizens' Advisory Committee meetings.

Motion carried 5-0.

Chairman Benson reiterated that beginning in January, the Board and the Citizens' Advisory Committee will meet on Tuesdays of each month at 3:00 p.m., which will make them more accessible to the citizens in the community and the media.

Chairman Benson recognized Mr. Odom who asked that the Board ratify all other actions taken by the Board during the Organizational meeting.

Motion made by Ms. Campbell, seconded by Mr. McCorvey, to ratify all other actions taken at the Organizational meeting.

Motion carried 5-0.

(h) Sanitation Truck Lease-Purchase Financing

Recommendation:

That the Board: (1) approve the Master Lease/Purchase Agreement and related documents with SunTrust Equipment Finance & Leasing Corp. for \$3,396,609.10, with an annual interest rate of 3.262%; (2) authorize the Executive Director or his designee to sign related documents as required; and (3) authorize the recording of a budget amendment increasing the FY 2019 Sanitation Budget sources and uses in the amount of \$647,569.10 in order to recognize the lease proceeds and appropriate the capital expenditure.

Motion and Vote:

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

Comments:

Mr. Odom explained that the rates are "locked in" until January 19, 2019, but the documents need to be finalized. The adoption of Resolution 18-11 is a necessary step to authorize entry into the agreement.

The alternative option is that the Board does not proceed, and hold a special meeting before the next Citizens' Advisory Committee meeting. Chairman Benson suggested they hold a special meeting on January 15, 2019, at 2:45 p.m. The timeframe allows ECUA to finalize the documents and meet the deadline.

Mr. Perkins made a substitute motion, seconded by Ms. Campbell, to hold a special Board meeting before the next Committee meeting.

Motion to make the substitute motion the main motion carried 4-1, with Mr. McCorvey voting against the motion.

Main motion carried 4-1, with Mr. McCorvey voting against the motion.

(i) Adoption of Resolution 18-11, HANDOUT

This item was deferred because it is associated with Agenda Item 9(h) Sanitation Truck Lease-Purchase Financing.

ITEM 10 - INFORMATIONAL REPORT

The following item was presented for information only and did not require any action.

- (a) Financial Reports for the Year Ended September 30, 2018.

ITEM 11 - BUDGET REPORT

Ms. Patty Sheldon, Finance Director, reported that the new fiscal year began two months ago and she explained they are over budget in two areas, repairs and maintenance and overtime. Repairs and maintenance are over budget due to unexpected or special work circumstances. Two large expenditures were for repairs on two lift stations. In some instances, repairs and maintenance also affect overtime. Hurricane Michael also affected overtime, but the ECUA will bill those entities to whom ECUA provided mutual aid to recover their funds. Ms. Sheldon anticipates the budget to even out over the year.

ITEM 12 - EXECUTIVE DIRECTOR'S REPORT

(a) Telephone System Customer Service Survey

Mr. Sorrell relayed that the ECUA has made arrangements with a third party vendor to conduct a Customer Service survey that affords customers the opportunity to rate the quality of service they received from the Customer Service Department. The survey rating is 4.91 out of five, with one being the lowest number and five being the highest number.

(b) Compost Fabric Structure

Mr. Sorrell said that the construction is underway and the anticipated date of completion is February, 2019.

ITEM 13 - ATTORNEY'S REPORT

(a) Allonge to ECUA Sanitation System Refunding Revenue Bond, Series 2012, HANDOUT

The ECUA's Bond counsel has opined that ECUA should consider approval of an Allonge to the ECUA Sanitation System Refunding Revenue Bond, Series 2012. Essentially, the 2012 bond provided for an adjustment in the interest rate in the event the federal corporate tax rate changed. Congress passed the 2017 Tax Cuts and Jobs Act, which reduced the maximum federal corporate tax rate. Through terms included in the bond, the interest rate could be raised by the financial institution, Compass Bank, but they elected to waive that increase. If approved, Mr. Odom asks the Board to authorize the Executive Director to sign the appropriate documents.

Motion and Vote:

A motion was made by Mr. Perkins, seconded by Ms. Campbell, to approve the Allonge to the Bond and authorize the Executive Director to execute the associated documents.

Motion carried 5-0.

(b) Interlocal Agreement – County Jail

Mr. Odom relayed that the project has begun, and the Utility Service Agreement has been executed and is now in place.

(c) Employment Case

The ECUA obtained a dismissal involving an employment case.

(d) Materials Recycling Facility (MRF) and Transfer Station Agreements

The ECUA is working with Escambia County to modify both agreements. Mr. Odom anticipates those agreements to be finalized prior to the Board meeting in January 2019.

ITEM 14- UNFINISHED BUSINESS

(a) Lift Stations

Chairman Benson noted that many of ECUA's lift stations are in densely populated areas and home owners have expressed concerns. She suggested that the ECUA

contact the local chapter of the American Institute of Architects for suggestions to develop standards for such lift stations.

(b) Legal Issues

Chairman Benson discussed the option of developing and issuing a Request for Proposal (RFP) or similar instrument concerning the legal matter between the ECUA and the firm of Odom & Barlow, and accept the case based upon a contingency fee.

Motion and Vote:

A motion was made by Dr. Walker, seconded by Ms. Campbell, for staff to prepare and issue an RFP or similar instrument for legal services based upon a contingency fee basis.

Motion carried 5-0.

(c) 2019 Water/Wastewater Rate Increase

Dr. Walker asked if staff had determined the reduction in expenditures in the 2019 FY budget as a result of the approved 4% rate increase compared to the proposed 6% rate increase. Mr. Sorrell said the Capital Improvements were reduced. Chairman Benson suggested that staff monitor expenses for electric power.

(d) Sanitation Services

Dr. Walker relayed that an individual from his district was impressed with their conversation with the Customer Service Representative and further commented about the subsequent Customer Service survey.

ITEM 15 - NEW BUSINESS

None.

ITEM 16 - BOARD COMMUNICATION

M. Campbell extended wishes to all for happy holidays.

ITEM 17 - OPEN FORUM

Dr. Gloria Horning, 310 South DeVilliers Street, Pensacola, Florida, addressed the Board to discuss Florida Sunshine Laws.

Mr. Odom commented that the issue described by Dr. Horning is not a violation of the Sunshine Law for individuals to use personal email accounts, just as it is not a violation to use a personal cell phone to conduct business. Mr. Odom also stated that ECUA meetings comply with all notice requirements.

Chairman Benson said the Board members work many hours attending other meetings, responding to telephone calls and following up with citizens. Ms. Campbell concurred with Chairman Benson, and Dr. Walker explained to Dr. Horning that the ECUA is not responsible for air quality or groundwater.

ITEM 18 - ADJOURNMENT

There being no further business to come before the regular meeting of the ECUA Board, Chairman Benson declared the meeting adjourned at 4:32 p.m.

Respectfully submitted,

Stephen E. Sorrell
Executive Director and Secretary

APPROVED BY THE ECUA BOARD
IN REGULAR SESSION ON: _____

- () Without corrections/amendments
- () With corrections/amendments being: