

**MINUTES OF THE EMERALD COAST UTILITIES AUTHORITY
CITIZENS' ADVISORY COMMITTEE
WEDNESDAY, JUNE 20, 2018, 2:00 P.M.
ECUA BOARD ROOM
9255 STURDEVANT STREET, ELLYSON INDUSTRIAL PARK
PENSACOLA, FLORIDA**

Members Present: Vicki Campbell, Chairman
Larry Walker, Vice Chairman
Deborah Benn
Catherine Booker
Paul Frederick
Chuck Kimball
Elvin McCorvey
Dale Perkins
Randy Ponson
Louise Ritz
Mike Steltenkamp

Members Absent: Lois Benson

Staff Present: Stephen E. Sorrell, Executive Director

ITEM A - INVOCATION AND PLEDGE OF ALLEGIANCE

Prior to calling the regular meeting of the Citizens' Advisory Committee to order, Chairman Campbell requested that Ms. Benn provide the invocation and lead the Pledge of Allegiance.

ITEM B - CALL TO ORDER

Chairman Campbell called the regular meeting of the Emerald Coast Utilities Authority (ECUA) Citizens' Advisory Committee to order at approximately 2:04 p.m.

ITEM C - ADOPTION OF AGENDA

Ms. Ritz added the following topic to the agenda under New Business:

- (1) "Atta boy" to an ECUA staff member.

Dr. Walker added the following topics to the agenda under New Business:

- (1) Attendance at a public forum to discuss a water drinking report.
- (2) Sanitation funding.

A motion was made by Mr. Kimball, and seconded to approve the adoption of the agenda for the regular Citizens' Advisory Committee meeting of **June 20, 2018**, as presented and amended.

Motion carried 11-0.

ITEM D - OPEN FORUM

There were no comments from the audience.

ITEM E - APPROVAL OF MINUTES

A motion was made by Mr. Kimball, seconded by Ms. Ritz, to approve the minutes of the regular Citizens' Advisory Committee meeting of **May 16, 2018**, as presented.

Motion carried 11-0.

ITEM F - EXTENSION OF CONTRACT FOR FIRE HYDRANTS AND FIRE HYDRANT EXTENSIONS

A motion was made by Mr. Perkins, seconded by Ms. Benn, that the Board approve the first of two one-year extensions of the annual contract to purchase fire hydrants and associated parts from the current vendor, Core & Main, with payment from the appropriate line item(s) in the operating budget.

Motion carried 11-0.

ITEM G - EXTENSION OF CHEMICAL CONTRACT FOR SODIUM HYPOCHLORITE (BLEACH)

A motion was made by Mr. Kimball, seconded by Mr. Frederick, that the Board extend the contract for sodium hypochlorite to DPC Enterprises, in the amount of \$0.5840 per gallon for the second and final year of the two one-year options to extend, with pricing as agreed to by the supplier and with the approval of the ECUA Board, with payment from the appropriate line item from the operating budget.

Motion carried 11-0.

ITEM H - AWARD OF BID FOR PIPELINE ROAD LIFT STATION VALVE IMPROVEMENTS

A motion was made by Mr. Frederick, seconded by Ms. Benn, that the Board authorize award of bid for the Pipeline Road Regional Lift Station Valve Improvements to Brown Construction of Northwest Florida, Inc., Pensacola, Florida, the low bidder, in the total amount of \$354,507.27 for the base bid, with funding from Capital Improvement Program (CIP) Project RS881 – Pipeline Road Regional Lift Station Valve Improvements.

Chairman Campbell asked that Mr. Sorrell provide additional information on this item. Mr. Sorrell explained that this is a complicated issue because this is a major regional lift station, and a re-pump station. The flow from the Government Street Lift Station and the Moreno Street Lift Station are pumped to the Pipeline Road Lift Station and re-pumped to the Central Water Reclamation Facility (CWRF).

The knife valves operate vertically and shut off specific flow to the lift station and CWRP. The valves have been underground for a long time which has caused corrosion, and they need to be replaced. The replacement of the valves will allow shut-off flow to certain areas, and repairs can be made as needed or at selected times. Brown Construction of Northwest Florida Inc., Pensacola, Florida, was identified as the low base bid.

Ms. Benn expressed her concerns, as did Chairman Campbell, on the total of the low base bid and the possibility of the costs increasing. Mr. Sorrell explained that the contractor cannot make additional change orders without staff authorization or approval.

Motion carried 11-0.

ITEM I - WORKERS' COMPENSATION INSURANCE AND THIRD PARTY ADMINISTRATOR (TPA) SERVICES FOR WORKERS' COMPENSATION LEGACY CLAIMS

A motion was made by Mr. Kimball, seconded by Ms. Ritz, that the Board approve the workers' compensation insurance and TPA services for workers' compensation legacy claims for fiscal year 2019 as proposed by Public Risk Insurance Agency (PRIA) and Preferred Governmental Insurance Trust (PGIT) with the following components included:

- (1) Approve the proposal submitted and change the workers' compensation insurer to PRIA/PGIT effective October 1, 2018, at an estimated cost of \$558,198 (11.6% decrease), and
 - a. Continue the per claim deductible at \$10,000;
 - b. Approve the proposed two-year rate guarantee, with the understanding State workers' compensation rates will not increase, but may be decreased if State rates are reduced; and

- (2) Approve the proposal submitted and change the TPA services for workers' compensation legacy claims to PRIA/PGIT at an estimated cost of \$25,800 for "Year 1", and
 - a. Approve the proposed tiered-fee-structure for "Year 2," "Year 3," and subsequent years, as follows:
 - i. Fees for Year 2 legacy claims are estimated at \$13,300;
 - ii. Fees for Year 3 legacy claims are estimated at \$5,750; and
 - iii. Fees for legacy claims for subsequent years are estimated at \$1,800 annually.

Approve funding through the appropriate budget line items(s) for workers' compensation insurance and TPA services for workers' compensation legacy claims for fiscal year 2019.

Mr. Kimball stated he agrees with the staff recommendation and noted that if workers' compensation prices increase, PRIA/PGIT will still honor the rates quoted to the ECUA.
Motion carried 11-0.

**ITEM J - BUDGET AMENDMENT AND PURCHASING APPROVAL FOR SEEDLINGS
CENTRAL WATER RECLAMATION FACILITY FOREST MANAGEMENT ACTIVITY**

A motion was made by Ms. Ritz, seconded by Ms. Benn, that the Board approve the following budget amendment for the remainder of FY 2018 as listed below, and approve the purchase order for Longleaf Pine seedlings in the amount of \$87,300 from Blanton's Longleaf Container Nursery, with immediate funding of \$17,460 from CIP Project CA807 for the required 20 percent deposit.

Central Water Reclamation Forest Management Plan:

Sources:

Timber sales	\$270,341.78
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Uses:

Forest Restoration Plan	\$113,241.78
Operating Contingency	\$157,100.00

Mr. Sorrell provided an introduction of the Forest Management Plan, involving Southern Forestry Consultants, which covers approximately 2,000 acres around the CWRF. ECUA's adoption of this plan includes purchasing and planting over 600,000 seedlings during the remaining part of FY 2018.

Mr. Don Palmer, Deputy Executive Director of Engineering and Environmental Services, made a presentation and provided an update on ECUA's Forest Management Plan. The purpose is to develop a self-sustaining forested ecosystem capable of maximizing groundwater recharge capabilities. The objectives include the restoration and enhancement to native plants, increase biodiversity, preserve and enhance watershed and ground water quality, and maximize revenues over time.

On April 13, 2018, ECUA received a Northwest Florida Water Management District (NFWFMD) Water Use Permit, which allows the construction of five new wells.

Activities included in the plan are:

- (1) Timber Harvesting

- (2) Controlled Burns**
- (3) Roller Chopping**
- (4) Thinning**
- (5) Seedling Plantings**
- (6) Herbicide Applications**

Ms. Ritz asked Mr. Palmer if the planting of the seedlings involved hand labor or mechanical. Mr. Palmer responded that it would be hand labor. Ms. Ritz asked where would the labor come from and would it be an additional cost. Mr. Palmer answered that the labor will be hired out as a second contract, and it will be an additional cost next year. Ms. Ritz inquired if the Forestry Service had any recommendations about groups that do hand planting and Mr. Palmer relayed that Southern Forestry Consultants was hired to guide ECUA through the process and yes, it will be bid out with recommendations from Southern Forestry Consultants.

Mr. Frederick commented that prior to harvesting the pine, there is a useable commodity created, and if anyone has done any landscaping they know that it is expensive. Mr. Frederick followed up with asking if there had been any plans to harvest the pine straw. Mr. Palmer replied that they did not plan on harvesting the pine straw because it is a mixed-use area with other vegetation and there is not a clear open area to harvest pine straw.

Dr. Walker stated he envisioned planting hardwood trees with the Longleaf Pine because pine forests do not support wildlife. Mr. Palmer explained how studies have shown that pines do not use as much water and groundwater recharge is improved.

Mr. McMath, Deputy Executive Director of Utility Operations, also clarified that ECUA will maintain and enhance the 350 acres of wetlands with diverse bottom hardwoods and will just be moving to the uplands with the Longleaf Pine. He further explained that the three studies have shown biodiversity of the Longleaf Pine Plantation is second only to a rainforest as far as the number of species, plants, and animals that will inhabit the area. It will be quite a restoration project.

Mr. Steltenkamp commented that he toured a Longleaf Pine Plantation earlier in the morning and was impressed with the feedback he received from the plantation operators because they explained that there is a tremendous ecological value, including diversity.

Mr. Steltenkamp also asked Mr. Palmer if the driver behind this was to maintain groundwater quality improvements. Mr. Palmer stated "yes", it includes maintaining groundwater quality, and said groundwater recharge occurs because the Longleaf Pine has shown to use less water, and the less amount of water that water goes into the trees allows more water to go into the ground.

Mr. Steltenkamp asked if there was any regulatory oversight by FDEP or other organization. Mr. Palmer relayed ECUA is following Best Management Practices for forestry and FDEP did not require a permit. Mr. Steltenkamp stated he did not know about the gain, but asked if there were a possibility to secure some credits to offset other projects down the road. This is a beneficial project to the community because of the ecological value, and there may not be mitigation banking credits as much as ecological value credits that could offset other projects down the road. Mr. Palmer stated that he would look into it.

Mr. Sorrell followed up on Mr. Palmer's comments about groundwater recharge and the water production system. There are two wells permitted currently and they are not needed at this time, but there is a lot of development taking place in that end of the county, and at some point the wells may be needed. Mr. Sorrell commented that he believes they could place five production wells up there as development increases.

Ms. Campbell followed up on Mr. Steltenkamp's question about credits and asked if this could be an opportunity for British Petroleum (BP) funding for this project. Mr. Sorrell relayed that he would check into it, but he does not believe it's an option because the County controls that money and at this point it is not one of the projects being considered.

Motion carried 11-0.

ITEM K - FISCAL YEAR (FY) 2019 BUDGET

Mr. Sorrell provided an overview of the projected budgets for:

(1) **Water and Wastewater:**

The Water and Wastewater budget is projected to be a continuation budget with a 6% rate increase. The response to our request for an extended deadline for the Inflow and Infiltration (I&I) Consent Order issued by the Florida Department of Environmental Protections (FDEP) will impact the final budget. Approximately 3% of the proposed rate increase will be for normal operating system cost increases, and the remaining 3% will be for Capital Improvements and the I&I Consent Order work.

(2) **Sanitation:**

- a. The Santa Rosa Sanitation System is self-supporting.
- b. Escambia County is experiencing a population growth and the Sanitation budget will include two revenue options when it is presented to the Board during FY 2019 for review and approval.

An estimated 200,000 cans have reached the end of their useful life and need to be replaced. Many of the Sanitation trucks in Escambia County are wearing out and reaching the end of their useful life and ECUA is starting to implement a program to begin replacing them. To

help maintain the trucks, ECUA has added two mechanic positions in the budget. There are two options provided to pay for expenses in Sanitation:

- i. A 5% rate increase, plus \$1.50 per household for Capital Funding Fee (CFF). The CFF could not be used for operating expenses, only capital.
- ii. The second option would be for a 12.3% rate increase for Escambia only.

(3) Materials Recycling Facility (MRF):

The MRF has been a success story for ECUA; it is near capacity, and the budget is self-supporting. ECUA took the MRF operations over from the private company, Zero Waste as of May 1, 2018. Because of the change, the budget shows a cost increase of 109% in expenses, but the budget also shows an increase of 136% in revenues to offset the costs.

Mr. Sorrell explained that Page 28 of the Agenda provides a summary of the three budgets. Mr. Sorrell continued to explain that the Water/Wastewater and Sanitation budgets also include composting, which has been a success for ECUA. ECUA is composting almost all of the biosolids produced at the CWRF. Approximately 12,000 – 15,000 tons of yard debris collected by ECUA annually is being processed at the Compost Facility instead of going to the landfill. Before selling the compost, it is tested and meets permit requirements.

Mr. Frederick asked if there was any ideas about adding another shift since the recycling facility is working near capacity. Mr. Sorrell explained that ECUA looked at this option, but they can only operate when the County landfill is open because ECUA uses their scales and disposes of residue in the landfill.

Mr. Kimball asked how long the \$1.50 CFF would last. Mr. Sorrell replied that it would be permanent and apply every year to fund particular capital programs and replace trucks, cans, and various needs.

The Committee members suggested staff refocus educational efforts on contamination of recyclables, and generate informative newspaper articles to the Pensacola News Journal to address the confusion about the recycling program.

Ms. Campbell requested Committee members to anonymously email budget questions to staff, who can then provide the questions and answers to all Committee members.

ITEM L - INFORMATIONAL REPORTS

The following items were presented for information only and did not require any action.

- (1) Water Production Monthly Report - May 2018

(2) Water Reclamation Monthly Report - April 2018

Ms. Benn requested that the Customer Service Activity Report be added back to the Informational Reports because it provides helpful information to the Committee members.

Mr. Sorrell indicated he will coordinate with Mr. Brown, Director of Customer Service, to discuss the report.

ITEM M - UNFINISHED BUSINESS

None.

ITEM N - NEW BUSINESS

Ms. Ritz added:

- (1) "Atta boy" to an ECUA staff member.

Ms. Ritz provided a recognition statement to ECUA employee Mr. Jim Roberts, Education Programs Specialist (FOG). She thanked him for the informative presentation about environmental programs that he made to the Sacred Heart Catholic Women's Group, particularly discussing Styrofoam. Because of Mr. Roberts' presentation, the parish elected to stop using Styrofoam.

Additionally, Ms. Ritz commented that she sent Mr. Sorrell an email regarding plastics and wanted to show the Board a copy of National Geographic's issue of "*Planet of Plastics*". Ms. Ritz said it may be helpful to ECUA.

Chairman Campbell inquired if the parish could be added to the list for Steward of the Environment Award and Mr. Sorrell relayed that they will be considered. Chairman Campbell briefly explained how Mr. Roberts presents this award to restaurants or companies for environmental efforts.

Dr. Walker reversed his topics and begin with:

- (1) Sanitation funding.

Dr. Walker inquired about the Sanitation Department's reserve funds that were used to purchase new trucks and cans/receptacles. Chairman Campbell commented that the depletion of the reserve funds occurred in 2014, the year of the flood. Dr. Walker relayed that he expects things will go in the right direction, but believes reserve funds should be reestablished.

- (2) Attendance at a water forum on Thursday, June 14, 2018.

Dr. Walker participated in a public forum to speak on "*Contaminants in the Drinking Water*", and provided the Committee with a brief report.

ITEM O - BOARD COMMUNICATIONS

None.

ITEM P - OPEN FORUM

There were no comments from the audience.

ITEM Q - ADJOURNMENT

There being no further business to come before the regular meeting of the ECUA Citizens' Advisory Committee, Chairman Campbell declared the meeting adjourned at approximately 3:32 p.m.

Respectfully submitted



Stephen E. Sorrell
Executive Director and Secretary

APPROVED BY THE ECUA CITIZENS' ADVISORY
COMMITTEE IN REGULAR SESSION ON: 07-18-2018

- Without corrections/amendments
 With corrections/amendments being: