

MINUTES OF THE EMERALD COAST UTILITIES AUTHORITY BOARD MEETING
THURSDAY, JUNE 28, 2018, 3:00 P.M.
ECUA BOARD ROOM
9255 STURDEVANT STREET, ELLYSON INDUSTRIAL PARK
PENSACOLA, FLORIDA

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

Counsel present: Bradley S. Odom

Staff present: Stephen E. Sorrell, Executive Director

ITEM 1 – INVOCATION AND PLEDGE OF ALLEGIANCE

Prior to calling the regular meeting of the ECUA Board to order, Chairman Benson requested that Dr. Walker provide the invocation and lead the Pledge of Allegiance.

ITEM 2 – CALL TO ORDER

Chairman Benson called the regular meeting of the Emerald Coast Utilities Authority Board to order at approximately 3:00 p.m.

ITEM 3 - ADOPTION OF AGENDA

Ms. Benson added “Utility Deposits” as Item 13(a) under Unfinished Business.

A motion was made by Mr. McCorvey, seconded by Mr. Perkins, to adopt the agenda as presented and amended.

Motion carried 5-0.

ITEM 4 – PUBLIC HEARINGS

There were no public hearings.

ITEM 5 – OPEN FORUM

There were no requests from the audience to address to the Board.

ITEM 6 – PRESENTATIONS

There were no presentations.

ITEM 7 – APPROVAL OF MINUTES

A motion was made by Dr. Walker, seconded by Mr. Perkins, to approve the minutes of the regular Board meeting of May 24, 2018, as presented.

Motion carried 5-0.

ITEM 8 – REPORT OF THE ECUA CITIZENS’ ADVISORY COMMITTEE OF JUNE 20, 2018

Recommendations:

- F. **Extension of Contract for Fire Hydrants & Fire Hydrant Extensions**
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.

- G. **Extension of Chemical Contract of Sodium Hypochlorite (Bleach)**
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.

- H. **Award of Bid for Pipeline Road Lift Station Valve Improvements**
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 CIP Project RS881 – Pipeline Road Regional Lift Station Valve Improvements.

- I. **Workers’ Compensation Insurance & Third Party Administrator Services for Workers’ Compensation Legacy Claims**
That the Board approve the workers’ compensation insurance and third party administrator services for workers’ compensation legacy claims for fiscal year 2019 as proposed by PRIA/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 One”, and
 - a. Approve the proposed tiered-fee-structure for “Year 2,” “Year 3,” and subsequent years, as follows:
 - i. Fees for Year 2 for legacy claims are estimated at \$13,300;
 - ii. Fees for Year 3 for legacy claims are estimated at \$5,750; and

iii. Fees for legacy claims for subsequent years are estimated at \$1,800 annually.

(3) 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.

J. Budget Amendment & Purchasing Approval for Seedlings – Central Water Reclamation Facility Forest Management Activity
That the Board approve the following budget amendment for the remainder of fiscal year 2018 as listed below, and approve the purchase order for Logleaf Pine seedlings in the amount of \$87, 300 from Blanton's Logleaf 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\

Uses:

Forest Restoration Plan \$113,241.78

Operating Contingency \$157,100.00

Comments from Committee Meeting:

Mr. Don Palmer, Deputy Executive Director of Engineering and Environmental Services, provided a presentation to the Committee members which detailed the research of staff to provide the most beneficial seedlings for the 2,000 acres around the CWRF. Dr. Walker stated that he would like to see some hardwoods included in the Forest Management Plan.

Comments:

Mr. Odom provided clarification of the recommendation in Item I, although there is a reference in the legacy claims to the two-year rate guarantee, the CAC recommendation is for a one-year contract, with an option to renew for an additional year.

Mr. Odom also stated that in Item J, it is actually a purchase order approving the piggy-backing of another governmental entity's prior low-bid, competitively bid item for this, which is consistent with ECUA's Code requirements. It is important that people know that this is not just issuing a purchase order, but instead is piggy-backing on another governmental entity.

Mr. Odom clarified that Mr. Palmer's presentation and Dr. Walker's stated preferences regarding hardwoods are not action items and are not part of the actual motion.

Motion and Vote:

A motion was made by Ms. Campbell, seconded by Dr. Walker, to incorporate the clarifications provided by Mr. Odom, and to approve the recommendations for Items F through J, as presented.

Motion carried 5-0.

ITEM 9 – OPERATIONAL ITEMS

(a) Recyclables Processing Interlocal Agreement with the City of Pensacola

Recommendation:

That the Board approve the recyclables processing interlocal agreement between the ECUA and the City of Pensacola to allow the ECUA to provide processing of recyclables collected by the City and authorize the Executive Director to execute the necessary documents.

Comments:

Mr. Odom clarified that this agreement was written for Ms. Benson’s authorization and not that of the Executive Director’s.

Mr. Sorrell explained that this agreement will allow the City of Pensacola to bring their recyclables to the Materials Recycling Facility (MRF) commencing July 2, 2018. He spoke to Mr. Eric Olson, City Administrator, who indicated that they have been working with our public information staff and they are implementing a public information program in order to try to control some of the concerns with their loads in an effort to conform to our requirements. Their loads will add approximately 5,000 – 6,000 tons to our intake at the MRF.

Ms. Campbell asked if there are any changes in this agreement compared to the others we have in place. Mr. Odom indicated that the main changes are that in the event the ECUA MRF rejects a load due to excess contamination, there is a tiered reporting process based upon where it is within a 30-day time period. It will be provided to the City’s Sanitation Director, the City Administrator, then on to the Mayor. Their compensation structure is different because they have a higher contamination rate, which affected the finances. There were also some wording changes but nothing substantive. The attachment provided makes it more clear how we have calculated the average market value (AMV). This agreement is a little different from the others in that the City mandates recycling for all of their customers and runs their recycling system differently than ours. They have excess contamination in some areas and if they can identify the contaminated load, they have the right not to take that contaminated load to the MRF to be rejected and instead take it to the landfill.

Chairman Benson questioned whether the City residents will experience any changes in the items that can be recycled from those they have been accustomed to in the past. Mr. Sorrell replied that the City only allowed plastics 1-3 to be placed in the recycling can, and now the residents can place Plastics 1-7 in recycling, and we will accept glass as well.

Chairman Benson stated that one of the reasons the City has high contamination is that they have separate pickup days for garbage and recyclables, and some of the residents will fill both containers with garbage; whereas, ECUA picks up both on the same day. She inquired as to whether we have spoken to the City officials about making that change. Mr. Sorrell stated that he has talked to the Mayor and the City Administrator, but it is up to the City as to whether they want to make that change. They have two issues. One is

they made recycling mandatory. The second issue that contributes to contamination is the separate days of pickup as Chairman Benson pointed out earlier. ECUA can help the City, but it is really up to them to manage the recyclables. Mr. Odom added that he has had a similar conversation with the City Attorney and provided suggestions as well, which they may consider in due course. Once the agreement is approved and in place, we may see more conversations like this continue.

Amended Motion and Vote:

Motion made by Dr. Walker, seconded by Mr. Perkins, that the Board approve the recyclables processing interlocal agreement between the ECUA and the City of Pensacola to allow the ECUA to provide processing of recyclables collected by the City and authorize the Chairman of the ECUA Board to execute the necessary documents.

Motion carried 5-0.

(b) Recyclables Processing Contract with Waste Management, Inc.

Recommendation:

That the Board approve the recyclables processing contract between the ECUA and Waste Management, Inc., to allow the ECUA to provide recyclables processing for two counties in Mississippi and authorize the Executive Director to execute the contract documents.

Comments:

Mr. Sorrell stated that this a commercial contract and the private Waste Management company will pay us a fee for every ton they bring to us and will not share in any of the revenues. This company has been bringing us some sample loads, which have been extremely clean and includes a large quantity of cardboard and plastics.

Mr. Odom commented that Mr. Rudd, Deputy Executive Director of Shared Services, received an email from this company just prior to the meeting today, indicating that they would like to make certain changes in the contract. We have not had time to review those changes. If the Board desires, the contract could be approved conceptually as opposed to approving the contract, and authorize the Executive Director to execute it once it is finalized. Mr. Odom commented that he did notice some of the changes they want, but it should revert to the original language. Also, they have fluctuated some between whether there are multiple jurisdictions or just one. The revised contract is written up with only Harrison County, Mississippi, so the other county may be out. Ms. Benson indicated that these are substantive changes and inquired as to whether we should table this item until next month. Mr. Odom agreed that if the Board is uncomfortable approving this item, it will be satisfactory to table it until next month.

Motion and Vote:

Motion made by Mr. Perkins, seconded by Ms. Campbell, that the Board table this item until next month.

Motion carried 5-0.

(c) Bond and Disclosure Counsel Services

Recommendation:

That the Board award a three-year contract with three optional one-year extensions at the same terms and conditions as proposed in the original RFP, to Nabors, Giblin & Nickerson, PA, consistent with its response to the RFP, and authorize the Executive Director to sign the necessary contract papers.

Comments:

Ms. Campbell asked for clarification relative to the annual retainer and the fees that are per bond and part of the closing costs. Mr. Sorrell referred the question to Ms. Patty Sheldon, Director of Finance. Ms. Sheldon stated that the fees for the bond and disclosure counsel are paid at the time of closing of a bond financing; it is worked into part of the total financing amount. We get a par amount on the loan plus the cost for issuance. There are different costs for issuance – the bond and disclosure counsel is part of that as are the financial advisor fees. Should we go through the process but have no closing, there would be no fees required.

Chairman Benson requested a comparison of this proposal with that of Richard Lott's firm whom we have had in the past. Ms. Sheldon stated that the contract services are basically the same, but Nabors Giblin was the low bidder. Based on a \$50 million dollar loan issuance, the difference is approximately \$25,000 for that size of an issue. Chairman Benson expressed concern as to the term of the contract of three years, plus an extension of three additional years. We have had good service from our local bond counsel (Mr. Richard Lott and Ms. Jackie Bell) and do we want to shut out a local firm for six years. Dr. Walker agreed that six years is a long time and asked staff the reason for the length of this contract. Ms. Sheldon explained that we would only use the bond and disclosure counsel once per year, so a three-year contract is typical. Dr. Walker confirmed that at the end of the three years we would be free to either extend the contract or rebid the services.

Chairman Benson recognized Mr. Kareem Spratling, a partner with the law firm of Bryant Miller Olive. Mr. Richard Lott was formerly with this firm, and Ms. Jackie Bell is still with this firm. Mr. Spratling stated that the cost of service is not always the most important, especially when performing bond and disclosure counsel services. He indicated the years of experience Mr. Lott and Ms. Bell have brought to the firm and in the services with ECUA. He added that they do not charge for regular consultation, only if the deal closes. Mr. Spratling also pointed out that they are only local firm who responded the request for proposals.

Motion and Vote:

Motion made by Dr. Walker, seconded by Mr. McCorvey, that the Board approve the staff recommendation as previously stated.

Motion carried 5-0

(d) Automated Payment Options

Recommendation:

That the Board authorize a waiver of the formal bidding procedure on the automated payment options contract and approve an amendment to the current contract with Kubra EZPay for two years, through July 31, 2020, thus allowing Kubra EZPay to continue to provide automated payment solutions. Kubra has confirmed their willingness to amend our current contract to extend for another two years at the same price, terms, and conditions as the original contract.

Comments:

Chairman Benson requested Mr. Sorrell provide to information related to this item and recommendation. Mr. Sorrell stated that we have traditionally obtained quotes for the services of the credit card merchant, which allows customers to pay their bills with a credit card for a certain user fee. Kubra's fee is \$1.45 and they have done a very good job for us in the past. We are recommending we continue this contract for two years while we implement the Enterprise Resource Planning (ERP) effort. Once the ERP is in place, we can take another look at this service.

Motion and Vote:

Motion made by Mr. Perkins, seconded by Mr. McCorvey, that the Board approved the recommendation as previously stated.

Motion carried 5-0.

(e) Sungard Replacement

Recommendation:

That the Board:

- (A) Accept Tyler Technologies' proposal and authorize the Executive Director to execute the contract with Tyler Technologies for ECUA's new ERP system, with funding of \$2,289,409 from CIP Project CA605 - IT Master Plan; and
- (B) Accept Government Finance Officers Association's (GFOA's) proposal for assistance in the implementation of the Tyler Technologies ERP system and authorize the Executive Director to execute the amendment to the existing contract with GFOA, with funding of \$126,000 from CIP Project CA605 - IT Master Plan.

Comments:

Mr. Odom stated that the reason the contract is not included in the agenda package as is normal, this contract is several inches thick and with ECUA being in the recycling business, it did not seem prudent to include it at this time. Each of the Board members have previously received an electronic copy of this contract for their review. Chairman Benson stated that this has been a long time in coming and hope that we will soon interface with this a real strong website that is so user-friendly our customers can do virtually anything through the website.

Motion and Vote:

Motion made by Mr. Campbell, seconded by Dr. Walker, that the Board approve the staff recommendation as previously stated.

Motion carried 5-0.

(f) Innerarity Services

Recommendation:

That the Board approve the scope and fee proposal in the approximate amount of \$221,000 from Kenneth Horne & Associates for engineering services for Innerarity Island Sewer System Upgrades, with funding through a transfer from CIP Project CZ999, with reimbursement from Escambia County.

Comments:

Mr. Sorrell provided the background information about the degraded condition of the Innerarity Island systems. We worked with representatives of Escambia County and have completely upgraded the water system and consequently accepted that system. We are now doing the same thing with the sewer system. We have analyzed the various types of systems and it appears that the best is a low-pressure system because of the topographical features. The engineering firm of Kenneth Horne and Associates has worked with the County to determine the best system, and we are recommending that this contract be awarded to them. The County will reimburse the ECUA through Municipal Service Benefit Unit (MSBU) funding.

Chairman Benson mentioned that on Innerarity Point, the residents are still utilizing septic tanks. She stated that this is very close to surface waters and requested the staff to identify the areas where it is feasible to install the sewer system.

Motion and Vote:

Motion made by Ms. Campbell, seconded by Mr. McCorvey, that the Board approve the staff recommendation as previously stated.

Motion carried 5-0.

(g) Purchase of Daikin Air-Cooled Scroll Compressor Chiller Unit for CWRP

Recommendation:

That the Board waive the normal bid process due to the need to expedite replacement of the failing chiller, and approve the purchase and installation of the Daiken air-cooled scroll compressor chiller for the CWRP Administration Building from Engineered Cooling Services, Pensacola, Florida, the low bidder, for the total amount of \$95,550.00, with funding from the appropriate budget line item.

Comments:

Mr. Sorrell explained that the CWRP has multiple units, but the atmosphere near the headworks is very corrosive, which has affected the current chiller. Due to the pitting and pinholes in the copper tubing, the staff must add coolant on a frequent basis. They would like to replace this unit with one of the same size to fit the designed base. The

temperature at the CWRP has been affected and staff wishes to act quickly to solve the issue.

Motion and Vote:

Motion made by Mr. McCorvey, seconded by Dr. Walker, that the Board approve the staff recommendation as previously stated.

Motion carried 5-0.

ITEM 10 – INFORMATIONAL REPORTS

None.

ITEM 11 – EXECUTIVE DIRECTOR'S REPORT

Mr. Sorrell presented a photograph of the force main on Blue Angel Parkway, which is 24 inches and 30 inches in diameter, and has been in the ground approximately nine years. The photo depicts a hole in the top large enough to climb through. He indicated that this is the result of the effects of hydrogen sulfide gas on a ductile iron pipe. We are replacing this pipe, some sections on an emergency bypass basis. Dr. Walker inquired as to why we chose this type of pipe if we were aware of the corrosive nature of the gas. Mr. Sorrell explained that we use ductile iron when we need a rigid pipe that is not easily damaged by contractors, and also in areas where structural integrity is a concern. We purchase the pipe with a protective coating on the interior. In this instance, we believe the coating failed on these pipes which caused the issues. Ms. Campbell asked if the replacement pipes are ductile iron as well. Mr. Sorrell stated that the replacements are poly-vinyl-chloride (PVC), which is relatively new and impervious to acids, but it does not stand up as well against boring and backhoe activities. Ms. Benson inquired as to how we repair the PVC pipe. Mr. Sorrell stated that a contractor will set up a bypass to go around a break. They will then take out the damaged portion and glue and joint in another section of pipe. She also asked if the contractor is aware of the cost to them when they cause a break. Mr. Sorrell answered that depending on the break, the repair could be thousands of dollars, plus any environmental concerns when raw sewage is being released. They would also face fines from the Florida Department of Environmental Protection (FDEP) for spilling the sewage.

Mr. Sorrell stated that we initially sent 50 tons of dewatered sludge to the composting facility, and have been gradually increasing that amount. This week, we set a record by sending 407 tons of dewatered sludge to the composting operation. We are now at the point where we need another trailer for a tractor to haul more sludge. We are only processing about 50 tons of dried sludge that we are providing to GreenSouth. This is a major cost avoidance associated with the processing of the dewatered and pelletized sludge.

He provided updated information about the Fats, Oil, and Grease (FOG) Program. This program has been very effective and we have been collecting approximately 300 gallons of used household grease every week. This is grease that was previously dumped down the drains causing clogs and backups in our pipes. We sell the collected grease and it is re-processed. Per Chairman Benson's request, Mr. Sorrell stated that the grease collection

station locations are listed on ECUA's website, and it is free to drop off the grease and pick up another container. Ms. Campbell added that the Pensacola Association of Realtors and several realty companies are giving out the containers to people when they buy new homes. She thanked staff for providing the containers to these companies and the public.

Mr. Sorrell added that we are constructing a fabric structure at the compost site similar to the one at the Materials Recycling Facility. We purchased it from Orange Beach a couple of years ago and are now in the process of re-erecting this structure, which is approximately 32,000 square feet. We have successfully overcome licensing challenges and estimate that it will be up by January 2019. We have poured the foundation and installed some of the structural components.

We implemented a commercial driver's license (CDL) program where the Board approved ECUA to partner with Escambia County where if the County trains their employees, we test them, and if we train our employees, the County tests them. We now have 23 ECUA employees who have gone through the program.

Mr. Sorrell stated that for our health care claims, our loss ratio is about 71 percent, which is excellent. This is attributable to the changes recommended by Ms. Cindy Sutherland, Director of Human Resources, and Ms. Kim Scruggs, Assistant Director of Human Resources and approved by the Board. The areas of change are the wellness program, health fitness, deductible amounts, etc. This is the lowest claims ratio we have had.

We have a 24-inch subaqueous water line underneath the Three Mile Bridge in the bay. It feeds from the mainland to Pensacola Beach and is the primary water source for all of the water on Pensacola Beach. There is a new bridge being built by Skanska. As part of the construction, Skanska must relocate a portion of that line on the mainland on the Gulf Breeze side. During that time, the line will be inactive, thus, the line must be taken out of service for the length of time it takes for the relocation. They estimate it will take one day; however, there may be issues. ECUA must take bacteriological samples prior to the line being placed back into service, which takes 24 to 48 hours. If the line takes one day to relocate, then it may take 48 hours for testing, so there could be three days that the line is inactive. The water storage tanks we have on Pensacola Beach are good for three and one-half days. The new tank will probably be ready in July and we are trying to coordinate the completion of that tank with the relocation of the line, which will provide another day and one-half of water storage. We are also working on the connection to the Fairpoint Regional Water System to have the testing completed and the arrangements with all of the polities in order to make sure we can use the water. They have a 12-inch line that serves the Midway area and Gulf Breeze. Our line is a 24-inch line, which has twice the capacity of the Fairpoint System. The 12-inch line will not provide us with sufficient water service for the summer months; however, some water is better than none. Should everything come together, there would be a seamless transition. However, there could be concerns if we have complications. Mr. Perkins stated that we should have a public relations effort already in place. Mr. Perkins requested that staff meet with the editor of the *Island Times* to brief them on this upcoming issue to provide awareness to the residents there. Chairman Benson suggested that we include the real estate/rental offices, as well as the Santa Rosa Island Authority.

ITEM 12 – ATTORNEY’S REPORT

Mr. Odom provided an overview of the North Hill case in that the plaintiffs in the case were of the opinion that ECUA needed to get the permission of the City to build the emergency tank on Guillemard Street, the Circuit Court Judge rejected that. The North Hill residents appealed the decision and we recently received the decision from the Appellate Court where ECUA prevailed. Therefore, this portion of the case is over. Mr. Odom has spoken to the other attorney to see if they intend to pursue the remaining aspect of the case.

The Board previously retained the firm of Baron & Budd to file a perfluorochemical case. This case was filed last week, and is now officially in litigation.

ECUA periodically holds “How to Do Business with ECUA” seminars and we track the cohesiveness in which this comes together, and we have more than tripled the normal attendance. It is a very successful event.

The arbitration with Zero Waste was supposed to be held this month. In light of the changes in the case and termination of the contract, it has been delayed. Mr. Odom will notify the Board when it is rescheduled.

There has been a recent posting of what appears to be a sales practice for home water filter sales. The Attorney General’s Office has a Consumer Protection Division. They have a page of that website devoted to water filtration sales scam practices. In the past, the Board has requested that he contact the Attorney General’s Office on behalf of the organization regarding the scam practices. Based upon a recent YouTube posting, it seems that there are some deceptive sales practices going on. Mr. Odom requested direction from the Board regarding this latest incident. Ms. Campbell stated that she saw the video and asked if it was tied to a campaign. Mr. Odom agreed.

Motion and Vote:

Ms. Campbell made a motion, seconded by Perkins, that Mr. Odom file a claim with the Attorney General’s Office related to the deceptive sales practices surrounding water filtration.

Motion carried 5-0.

ITEM 13 – UNFINISHED BUSINESS

(a) Utility Deposits

Chairman Benson stated that she is aware of a person in our system who owns multiple businesses and is required to have substantial deposits on his water and sewer. He has been a customer for decades and always paid the bills on time. He wants to know why he cannot have these deposit waived. It is ECUA policy where each business must have a deposit. Maybe we should take a look at this policy again and develop a policy where if a person has a business requiring a large deposit, or has multiple businesses, that we should be able to waive the deposit after a certain amount of time.

She recommends that the Board endorse the concept and direct staff to develop details on exactly what thresholds need to be met. Dr. Walker commented that it may be best to send this request through the Citizens' Advisory Committee. Ms. Campbell stated that she would like to have this added to the agenda for consideration at the July CAC meeting.

ITEM 14 – NEW BUSINESS

None.

ITEM 15 – BOARD COMMUNICATIONS

Ms. Campbell stated that as she arrived, she was informed about the mass shooting in Washington and asked that everyone keep the victims in their thoughts and prayers.

Dr. Walker provided a reading from a book, *The Gulf – The Making of an American Sea*, indicating that in the back of the book, ECUA was positively mentioned.

ITEM 16 – OPEN FORUM

Mr. Barry Tweedie, 10395 Old Dairy Lane, Pensacola, Florida, addressed the Board indicating that there was an article in Tuesday's newspaper entitled, "ECUA Sues over Tainted Escambia Water Wells." In the article it lists four wells with the approximate location, and that the contamination resulted from an aqueous film-forming fire-fighting foam chemical. Mr. Tweedie asked if interested citizens would be able to obtain information about the wells and contamination. Chairman Benson responded that these particular contaminants were not on the Environmental Protection Agency's (EPA's) list for years. As soon as we detected the contamination in the water, we removed the three wells (Bronson, Hagler and Airport) from service. We continued using the Airport well for emergency fire suppression needs. The levels of the detected contamination were very low. We installed granular activated carbon (GAC) filters on the Airport well and it is back in service; it will be tested on an on-going basis. She stated that because ECUA moved so swiftly in removing the wells from service, that there are probably no associated hazards. We sued in order to recoup our costs for the on-going investigation, testing, and remediation. We do not have a Flint, Michigan, situation.

Mr. Odom added that there is a difference between what is in the raw or untreated water. There are perfluorochemicals that have been detected in the raw and untreated water and that ECUA felt remedial steps were necessary. Whenever a Health Advisory was issued, immediate steps were taken to prevent contamination. We installed treatments in order to make sure the finished water was safe and non-detects on these chemicals. There is a difference in raw water and untreated water.

Mr. Odom added that all of these tests were conducted pursuant to the Unregulated Contaminant Monitoring Rule (UCMR) testing regimen and those test results are available online and nationally, as part of the EPA's notification. There is information available about these wells, and it is public record.

Dr. Walker commented that we have 24 wells with no detectable level of contamination. He mentioned the Airport North well, and Mr. Odom stated that well was not in service at the time of the UCMR testing. It has since been tested and appropriate filtration has been installed to remove the PFCs. In addition to the UCMR testing, ECUA has done additional testing in order to address this situation and take action as appropriate to avoid any Health Advisory exceedances.

Mr. Tweedie stated that it is comforting to know that this report comes from ECUA staff and not a special-interest group. Chairman Benson thanked Mr. Tweedie for making that observation.

Mr. Sorrell addressed the situation with the Airport North well, stating that we have installed filtration on this well, which cost approximately \$3 million. This is what the Board is trying to recoup – these costs that we have been encountering to remove these PFCs. We use a Microsorb 400 granular activation carbon, which absorbs the PFCs. During the last testing of this well, these chemicals were non-detect. There are no PFCs present in the finished water from this well.

ITEM 17 - ADJOURNMENT

There being no further business to come before the Board, Chairman Benson adjourned the meeting at approximately 4:44 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: