

**MINUTES OF THE EMERALD COAST UTILITIES AUTHORITY
CITIZENS' ADVISORY COMMITTEE**

WEDNESDAY, AUGUST 15, 2018, 2:00 P.M.

ECUA BOARD ROOM

**9255 STURDEVANT STREET, ELLYSON INDUSTRIAL PARK
PENSACOLA, FLORIDA 32514**

Members Present: Vicki Campbell, Chairman
Larry Walker, Vice Chairman
Lois Benson
Catherine Booker
Paul Frederick
Chuck Kimball
Dale Perkins
Randy Ponson
Louise Ritz

Members Absent: Deborah Benn
Elvin McCorvey
Mike Steltenkamp

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, Ms. Booker provided the invocation and led the Pledge of Allegiance.

ITEM B - CALL TO ORDER

Chairman Campbell called the regular meeting of the Emerald Coast Utilities Authority Citizens' Advisory Committee to order at approximately 2:03 p.m.

ITEM C - ADOPTION OF AGENDA

Dr. Walker added the following topic to the agenda under Unfinished Business:

- (1) 2019 Rate Increases

Chairman Campbell included a follow up on topics from the July 18, 2018, Citizens' Advisory Committee meeting to the agenda under Unfinished Business:

- (1) Five year audit
- (2) Educational Outreach

(3) Triumph Gulf Coast grant information

(4) Administrator review information

Mr. Sorrell removed Items F and H, contract extensions, from the agenda because both companies opted not to extend these contracts at the current prices.

Ms. Benson asked Mr. Sorrell if the ECUA could expect significant price increases on the two items pulled from the agenda (meaning Items F and H). Mr. Sorrell replied that they do expect price increases from those two particular companies because their costs are increasing. Mr. Sorrell also related that staff is utilizing a different process to keep prices down, and in the future they will present that alternative to the Board.

Motion and Vote:

Motion made by Mr. Frederick, seconded by Dr. Walker, to approve the adoption of the agenda for the regular Citizens' Advisory Committee meeting of August 15, 2018, as presented and amended.

Motion carried 9-0.

ITEM D - OPEN FORUM

(1) Dr. Gloria Horning, 310 South Devillers Street, Pensacola, Florida, addressed the Committee to follow up on her last request for testing the pipes that lead to individual homes in relation to perfluorooctane sulfonate (PFOS) and perfluorooctanoic acid (PFOA).

She stated that BLD Services was coating sewer pipes on Gregory Street and the smell was affecting one of the nearby homes. Dr. Horning indicated that these residents were not notified in advance of the process. In response to Chairman Campbell's request, Mr. Sorrell relayed that the ECUA frequently uses BLD Services to seal and line the sewer mains throughout the area, and the process is not hazardous. In conclusion, Dr. Walker asked if this discussion involved PFOS or PFOA, and Mr. Sorrell definitively stated that it did not relate to PFOS or PFOA. Dr. Horning agreed.

ITEM E - APPROVAL OF MINUTES

Motion made by Ms. Ritz, seconded by Ms. Booker, to approve the minutes of the regular Citizens' Advisory Committee meeting of July 18, 2018, as presented.

Motion carried 9-0.

**ITEM G - EXTENSION OF CHEMICAL CONTRACT – GRANULAR ACTIVATED CARBON
(CALGON CARBON CORPORATION)**

Recommendation:

That the Board approve a one-year extension of the contract with Calgon Carbon Corporation, the second of two optional one-year extensions, at the terms and rates of the existing contract, with funding from the appropriate budget line.

Comments:

None.

Motion and Vote:

Motion made by Mr. Kimball, seconded by Mr. Frederick, to approve the staff recommendation.

Motion carried 9-0.

ITEM I - AWARD OF CHEMICAL CONTRACT FOR SUPPLEMENTAL CARBON

Recommendation:

That the Board award the contract for supplemental carbon to the low bidder, Environmental Operating Solutions, Inc., in the amount of \$1.60 per gallon for one year, with two one-year options to extend, with the agreement of Environmental Operating Solutions, Inc., and the ECUA Board, and authorize payment from the appropriate budget line item.

Comments:

Mr. Sorrell explained that quantities of supplemental carbon are purchased on an annual basis and used at the wastewater treatment plants to reduce nitrogen to meet effluent standards required by the permitting agencies.

Motion and Vote:

Motion made by Mr. Frederick, seconded by Ms. Ritz, to approve the staff recommendation.

Motion carried 9-0.

ITEM J - ECUA COST PARTICIPATION – ASHLAND AVENUE DEVELOPMENTS

Recommendation:

That the Board approve the proposed cost participation for the Ashland Avenue development projects, and authorize the Executive Director to execute the Utility Service Agreement for the Ashland Heights Phase 2 and Ashland Townhomes project with ECUA

cost participation limited to \$100,000, with funding from CIP Project CA001 - Oversizing Water and Sewer Lines.

Comments:

Mr. Sorrell provided a brief overview of Items J and K because both developments / projects are in close proximity of each other, and the construction needs for additional water and sewer system capacity is similar for both projects. Item J, ECUA Cost Participation - Ashland Avenue Developments, is located between West Nine Mile Road and Detroit Boulevard, and Item K, ECUA Cost Participation - Admiral's Quarters Townhomes, is located near the intersection of Stefani Road and West Nine Mile Road. The sewer flows from the Ashland Avenue developments and Admiral's Quarters townhomes will convey to the ECUA's McGee Street Lift Station (LS #387).

The ECUA staff assessment indicated that additional construction is necessary to ensure sufficient system capacity for these developments. The force main replacement will allow ECUA to address aging infrastructure, and plan for future growth in the surrounding area. The developers are responsible for costs associated with offsite improvements, which cost less than a dedicated force main serving this single project. Due to the anticipated changes, the ECUA staff believes that a cost share is mutually beneficial to the developers and the ECUA. Staff estimates ECUA's cost participation is 30 percent, and the developer's participation is 70 percent.

Mr. Sorrell stated the developers associated with these developments are in agreement with the cost-share and are ready to begin working on the projects. If other developers approach the ECUA staff with developments or projects where growth pays for growth, those developers will receive the same treatment. In conclusion, the ECUA rate payers are not paying for any developments. Per policy, ECUA will only pay for what is necessary, such as new and oversized pipes and pumps.

Ms. Benson applauded the ECUA staff for looking ahead at projects, and she is aware that the pipes and pumps will need to be enlarged and replaced eventually, but she believes other projects should take priority over these developments. Ms. Benson said Myrtle Grove and Navy Boulevard desperately need sewer lines so she cannot support these developments.

Mr. Sorrell relayed that the ECUA could allow the developers to install the necessary materials solely for these developments, but that will do more harm to the ECUA since future upgrades for the McGhee Street lift station include installing larger pipes and pumps.

Chairman Campbell asked Mr. Stacy Hayden, Director of Engineering, to approach the podium to provide more information. Mr. Perkins interjected to verify that the ECUA could pay 30 percent or 100 percent, and Chairman Campbell agreed.

Chairman Campbell asked Mr. Hayden if he had spoken to the developers and Mr. David Peaden to see if they were in favor of these developments. Mr. Hayden relayed that Mr. David Peaden, President of the Home Builders Association (HBA) did not have anything to add because the developers were happy and it did not impact the HBA.

Chairman Campbell asked Mr. Hayden if there had been further discussion about impact fees, and he said the ECUA staff has discussed the topic amongst themselves, but impact fees are complex – a Pandora's Box. Mr. Hayden explained that a management audit is in progress, and impact fees are one of the components. The ECUA's impact fees are going to be compared to other utilities that are similar in size across the state of Florida. Chairman Campbell asked Mr. Hayden if he would prepare a presentation for the Committee. Mr. Hayden stated that he would.

Ms. Benson asked Mr. Hayden if the ECUA staff and developers discussed a possibility where the developer pays for 100 percent of the project. Mr. Hayden responded yes, and described the multiple options that were considered, but none of them benefitted both the developer and ECUA.

Mr. Hayden reiterated Mr. Sorrell's comments by explaining how this project is a win-win for the developer and ECUA. The developers are paying for 70 percent of the construction, but their risks are minimized because the actual costs are predetermined. Plus, their projects are shovel ready.

The ECUA receives new pipes, which will be larger to accommodate future growth. A lift station located to the west of the developments is scheduled for replacement in a couple of years, with an estimated cost of \$700,000. Since the cost-share is 70 percent/30 percent, the funding from ECUA has been reduced to approximately \$300,000.

Dr. Walker said he thinks the ECUA's impact fees are too low, and he believes they should be increased. Ms. Ritz commented that she supports the application of impact fees and used the Navy Federal Credit Union as an example. Ms. Benson inquired about the State's oversight on impact fees and guidelines. For clarification, Mr. Perkins asked if the developers would be exempt from paying impact fees if these cost-share projects in the agenda are approved. Mr. Hayden stated that they would not be exempt.

Mr. Sorrell wanted to ensure Committee members do not get confused on impact fee terminology since many of the members referenced the fees in their comments. Impact fees pay for the treatment capacity of the plant. The developer pays for the development.

Motion and Vote:

Motion made by Mr. Frederick, seconded by Mr. Ponson, to approve the staff recommendation.

Motion carried 8-1, with Ms. Benson voting against the motion.

ITEM K - ECUA COST PARTICIPATION – ADMIRAL’S QUARTERS TOWNHOMES

Recommendation:

That the Board approve the proposed cost participation for the Admiral’s Quarters development project, and authorize the Executive Director to execute the Utility Service Agreement for the Admiral’s Quarters project with the ECUA cost participation limited to \$215,000, with funding from CIP Project CA001 –Oversizing Water and Sewer Lines.

Comments:

Chairman Campbell explained to the audience that Item K, ECUA Cost Participation - Admiral’s Quarters Townhomes is the same as Item J. It is located in the same area with townhomes and includes the ECUA’s cost participation.

Motion and Vote:

Motion made by Mr. Perkins, seconded by Mr. Frederick, to approve the staff recommendation.

Motion carried 8-1, with Ms. Benson voting against the motion.

ITEM L - INFORMATIONAL REPORTS

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

- (1.) Financial Reports for the Period Ended June 30, 2018
 - (a) Attachment: Various Financial Reports

Comments:

Ms. Benson asked Ms. Patty Sheldon, Director of Finance, if she identified any anomalies in the budget that may concern the Committee and Board members. Ms. Sheldon replied that there are two months left in fiscal year 2018 and she believes overall, the ECUA is covered.

Ms. Benson asked if the budget for fiscal year 2019 contemplates some of the trends seen in the current budget, such as overtime in repairs and maintenance. Ms. Sheldon said overtime is always a factor of what might be happening at that moment, and some of it cannot be anticipated. Some of the cost increases mentioned at the beginning of the meeting (Items F and H), continue to rise.

(2.) Water Production Monthly Report - July 2018

ITEM M - UNFINISHED BUSINESS

(1) 2019 Rate Increases

Dr. Walker said that in the previous Citizens' Advisory Committee meeting on July 18, 2018, the Committee made recommendations for the Water/Wastewater budget and Sanitation budget, and the following week, July 26, 2018, the Board acted on those recommendations. Dr. Walker believes the Board should update the Committee on how their recommendations were received.

(1) Five year audit, provided by Mr. Sorrell (handout)

Chairman Campbell provided each member with a copy of the five year audit titled "Emerald Coast Utilities Authority 2007 Management Audit". This item was not discussed.

(2) Educational Outreach, briefed by Ms. Nathalie Bowers, Public Information Officer
Chairman Campbell thanked Ms. Ritz and Mr. Frederick for calling attention to continuing education efforts. Ms. Bowers informed the Committee they are working with their advertising agency to shift the campaign message.

(3) Triumph Gulf Coast grant information, briefed by Mr. Tim Haag, Director of Governmental Affairs

Mr. Haag related that he spoke with the Executive Director of Florida West, and he indicated that they are available to assist the ECUA with economic analysis on any Triumph Gulf Coast grant application. He also said that Dr. Rick Harper and the staff at the University of West Florida are also available. Mr. Haag reiterated that working on joint projects with Escambia County is the best option.

(4) Administrator review information, briefed by Ms. Cindy Sutherland, Director of Human Resources and Administrative Services (handout)

Ms. Sutherland provided each member with a copy of a statement of work proposal from Landrum HR that outlined the deliverables and costs associated with creating a new assessment tool.

ITEM N - NEW BUSINESS

(1) Board Communication

Chairman Campbell added Board Communication to the agenda and asked for an update on Board member Mr. Elvin McCorvey. Mr. Sorrell relayed that Mr. McCorvey is in a rehabilitation center near West Florida Hospital, and he seems to be doing better. It is still unknown when Mr. McCorvey will be released.

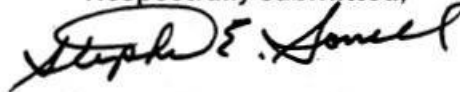
ITEM O - OPEN FORUM

- (1) Dr. Gloria Horning, 310 South Devillers Street, Pensacola, Florida, addressed the Committee to follow up on the ECUA dewatering because she feels that the contractor is not taking care of the site again. She also followed up on her last request for testing the pipes on private property in relation to PFOS and PFOA.

ITEM P - 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 3.40 p.m.

Respectfully submitted,



Stephen E. Sorrell
Executive Director and Secretary

APPROVED BY THE ECUA CITIZENS' ADVISORY
COMMITTEE IN REGULAR SESSION ON: 11-07-18

(X) Without corrections/amendments

() With corrections/amendments being: