MINUTES OF THE EMERALD COAST UTILITIES AUTHORITY BOARD MEETING HELD THURSDAY, AUGUST 30, 2012 AT 10:00 A.M. IN THE ECUA BOARD ROOM AT 9250 HAMMAN STREET, ELLYSON INDUSTRIAL PARK, PENSACOLA, FL

Members present:	Elvin McCorvey, Chairman Elizabeth S. Campbell, Vice Chairman Lois Benson Dale Perkins (arrived at approximately 3:15 p.m.)
Members absent:	Larry Walker – participating via telephonic attendance
Counsel present:	Bradley S. Odom
Staff present:	Stephen E. Sorrell, Executive Director Nathalie Bowers, Public Information Officer Debra Buckley, Director of Finance Tim Haag, Director of Communications and Government Affairs Linda Iversen, Executive Assistant to the Board Bill Johnson, Director of Engineering Jim Roberts, Public Information Officer Randy Rudd, Deputy Executive Director-Shared Services

ITEM 1 – CALL TO ORDER

Chairman McCorvey called the special meeting of the Emerald Coast Utilities Authority Board to order at approximately 10:00 a.m.

ITEM 2 – INVOCATION AND PLEDGE OF ALLEGIANCE

Ms. Benson provided the invocation and led the Pledge of Allegiance.

ITEM 3 – ADOPTION OF AGENDA

Ms. Benson added two items - "water quality report and website" to the agenda.

Mr. Perkins added "bulk item pickup" to the agenda.

A motion was made by Ms. Campbell, seconded by Ms. Benson, to adopt the agenda as presented and amended. Motion carried 4-0.

ITEM 4 - DR. WALKER'S TELEPHONIC ATTENDANCE

Mr. Odom explained that it is the Attorney General's opinions that in the event that an elected official is unable to attend a meeting because of a personal health issue or because of a disability, that their personal attendance can be excused as long as there is a quorum of the elected body present and they can attend telephonically or remotely. Further, he believes that those same rationales would apply in the event there are sicknesses of ones spouse as opposed to the elected official himself or herself.

Mr. Odom also stated that ultimately it is a decision that rests with the Board as to whether to allow a member's participation electronically to occur. And, it needs to be a finding that extraordinary circumstances warrant the attendance telephonically as opposed to requiring his personal attendance. Further, it is his understanding that Dr. Walker's wife is in the hospital out of town and has been in the hospital for over a week and, therefore, he desires to attend this meeting telephonically.

A motion was made by Mr. Perkins to allow Dr. Walker's telephonic attendance based on extraordinary circumstances. Motion carried 4-0.

Ms. Campbell expressed concern as to what would occur should the connection with Dr, Walker be lost. Mr. Odom stated that we would attempt to get reconnected and if that could not be achieved, then the Board meeting could continue in his absence and at the Board's discretion.

Ms. Benson stated that she would like to see ECUA explore the possibility of setting up Skype so that it could be utilized in the future should remote participation by a Board member be needed.

Staff established a call with Dr. Walker at approximately 10:10 a.m. Mr. Odom explained the procedures that would be utilized during the meeting and how the meeting would be conducted. Dr. Walker indicated his understanding of the procedures and process.

ITEM 5 - ADOPTION OF RESOLUTION 12-12

A motion was made by Mr. Perkins, seconded by Ms. Campbell, to adopt Resolution 12-12 - A PRELIMINARY RATE SETTING RESOLUTION PROVIDING FOR NOTICE AND PUBLIC HEARING CONCERNING THE PROPOSED ESTABLISHMENT OF REVISED REQUIREMENTS CONCERNING THE FREQUENCY OF DISPOSAL FOR ROLLOFF CONTAINERS. Motion carried 5-0.

ITEM 6 - FISCAL YEAR 2012-2013 WATER AND WASTEWATER BUDGET

A motion was made by Mr. Perkins, seconded by Dr. Walker, to reject the 8% increase and go with the 4.5% originally proposed by staff.

A substitute motion was made by Ms. Benson that the ECUA adopt a fiscal year 2013 budget that includes a 4% rate increase and that doubles the proposed amount of debt service for SSO and I & I. Translated into dollars, cut $400,000 out of revenues, double the amount of spending on SSO and I & I from $7 million to $14 million, cutting $950,000 from the budget, cap the health insurance increase at 5%.

Ms. Benson outlined her proposed cuts as follows:

Compensation packages – included in the budget is a 3% increase in employee compensation. Ms. Benson stated that she would not support any effort to decrease this or cut back their real benefits.

Health care costs – go to the table in negotiations and cap the health insurance increase at 5%. This is a total of $289,000 increase health spending, saving ECUA $261,000 out of the budget.

Vision 2015 – delete the $12,000 allocated.

Paper statements – discontinue mailing paper statements to customers who pay online or through bank draft – a decrease of approximately $10,000.

Large meters – instead of expensing these meters, place them into the capital improvement budget because they are an item that can be depreciated a long period of time, costing about $20,000 in debt service, giving a net of $195,000 towards her proposed budget cuts.

Electrical power – budgeted at $7 million – reduce to $6.8 million for a savings of $200,000.

System emergencies – budgeted at $289,000 – reduce by $50,000.

Healthy choices package - $22,000 should be in the overall health care package rather than separated out.

Communications and Government Affairs budget of $477,000 – this is almost the amount being spent on debt service on I & I, and almost $500,000 that is not getting into the field where the ECUA mission truly is. Cut the increase in half, making the base budget in Communication and Government Affairs $240,000.

Ms. Benson stated that this is a savings, from all her line items, of approximately $987,000. Further, Ms. Benson stated she is trying to cut the rate increase by .5% and to double the amount ECUA spends in its infrastructure improvements for I & I. Also, Ms. Benson stated that ECUA needs to ensure fair compensation to its employees, take a giant step to repairing the infrastructure, and simultaneously minimizing the impact on the ratepayers' budget.

Ms. Benson's motion died for lack of a second.

A substitute motion was made by Dr. Walker to implement a 6% rate increase. *Motion died for lack of a second*.

A substitute motion was made by Ms. Campbell, seconded by Ms. Benson, to remove fluoride from the budget ($135,000); Vision 2015 ($12,000); discontinue paper statements for those that opt out ($10,000); reduce the system-wide electric ($200,000); reduce the Communications and Government Affairs budget ($100,000); keep the 4.5% increase; and, the overages achieved from these removals from the budget go into operating contingencies.

Ms. Benson stated she was going to second the motion for discussion and inquired if the motion included Ms. Benson's recommendation to cap the health insurance at 5%, saving $261,000.

Ms. Campbell responded that she would include this in her motion and Ms. Benson reseconded the motion.

Mr. Perkins stated that he cannot support the motion to remove fluoride from the budget.

Ms. Benson stated that she could only support the motion if the savings could be put into I & I rather than contingencies.

Ms. Campbell stated that she would make the amendment to her motion to place the overages achieved from the removals from the budget in the I & I budget if Ms. Benson would accept it. Ms. Benson indicated her resecond.

The vote on the substitute motion made by Ms. Campbell failed 2-3 with Messers. McCorvey, Perkins and Walker voting against the motion.

The vote on the motion as made by Mr. Perkins carried 3-2 with Messes. Benson and Campbell voting against the motion.

Discussion was held relative to the role of the Citizens' Advisory Committee in the review process of the budget. Ms. Benson suggested that it would be helpful in the future to conduct budget workshops with the appropriate staff members. Chairman McCorvey stated that based on the discussion today, it is apparent that the budget process needs to be revisited.

ITEM 7 - ADOPTION OF RESOLUTION 12-09

Mr. Barry Tweedie had registered to speak but withdrew his request to speak on this item as he had intended to speak to the budget, indicating he would hold his comments for Open Forum.

Mr. Odom explained that the out-of-numerical sequence for adoption of the resolution was due to this resolution being presented at last week's regular Board meeting without action.

A motion was made by Mr. Perkins, seconded by Dr. Walker, to adopt Resolution 12-09 - A PRELIMINARY RATE SETTING RESOLUTION PROVIDING FOR NOTICE AND PUBLIC HEARING CONCERNING THE PROPOSED ESTABLISHMENT OF NEW AND REVISED WATER AND WASTEWATER RATES AND CHARGES. Motion carried 3-2 with Messes. Benson and Campbell voting against the motion.

(a) Water Quality report (Benson)

Ms. Benson expressed her concerns that the costs for producing this report was due to the Florida Department of Environmental Protection (FDEP) and suggested that this highly technical report could be placed on the ECUA website and would suffice in meeting the FDEP requirements. Further, changes to this requirement should be requested of the Legislative Delegation.

A motion was made by Ms. Benson, seconded by Ms. Campbell, that the Board grant her permission to go to the Legislative Delegation to begin the process of getting the requirement changed. Motion carried 5-0.

(b) Website (Benson)

Ms. Benson expressed her concerns that public announcements are made to the media without informing the Board members and stated she would like to see those provided to the Board members prior to release. Ms. Benson also stated she would like to see this information placed on the website.

(c) Bulk item pickup (Perkins)

Mr. Perkins expressed his appreciation to staff for the recent changes made to the bulky waste pickup program, stating that it is a wonderful program.

ITEM 8 - OPEN FORUM

(a) Mr. Robert C. Kintz, 836 S. "K" Street, addressed the Board requesting that the Board meetings be televised and that the meetings be held in the evenings.

(b) Mr. Jim Hunt, 11659 Wakefield Drive, Pensacola, FL 32514, addressed the Board stating that the ECUA organization should not be the Board's top priority but the customers/ratepayers should be.

(c) Mr. Barry Tweedie provided comments relative to the economy and the Consumer Price Index (CPI).

ITEM 9 - ADJOURNMENT

There being no further business to come before the special meeting of the Emerald Coast Utilities Authority Board, Chairman McCorvey declared the meeting adjourned at approximately 11:18 a.m.

Respectfully submitted,

Stephen E. Sorrell
Executive Director

APPROVED BY THE ECUA BOARD
IN REGULAR SESSION ON _____.

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