MINUTES OF THE EMERALD COAST UTILITIES AUTHORITY BOARD MEETING HELD THURSDAY, OCTOBER 25, 2012 AT 3:00 P.M. IN THE ECUA BOARD ROOM AT 9255 STURDEVANT STREET, ELLYSON INDUSTRIAL PARK, PENSACOLA, FL

Members present: Elvin McCorvey, Chairman
Elizabeth S. Campbell, Vice Chairman
Lois Benson
Dale Perkins
Larry Walker

Counsel present: Bradley S. Odom

Staff present: Stephen E. Sorrell, Executive Director
Nathalie Bowers, Public Information Officer
Debra Buckley, Director of Finance
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 regular meeting of the Emerald Coast Utilities Authority Board to order at approximately 3:00 p.m.

ITEM 2 – INVOCATION AND PLEDGE OF ALLEGIANCE

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

ITEM 3 – ADOPTION OF AGENDA

Dr. Walker added the topic of "sewer expansion program" to the agenda under New Business.

A motion was made by Ms. Benson, seconded by Mr. Perkins, to adopt the agenda as presented and amended. Motion carried 5-0.

ITEM 4 – COMMUNICATIONS AND PRESENTATIONS

None.

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ITEM 5 – APPROVAL OF MINUTES

A motion was made, seconded by Ms. Benson, to approve the minutes of the regular Board meeting September 27, 2012 as presented. Motion carried 5-0.

ITEM 6 - OPERATIONAL ITEMS:

(a) Award of bid: Water service renewals 2012

A motion was made by Ms. Benson, seconded by Dr. Walker, to reject the bid from QCFS Management Group based on its failure to satisfy the non-discrimination and solicitation requirements of the contract, and award the contract for Water Service Renewals 2012 to the lowest qualified bidder, Evans Contracting, for the Base Bid in the amount of $483,660 with funding from CIP Project RW507Q, Water Service Renewals 2012. Motion carried 5-0.

(b) Household hazardous waste processing and disposal contract

A motion was made by Mr. Perkins, seconded by Ms. Campbell, to authorize the Executive Director to sign a contract with EQ Environmental to provide HHW processing and disposal service through September 30, 2014, based on the Escambia County, Florida contract. Motion carried 5-0.

(c) Purchase of new tires for the ECUA fleet

A motion was made by Mr. Perkins, seconded by Ms. Benson, to authorize staff to purchase tires from the list of State-approved local vendors at the current State Contract price, through September 30, 2013, with estimated annual funding of $200,000 from the appropriate line item of the Sanitation Operating Budget. Motion carried 5-0.

(d) Budget Amendment – Water, wastewater and sanitation systems

A motion was made by Ms. Campbell, seconded by Mr. Perkins, to approve the following budget amendment in the not-to-exceed amounts for the water and wastewater systems and sanitation system for fiscal year 2012. Motion carried 5-0.

Sources:

Water and Wastewater System	
Monthly Charges-Water	$(1,520,000)
Monthly Charges-Wastewater	(1,900,000)
Sewer Improvement Fees	(250,000)
Impact Fees	485,202
Interest Income	150,000
Miscellaneous Income	950,000
Sanitation System	
Sanitation-Residential	712,500
Sanitation-Commercial	260,000
Interest Income	2,500
Recyclables Commodities	70,000
Fuel Recovery Fee	280,000
Miscellaneous Income	175,000

Uses:

Water and Wastewater System	
Operating Expenditures	$(1,200,000)
Debt Service	(600,000)
Project Contingencies	(284,798)
Sanitation System	
Operating Expenditures	$1,500,000

(e) Budget Amendment – Water and wastewater systems-fiscal year 2013

A motion was made by Mr. Perkins, seconded by Dr. Walker, to approve the following budget amendment for the Water and Wastewater Systems for fiscal year 2013. Motion carried 4-1 with Ms. Benson voting against the motion.

Sources:

Water and Wastewater System	
Monthly Charges-Water	$ (94,878)
Monthly Charges-Wastewater	(106,713)

Uses:

Water and Wastewater System
Operating Expenditures $(201,591)

(f) Pensacola Beach 2.75 million gallons ground storage tank replacement

A motion was made by Mr. Perkins, seconded by Ms. Benson, to approve and concur with the finding of the Executive Director that the existing 2.75 mg steel tank on Pensacola Beach is no longer profitable in the operation of the utility systems of the ECUA, and authorize its demolition; and that the Board approve the replacement of the existing 2.75 mg steel water storage tank on Pensacola Beach with a 3 mg prestressed concrete tank, through bidding, with funding from CIP Project RW717, Tank Maintenance – Main. Motion carried 5-0.

(g) Adoption of Resolution 12-15

A motion was made by Mr. Perkins, seconded by Ms. Campbell, to adopt Resolution 12-15 - A RESOLUTION FINDING A 2,750,000 GALLONS GROUND STORAGE TANK ON PENSACOLA BEACH TO BE NO LONGER NECESSARY, USEFUL, OR PROFITABLE IN THE OPERATIONS OF THE UTILITY SYSTEMS OF THE EMERALD COAST UTILITIES AUTHORITY; AUTHORIZING ITS DEMOLITION; PROVIDING AN EFFECTIVE DATE. Motion carried 5-0.

(h) Deerfield Estates private lift station

Mr. James Faxlanger, 4159 Erika Court, Pensacola, FL 32526, addressed the Board requesting that Board action on this issue be delayed until all parties involved have an opportunity to review the agreement.

Mr. Odom and Mr. Sorrell explained the current status of the agreement and project, indicating that Mr. Faxlanger was not aware of what has been occurring at the staff level of both ECUA and the County. Mr. Odom commented that based on what has been presented, he feels that at this point in time, Mr. Faxlanger most likely does not want to delay the project.

Mr. Faxlanger again addressed the Board stating that now that he is aware of what has occurred and what is planned, he no longer is requesting that the project be delayed.

A motion was made by Dr. Walker, seconded by Ms. Campbell, to approve the conceptual framework of the project, as outlined in the proposed agreement; authorize the Executive Director and legal counsel to negotiate and

finalize the agreement; initiate a CIP project for the Deerfield Estates Subdivision Sanitary Sewer System Improvement Project; establish a budget for the project in the amount of $550,000; authorize the Executive Director to expend funds on said project up to the established budget; and proceed with advertising and receiving bids for construction of the project. Motion carried 5-0.

(i) Bio-Solids Building Bridge Crane - Sole Source Purchase

A motion was made by Ms. Campbell, seconded by Dr. Walker, to waive the normal competitive bid procedure due to the sole-source purchase of services and equipment, and approve a contract with Andress Engineering, for the modification and upgrade of the bridge crane assembly in the Bio-solids Building at the CWRF, at an estimated cost of $131,980.75, with funding from CIP Project RS235. Motion carried 5-0.

ITEM 7 - INFORMATIONAL REPORTS

None.

ITEM 8 - EXECUTIVE DIRECTOR'S REPORT:

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

(a) Expenditures approved by the Executive Director – Main Street WWTP

Mr. Sorrell also provided a report on the cost savings associated with the utilization of compressed natural gas (CNG) vehicles, reporting that within a period of five weeks, $94,000 has been saved on fuel. Mr. Sorrell further informed the Board that since the CNG vehicles utilize a different braking system, additional savings will be achieved as the brakes are lasting for a much longer period of time.

Further, Mr. Sorrell provided a verbal report on the issues being faced with the sewer line in the Highway 297 area, stating that blockages in the line are the result of something be dumped into the system. Mr. Sorrell stated that beginning November 5, the line will be "pigged" to clear the line.

Mr. Sorrell stated that as part of the environmental issues related to the Main Street WWTP site, groundwater pumping is set to begin.

Also, Mr. Sorrell reported that ECUA is about two weeks out from completing the Lakewood sewer project, which has added 1,100-1,200 new sewer customers and this is a major accomplishment for the organization. Mr. Sorrell also reported on Navy Point, stating that two additional projects are coming up.

Discussion was held concerning the fuel surcharge being eliminated as a result of the savings by going to CNG vehicles. Staff indicated that the fuel surcharge on next month's bill will be $-0-.

Ms. Benson stated that she feels it is time for the requirement of the financial oversight of the Main Street WWTP replacement project to come back to the Board. Ms. Benson requested that this topic be placed on the next Citizen's Advisory Committee meeting agenda for the Board to resume its responsibility for the approval of the expenditures.

ITEM 9 - ATTORNEY'S REPORT

None.

ITEM 10 - UNFINISHED BUSINESS

None.

ITEM 11 - NEW BUSINESS

(a) Sewer Expansion Program (Walker)

Dr. Walker provided a verbal history of the Sewer Expansion Program and the criteria that was established at its formation. Further, Dr. Walker stated that he feels it is time for ECUA to modify the criteria for this program and give priority to humanitarian need where septic tanks are not working and making the homes difficult to live in. Dr. Walker requested that this issue be referred to the Citizens' Advisory Committee for review. Committee Chairman Benson requested that the topic be placed on the January Committee agenda to allow enough time for staff to evaluate and make a recommendation to the Committee.

ITEM 12 - BOARD COMMUNICATIONS

Ms. Campbell stated that she and staff have been meeting with many Neighborhood Watch Groups and she is getting very good feedback from those groups and expressed her appreciation to staff for their involvement.

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ITEM 13 - OPEN FORUM

The following individuals addressed the Board concerning how high pressure and line blockages are impacting their private grinder pumps, creating sewer backups, in the area of Highway 297A. Ms. Wilkinson expressed her displeasure with the lack of response to her calls and correspondence to ECUA staff concerning the problems.

Ms. Theone Wilkinson
2601 Highway 297A
Cantonment, FL 32533

Mr. Chris Couture
415 Carmondy Hill Road
Cantonment, FL 32533

Dr. Walker indicated that he has received at least four calls concerning this same problem and inquired as to how many staff has received. Mr. Sorrell stated that he believes it has been four to six.

Ms. Benson stated that staff needs to look at its protocols and adjustments should be made to ensure that calls and correspondence are responded to and in a timely manner.

Ms. Campbell commented that with the upcoming Management Audit, she would like for it to include evaluation of staffing levels.

Mr. Barry Tweedie, 10395 Old Dairy Lane, Pensacola, FL 32534, addressed the Board stating that his concern about passing the fuel savings on to the customers has been answered, and that the savings would also be applied to repayment of the debt associated with the purchase of the CNG vehicles.

ITEM 14 - ADJOURNMENT

There being no further business to come before the regular meeting of the Emerald Coast Utilities Authority Board, Chairman McCorvey declared the meeting adjourned at approximately 4:15 p.m.

Respectfully submitted,

Stephen E. Sorrell
Executive Director

APPROVED BY THE ECUA BOARD
IN REGULAR SESSION ON _____.

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