MINUTES OF THE EMERALD COAST UTILITIES AUTHORITY BOARD MEETING HELD THURSDAY, SEPTEMBER 27, 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
Loranna Butterwick, Human Resources Generalist
Gary Dean, Sanitation Collection Manager
Lydia Fortin, Human Resources Manager
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
Cindy Sutherland, Director of Human Resources and Administrative 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

A motion was made by Ms. Campbell, seconded by Dr. Walker, to adopt the agenda as presented. Motion carried 5-0.

ITEM 4 – COMMUNICATIONS AND PRESENTATIONS

None.

ITEM 5 – APPROVAL OF MINUTES

A motion was made by Mr. Perkins, and seconded, to approve the minutes of the special joint Board meeting of August 23, 2012; the regular Board meeting of August 23, 2012; the special Board meeting of August 30, 2012; and the special Board meeting of September 19, 2012 as presented. Motion carried 5-0.

ITEM 6 - PUBLIC HEARINGS:

Chairman McCorvey convened the public hearings (a) and (c) at approximately 3:04 p.m.

The following individuals addressed the Board speaking against the proposed water and wastewater rate increase. There were no comments from the audience regarding the proposed establishment of revised sanitation service charges. Mr. Kintz also spoke to televising the Board meetings and the time of day the Board meetings are held.

Chairman McCorvey closed the public hearing at approximately 3:30 p.m.

Mr. James C. Nims, Jr.
2813 Langley Avenue
Pensacola, FL 43504

Mr. Ralph Stewart
8 Pleasant Avenue
Pensacola, FL 32505

Ms. Green
59 W. Carver Drive
Pensacola, FL 32507

Mr. Robert Kintz
836 S. "K" Street
Pensacola, FL 32502

Mr. Jerome Smiley
7951 Regiment Avenue
Pensacola, FL 32534

Mr. Barry Tweedie
10395 Old Dairy Lane
Pensacola, FL 32534

Ms. Benson requested that the issue of afterhour's meetings be placed on the agenda for the ECUA Citizen's Advisory Committee.

(a) 3:00 p.m. – Proposed establishment of revised sanitation service charges

(b) Adoption of Resolution 12-13

A motion was made by Mr. Perkins, seconded by Ms. Benson, to adopt Resolution 12-13 – A FINAL RATE SETTING RESOLUTION ESTABLISHING REVISED SANITATION SERVICE CHARGES. Motion carried 5-0.

(c) 3:00 p.m. – Proposed establishment of new and revised water and wastewater rates and charges

(d) Adoption of Resolution 12-14

A motion was made by Mr. Perkins, seconded by Ms. Campbell, to reduce the proposed water and wastewater rate increase from 4.5% to 4%. Motion failed 2-3 with Ms. Benson and Messrs. McCorvey and Walker voting against the motion.

A motion was made by Dr. Walker to adopt Resolution 12-14 – A FINAL RATE SETTING RESOLUTION ESTABLISHING NEW AND REVISED WATER AND WASTEWATER RATES AND CHARGES. Chairman McCorvey turned the chairmanship over to Vice Chairman Campbell and seconded the motion. Chairmanship was then returned to Chairman McCorvey. The vote on the motion failed 2-3 with Messes. Benson and Campbell and Mr. Perkins voting against the motion.

A motion was made by Ms. Campbell, seconded by Dr. Walker, to approve a water and wastewater rate increase of 4.25% with the difference between the 4.5% and 4.25% be taken from the budget for health insurance. Motion carried 3-2 with Ms. Benson and Mr. Perkins voting against the motion.

A motion was made by Dr. Walker, seconded by Ms. Campbell to adopt Resolution 12-14 – A FINAL RATE SETTING RESOLUTION ESTABLISHING NEW AND REVISED WATER AND WASTEWATER RATES AND CHARGES, with Exhibit "1" corrected to reflect the 4.25% increase. Motion carried 3-2 with Ms. Benson and Perkins voting against the motion.

ITEM 7 - REPORT OF THE ECUA CITIZENS' ADVISORY COMMITTEE 09/19/12

A motion was made by Mr. Perkins, seconded by Ms. Campbell, to approve the following recommendations for Items F through K as presented. Motion carried 5-0.

F. Blanket Purchase Order – Gulf Coast Electric Motor

Waive the formal bid requirement due to the need for timely repair of specialized equipment necessary for the continued operation of our utility system, and approve the issuance of blanket purchase orders to Gulf Coast

Electric Motor in the total amount of $545,000 to cover the cost of motor, pump and equipment repair for the Lift Station Division, the Plant Maintenance Department and Water Production Department, with funding from the appropriate budget line items.

G. Blanket Purchase Order – Triple H Specialty of Alabama

Waive the formal bid requirement due to Triple H Specialty of Alabama being the only authorized supplier of Yaskawa drives and components in our area, and approve the issuance of a blanket purchase order to Triple H Specialty of Alabama in the total amount of $95,000 to cover the cost of VFD equipment and component purchases for the continued operation of our utility system, with funding from the respective operating budget.

H. Contract Extension – Evaporated Salt

Approve the first year of two optional one-year extensions of the contract with Cargill Salt for evaporated salt, in the amount of $174.38 per ton, subject to vendor and Board acceptance, and authorize payment from the appropriate budget line item.

I. Waiver of Bidding – Liquid Polymer

Waive the formal bidding process based on the best price from the most recent trials, and award a contract to Polydyne, Inc., Riceboro, GA, at the price of $0.93 per pound for one year, with funding from the appropriate budget line item.

J. Award of Bid – UPS System

Award bid RFP 2012-08 UPS System for I.T. Server Room to White Sands Electric, the low bidder, for the base bid plus the alternate upgrade to 36kW, in the amount of $72,430.00, with funding from CIP Project RA907A.

K. CWRF Sludge Disposal

Approve a purchase order for sludge disposal with Timberlands Landfill and authorize payment to Escambia County Solid Waste at their respective rates at the time of disposal on an as-needed basis, and authorize payment from the appropriate budget line item.

L. Health Insurance Presentation – Plan Approval for Fiscal Year 2013

A motion was made by Mr. Perkins, seconded by Ms. Campbell, to approve the Option 1 proposed benefits package at a cost of $ 5,914,276, including the following plan components: (1) approve the renewal proposed by our current medical insurer, Florida Blue, and (a) offer similar plan designs as last year for employee and dependent health coverage, (b) provide the employee premium for the three plans, (c) provide an average of 65% of the dependent premium for the three plans, and (d) contribute $1,000 of the employee deductible or $1,500 of the family deductible into a health savings account for each employee enrolled in the Health Savings Account (HSA) plan; (2) continue with the current dental insurer, United Concordia, and provide 100% of the employee premium for the Basic plan; and (3) continue with the current life and long term disability insurer, Unum, and provide 100% of the cost for Basic employee benefits. Motion carried 5-0.

M. ECUA Social Media Program-Presentation

Presentation in Committee only – no action taken.

ITEM 8 - OPERATIONAL ITEMS:

(a) Contract extension - Biodegradable hydraulic oil

A motion was made by Ms. Benson, seconded by Ms. Campbell, to approve the first optional one-year contract extension to Terresolve Technologies, Inc., for the provision of biodegradable hydraulic oil at the original contract price, terms and conditions as mutually agreed upon by ECUA and Terresolve, with funding from the appropriate budget line item. Motion carried 5-0.

(b) Award of bid - Orthophosphate

A motion was made by Ms. Campbell, seconded by Mr. Perkins, to award the contract for orthophosphate to Dumont Company, Inc., the lowest bidder, at $8.15 per gallon for quantities of three or more totes, or $7.90 per gallon for quantities of six or more totes, with a maximum anticipated expenditure of $195,600.00 for the contract period, with funding from the appropriate budget line item. This contract is for a period of one-year with an option to renew for two consecutive one-year period at the current rate. Motion carried 5-0.

(c) Award of bid - Truck tire retread services

A motion was made by Dr. Walker, seconded by Ms. Campbell, to award a one-year contract not to exceed $125,000 to Howell's Truck & Giant

Tire Service, Inc., of Pensacola, FL, with two one-year optional extensions upon mutual agreement of both parties, with no increase in price, to supply services related to the retreading of truck tires for the ECUA fleet. Funding for these services will be provided from the appropriate line item within the Sanitation operating budget. Motion carried 5-0.

(d) Downtown South/Pen Haven Phase II sewer rehabilitation

A motion was made by Ms. Benson, seconded by Ms. Campbell, to approve a change order to the contract with Suncoast Infrastructure, Inc., for the Downtown South/Pen Haven Phase II Sewer Rehabilitation – Cured-in-Place Pipe Lining in the total amount of $371,001.97, and a time extension of 235 days, with funding to be provided by a transfer of $372,000.00 from CIP Project RS624 – Inflow and Infiltration (master project number) to CIP Project RS624V Downtown South/Pen Haven Phase II Sewer Rehabilitation – Cured-in-Place Pipe Lining. Motion carried 5-0.

(e) Waiver of formal bid process – Internal inspection of Carpenters Creek trunk sewer

A motion was made by Mr. Perkins, seconded by Dr. Walker, to waive the formal bid process due to the need for prompt system repairs, and award the contract for Internal Inspection Services of Carpenters Creek Trunk Sewer to Compliance EnviroSystems, LLC, with funding of $240,000 from CIP Project RS951. Motion carried 5-0.

(f) Amendments to three State Revolving Fund Loan agreements

A motion was made by Dr. Walker, seconded by Ms. Campbell, to approve Amendment 3 to Loan Agreement WW81609P, Amendment 4 to Loan Agreement WW81609O, and Amendment 3 to Loan Agreement WW816100, and authorize the Executive Director and legal counsel to execute the Amendments. Motion carried 5-0.

ITEM 9 - INFORMATIONAL REPORTS

None.

ITEM 10 - EXECUTIVE DIRECTOR'S REPORT:

The following report was presented for information only and did not require action. Mr. Sorrell also provided an update on relocation of the Engineering Department to the Customer Service building; the demolition of the Human Resources building at 9250 Hamman Street, stating that it is currently

under remediation for asbestos; and the demolition of the old gas station building. Mr. Sorrell also advised that the air conditioning problems with the new addition have been resolved.

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

Mr. Sorrell also expressed his appreciation to Ms. Lydia Fortin and the Human Resources staff for their recent efforts regarding the health insurance issue.

ITEM 11 - ATTORNEY'S REPORT

Mr. Odom reported that the City of Pensacola taxing issues regarding the compressed natural gas (CNG) station have been resolved, resulting in a $120,000 savings to ECUA. Mr. Odom stated that additional tax savings related to CNG should also be forthcoming.

Mr. Odom also reported that a trial related to the Main Street WWTP relocation resulted in a $0 award; and, the mediation with the County regarding the transfer station resulted in an impasse and staff is continuing to meet with County staff on the issue.

ITEM 12 - UNFINISHED BUSINESS

None.

ITEM 13 - NEW BUSINESS

None.

ITEM 14 - BOARD COMMUNICATIONS

Mr. Sorrell reported that the groundbreaking for the new CNG fuel station is scheduled for Wednesday, October 3 at 11:00 a.m.

Ms. Benson expressed her concerns with the setup for the Board in the new Board room, commenting that with the current setup of the monitors, she was not able to see the audience and the audience could not see the Board.

Ms. Benson further commented that she felt a large portion of the budget was not available for discussion until the final deliberation meeting, requesting that in the future the budget be provided at an earlier date, including

the health insurance issue. Ms. Benson also suggested that budget workshops be conducted with staff to allow for the provision of more, in-depth information.

Dr. Walker requested that Mr. Sorrell and staff bring forward a proposed budget calendar for next year, which would include deliberation at a much earlier time.

ITEM 15 - OPEN FORUM

(a) Mr. James C. Nims, Jr., addressed the Board again stating that he was disappointed in the manner in which the meeting was conducted, his inability to hear or see the proceedings, and the lack of pencils for his use.

(b) Mr. Barry Tweedie commented on the items in which bids were waived, stating the Board should have addressed the items separately rather than grouping those items with others for approval. Mr. Tweedie also stated that since there was a fuel savings with the CNG, then that should be passed on as a reduction in the fuel charge on ECUA bills.

(c) Mr. Robert Kintz addressed the Board requesting a list of all current Committee members, including addresses.

(d) Ms. Green commented that the ECUA should not rely so much on the website to provide information to its customers as it is not feasible as some customers do not have computers.

ITEM 16 - 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 4:50 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: