OFFICIAL
Approved by the
Board 09/25/14

MINUTES OF THE EMERALD COAST UTILITIES AUTHORITY BOARD MEETING HELD THURSDAY, AUGUST 28, 2014 AT 2:00 P.M. IN THE ECUA BOARD ROOM AT 9255 STURDEVANT STREET, ELLYSON INDUSTRIAL PARK, PENSACOLA, FL

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

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 Government Affairs
Amanda Handrahan, Recycling Coordinator
Linda Iversen, Executive Assistant to the Board
Bill Johnson, Director of Engineering
David Roberts, Director of Information Technology
Jim Roberts, Public Information Officer
Patty Sheldon, Director of Budgets and Cash Management

ITEM 1 – CALL TO ORDER

Chairman Walker called the regular meeting of the Emerald Coast Utilities Authority Board to order at approximately 1:58 p.m.

ITEM 2 – INVOCATION AND PLEDGE OF ALLEGIANCE

Chairman Walker provided the invocation and led the Pledge of Allegiance.

ITEM 3 – ADOPTION OF AGENDA

Ms. Benson added "beach mouse crossing" and "politics" to the agenda.

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

Board meeting 08/28/14

ITEM 4 - PUBLIC HEARINGS:

Chairman Walker opened the public hearings at approximately 2:03 p.m. At the conclusion of speakers, Chairman Walker closed the public hearings at approximately 2:28 p.m.

(a) 2:00 p.m. – Proposed establishment of new and revised water and wastewater rates and charges

The following individuals addressed the Board speaking against the proposed water, wastewater and sanitation rate increases. Mr. Tweedie inquired about the increase in disposal cost for "vacant senior citizen", stating that if it was vacant then they would not have anything to dispose and thus would not be contributing to the increased landfill disposal costs. It was pointed out to Mr. Tweedie that the cost perhaps also includes yard waste. Mr. Sorrell advised Mr. Tweedie that staff would look at this and get back with him.

Mr. Jeremy Bosso
11 Boland Place
Pensacola, FL 32505

Mr. Brian Velez
8783 Intruder Court
Pensacola, FL 32506

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

(b) Adoption of Resolution 14-09

A motion was made by Mr. Perkins, seconded by Mr. McCorvey to adopt Resolutions 14-09 and 14-10.

Ms. Benson indicated she would like to consider the resolutions separate and Mr. Perkins withdrew his motion.

A motion was made by Mr. McCorvey, seconded by Mr. Perkins, to adopt Resolution 14-09 - A FINAL RATE SETTING RESOLUTION ESTABLISHING NEW AND REVISED WATER AND WASTEWATER RATES AND CHARGES. Motion carried 4-1 with Ms. Benson voting against the motion.

Ms. Benson spoke in opposition to the rate increase, stating that ECUA should give the customers a break for a year.

(c) 2:00 p.m. – Proposed establishment of new and revised sanitation service rates and charges

(d) Adoption of Resolution 14-10

A motion was made by Ms. Benson, seconded by Mr. McCorvey, to adopt Resolution 14-10 - A FINAL RATE SETTING RESOLUTION ESTABLISHING NEW AND REVISED SANITATION SERVICE RATES AND CHARGES. Motion carried 5-0.

ITEM 5 - OPEN FORUM

(a) Mr. Jim Hunt, 11659 Wakefield Drive, Pensacola, FL 32514, addressed the Board concerning the littering of his neighborhood by ECUA sanitation trucks. Mr. Hunt also presented the same video as he presented the previous week to the ECUA Citizens' Advisory Committee. Mr. Hunt stated that he should not be charged for sanitation service when he has to call in and report such problems. Further, ECUA should have some form of policy in place by which it could discipline sanitation drivers for not properly picking up the garbage, and litter, and returning the cans to the proper upright position and location.

Chairman Walker assured Mr. Hunt that this issue will be evaluated and corrected.

Ms. Benson stated that she would like to see some metrics regarding this issue, with Mr. Perkins stating that he would like for the Citizens' Advisory Committee to take a look at this and perhaps come up with some solutions.

Mr. Bosso addressed the Board stating that he appreciates the efforts of the sanitation drivers and expressed his appreciation to staff for the great service that ECUA provides.

ITEM 6 - PRESENTATIONS

None.

ITEM 7 - APPROVAL OF MINUTES

A motion was made by Ms. Campbell, seconded by Mr. McCorvey, to approve the minutes of the regular Board meeting of July 24, 2014 as presented. Motion carried 5-0.

At this point, Chairman Walker declared a recess from 3:03-3:10 p.m.

Board meeting 08/28/14

ITEM 8 - REPORT OF THE ECUA CITIZENS' ADVISORY COMMITTEE 08/20/14

A motion was made by Ms. Benson, seconded by Ms. Campbell, to approve the following recommendations for all items with the exception of Item G. Motion carried 5-0.

F. Presentations:

Committee only – no acquired required.

(1) Bullock and Associates
(2) NAI Halford

G. Blanket Purchase Order – Gulf Coast Electric Motor Services

A motion was made by Mr. Perkins, seconded by Mr. McCorvey, to waive the 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 Service in the total amount of $600,000 to cover the cost of motor, pump and equipment repair for the Maintenance & Construction Department and the Water Production Department, with funding from the appropriate budget line item or CIP projects RS008T or RW522. Motion carried 4-1 with Ms. Benson voting against the motion.

Ms. Benson commented that ECUA should go out for bids whenever possible.

H. Annual Water Well Maintenance and Repair Contract

Waive the requirements for bidding based on the bidding history through the past six years, and Layne's willingness to honor current contract terms, and award a contract extension to Layne Christensen Company, Pensacola, Florida, for an additional year at the current contract price, with funds allocated from CIP Project RW901- Well Maintenance and Testing.

I. Waiver of Bidding for Liquid Polymer

Waive the bidding process based on past polymer trials and extend a contract for supply of liquid polymer 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. Extension of Chemical Contract – Liquid Chlorine

Approve a one-year extension of the contract with DPC Enterprises of Mobile, Alabama, the first of the two optional one-year extensions, at the terms and rates of the existing contract, with funding from the appropriate budget line item.

K. Sole Source Purchase – Tertiary Filter for CWRF

Waive the bid requirement for the purchase of an eighth rotating disc filter due to the plant's hydraulic flow, the filter footprint, and the compatibility with the existing filters and controls, and approve the issuance of a sole source purchase order to Huber Technologies, Inc., in the total amount of $347,000 with funding from CIP Project CS417.

L. Sludge Application Agreement – Greensouth Solutions

Waive the normal bid requirement due to the immediate availability of disposal capacity, and approve the proposed agreement and authorize the executive director to execute the agreement with GreenSouth Solutions for land applying sludge at the rate of $35.00 per ton with GreenSouth providing the hauling or $8.00 per ton when hauling is provided by ECUA or others, with funding from the appropriate budget line item.

M. Award of bid – I.T. Master Plan Consultant

(a) Adopt the Executive Director's proposed ranking of proposals for the consultant to develop an I.T. master plan as follows:

(1) Plante Moran
(2) MGT of America, Inc.
(3) Brio Consulting

(b) authorize the Executive Director to negotiate with the firms in that rank order and execute all required documents; and (c) approve project funding from Operating Contingency.

N. Commercial Insurance Policy Renewals for Fiscal Year 2015

Approve Option 1 to renew ECUA fiscal year 2015 insurance policies with the current respective insurers, as listed in the table below, with funding from the appropriate budget line item.

Insurer or Agent	Insurance	Premium fiscal year 2015	Premium Adjustment
FMIT, Insurer			
	Auto Liability & Physical Damage	$184,605	Increase in premium by $4,677 or 2.53%
	Property	$567,108	Decrease in premium by $96,290 or 11.10%
	Excess Workers' Compensation	$182,498	Increase in premium by $35,302 or 23.98% and $11,270 in credits applied
Bonds			
FMIT/Travelers	Fertilizer Dealers bond	$0	Non-renewing. As of July 1, 2014, it is no longer required by the State of FL.
Total Premium fiscal year 2015		**$934,211**	Due in quarterly installments.
Return of Premium for renewal in fiscal year 2015		**$125,177**	Typically refunded in December
Reduced Grand Total Premium after refund of $125,177		**$809,034**	

ITEM 9 - OPERATIONAL ITEMS:

(a) Award of bid: Old Corry Field Road force main replacement

A motion was made by Ms. Benson, seconded by Ms. Campbell, to (1) waive the minor informality of the signature requirement acknowledging Addendum No. 4 in the Contractor's Proposal portion of the bid packet; (2) award the bid for construction of the Old Corry Field Road Force Main Replacement to Pensacola Concrete Construction Company, Inc., Pensacola, Florida, the low bidder, in the total amount of $623,299.00 ($799,999.00 – $176,700.00) for the Base Bid including the deductive alternate for use of PVC piping; and (3) transfer $30,000.00 from CIP Project RS121 – Inflow and Infiltration to CIP Project RS328 Old Corry Field Road Force Main Replacement. Motion carried 5-0.

(b) Award of bid: Pensacola Beach water main upgrades, Project 3

A motion was made by Mr. Perkins, seconded by Mr. McCorvey, to award the contract for CIP Project RW306X - Pensacola Beach Water Main Upgrades, Project 3, to Evans Contracting, the lowest bidder, for the Base Bid in the amount of $803,350, with funding in the amount of $845,000 transferred from CIP Project RW906. Motion carried 5-0.

(c) Rate increase for Otto container maintenance

A motion was made by Mr. McCorvey, seconded by Mr. Perkins, to approve option 1 and allow Otto's request for a rate increase of $0.01 per can per month for 2014, with funding from the appropriate budget line item. Motion carried 5-0.

(d) Scenic Highway/Baywoods Drive water main replacement-storm disaster relief

A motion was made by Ms. Campbell, seconded by Mr. McCorvey, to authorize the Executive Director to execute a work order for Warrington Utility and Excavating to perform the replacement of a segment of washed out water main along Scenic Highway in the vicinity of Baywoods Drive by directional bore, utilizing the previously established Small Scale Utility Projects contract, and establish a project budget in the amount of $65,000 with funding from CIP Project DF001. Motion carried 5-0.

(e) Federally funded Public Assistance Agreement for FEMA-4177-DR-FL

A motion was made by Mr. Perkins, seconded by Mr. McCorvey, to authorize the execution and acceptance of the agreement for FEMA-4177-DR-FL, which includes certifying that the Executive Director has the authority to legally execute and bind ECUA to the terms of this agreement. Motion carried 5-0.

(f) Replacement of Windows - Systems Operations & Maintenance Building

A motion was made by Mr. McCorvey, seconded by Ms. Benson, to authorize the Executive Director to approve a change order with Larry Hall Construction, Inc., in a not-to-exceed amount of $65,000 for the replacement of the existing windows in the Systems Operations & Maintenance Building, with funding provided by a transfer of that amount from CIP Project CS141Z (New

WWTP Project Contingency) to CIP Project CS142B (Systems Operations & Maintenance Building Renovation). Motion carried 5-0.

Ms. Benson inquired, relative to the architect for the project, as to whether this could be an "errors and omissions" issue. Mr. Odom stated that if ECUA is paying the same amount that would have been paid when bidding, then there would be no resulting damage to ECUA from the oversight to the extent that there is an increased cost because of the fact that it wasn't in the original plans and specs, etc., then yes ECUA would have been damaged by it. Further, he does not know enough about the item to determine to what extent that ECUA has been damaged.

Ms. Benson stated that she doesn't see that ECUA has an option but she wanted to register her protest that the plans did not include the window replacement. Further, it appears to her that replacement of the windows would be a priority in any renovation and the fact that this was omitted is unconscionable.

(g) Navy Boulevard property

A motion was made by Mr. Perkins, seconded by Ms. Campbell, to approve the negotiated Purchase and Sale Agreement to facilitate the sale of the surplus property located at Navy Boulevard and authorize the Executive Director to execute that document and complete the transaction. Motion carried 5-0.

(h) Disposition of surplus property – Wedgewood Wastewater Treatment Plant

A motion was made by Mr. McCorvey, seconded by Ms. Benson, to approve and concur in the findings of the Executive Director and authorize the disposition of the Wedgewood WWTP site and the Wedgewood Lift Station site. Motion carried 5-0.

(i) Adoption of Resolution 14-11

A motion was made by Ms. Campbell, seconded by Mr. McCorvey, to adopt Resolution 14-11 - A RESOLUTION FINDING THE WEDGEWOOD WASTEWATER TREATMENT PLANT SITE AND WEDGEWOOD LIFT STATION SITE TO BE NO LONGER USEFUL, NECESSARY, OR PROFITABLE IN THE OPERATION OF THE UTILITY SYSTEMS OF THE EMERALD COAST UTILITIES AUTHORITY; APPROVING AND CONCURRING IN THE FINDINGS OF THE EXECUTIVE DIRECTOR; AUTHORIZING THEIR DISPOSITION; PROVIDING AN EFFECTIVE DATE. Motion carried 5-0.

Board meeting 08/28/14

ITEM 10 -INFORMATIONAL REPORTS

None.

ITEM 11 - EXECUTIVE DIRECTOR'S REPORT:

(a) Mr. Sorrell indicated he had received a number of inquiries regarding ECUA getting into the commercial sanitation business and stated that staff feels at this time it is not possible. Further, ECUA does not have the equipment nor manpower to provide commercial service; however, they are assisting with those inquires for ECUA commercial service as best we can.

(b) Mr. Sorrell also reported that effective July 1, 2014, and allowing two year compliance, the Florida Department of Environmental Protection (FDEP) has established a new rule that will require backflow prevention devises on all irrigation systems.

Mr. Perkins stated that he would like to see this rule at the top of the ECUA list of requests for the local legislative delegation this year to undo this. Further, he would like to have a representative of the regulatory agency attend a meeting and provide an overview of why this rule is necessary. Mr. Perkins also stated that he would like to request, perhaps via the attorney, that the Governor place a hold on this rule until the Legislature debates on it.

Ms. Benson requested that this issue be added to the agenda for the September Citizens' Advisory Committee meeting, requesting that the FDEP presentation be made at this meeting.

Chairman Walker suggested that the Board ask Mr. Odom to discern for the Board the rationale for this law and what the reasoning was and bring that to the Board, as well as whether there are options that the Board might use/have in responding to it.

Mr. Odom stated that Ms. Benson is correct - it is a rule promulgated by the FDEP and not the Legislature. It is in effect now; however, the utilities are being given some time to try to comply. The first report that is due under the rule is in January 2017. Mr. Odom stated that as he understands the rule, it does not apply to internal fire suppression systems. Right now, they are targeting the auxiliary water system which is basically your irrigation type of system because it is possible that without a backflow preventer, the irrigation system can be more pressurized in the line and thus result in the meter running backwards and irrigation water entering into the potable water system. Further, Mr. Odom stated he would be glad to look into it further and report back as requested.

ITEM 12 - ATTORNEY'S REPORT

(a) Mr. Odom reported that a hearing on the Innerarity Island system was held and the Judge will be rendering a ruling on September 8 or thereafter. Further, he believes that this has opened some dialogue/discussions between the County and ECUA and the county is now trying to address some of the issues.

(b) Mr. Odom reported that a bid protest has been received relative to the June Board action dealing with the cured-in-place award and they are moving along with this.

(c) Also, with regard to the wastewater use regulations, they are going into some enforcement actions relative to this and will be entering into a consent order on this matter.

(d) Mr. Odom commented that they are also addressing some construction and various employee issues at this time.

(e) Mr. Odom also informed the Board that another "Doing Business with ECUA" seminar will be conducted in September.

(f) Further, Mr. Odom reported that a situation with a new apartment complex by the University being unable to get a certificate of occupancy because they needed some things from the County, and they also needed to get water from ECUA. They were able to come up with a way to work through an easement in order to be able to provide water to the complex, thereby allowing students to move in.

ITEM 13 - UNFINISHED BUSINESS

(a) Beach Mouse Crossings (Benson)

Ms. Benson commented that she received a phone call from a resident on Perdido Key indicating that FDOT is getting ready to begin the beach mouse crossing project and wondered if any updates were available.

Mr. Sorrell responded that FDOT is going to build the project and staff did not have anything new to report.

(b) Politics (Benson)

Ms. Benson stated that she wanted to congratulate all candidates for office that won, as well as those that ran. Further, she expressed her views

relative to bad campaign tactics, stating she plans to do everything in her power to stop the negative campaigning. Also, she would like to thank Mr. Underhill for his service.

ITEM 14 - NEW BUSINESS

None.

ITEM 15 - BOARD COMMUNICATIONS

Chairman Walker reported that he won a $5.00 bet on one of the political races.

ITEM 16 - ADJOURNMENT

There being no further business to come before the regular meeting of the Emerald Coast Utilities Authority Board, Chairman Walker declared the meeting adjourned at approximately 4:00 p.m.

Respectfully submitted,

Stephen E. Sorrell
Executive Director and
Secretary

APPROVED BY THE ECUA BOARD
IN REGULAR SESSION ON 09/25/14.

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