OFFICIAL
Approved by the
Board 08/28/14

MINUTES OF THE EMERALD COAST UTILITIES AUTHORITY BOARD MEETING HELD THURSDAY, JULY 24, 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
Ernest Dawson, Director of Regional Services
Tom Dawson, Director of Water Production
Lydia Fortin, Human Resources Manager
Tim Haag, Director of Government Affairs
Amanda Handrahan, Recycling Coordinator
Steve Holcomb, Director of Wastewater Infrastructure
Linda Iversen, Executive Assistant to the Board
Bill Johnson, Director of Engineering
Gerry Piscopo, Director of Maintenance and Construction-Utility Operations
Brian Reid, Project Engineer
Jim Roberts, Public Information Officer
Randy Rudd, Deputy Executive Director-Shared Services
Patty Sheldon, Director of Budgets and Cash Management
Cindy Sutherland, Director of Human Resources and Administrative Services

ITEM 1 – CALL TO ORDER

Chairman Walker called the regular meeting of the Emerald Coast Utilities Authority Board to order at approximately 1:59 p.m.

ITEM 2 – INVOCATION AND PLEDGE OF ALLEGIANCE

Mr. McCorvey provided the invocation and led the Pledge of Allegiance.

ITEM 3 – ADOPTION OF AGENDA

Mr. Sorrell advised that a revised item 9(g) was before the Board.

Ms. Campbell added Huntington Creek to the agenda under Open Forum.

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

ITEM 4 - PUBLIC HEARINGS

None.

ITEM 5 - OPEN FORUM

(a) Ms. Linda Hixson, 204 Ursula Lane, Pensacola, FL 32526, addressed the Board requesting the waiver of the impact fee for connection of a home located at 1307 W. Avery. Ms. Hixson explained that she inherited the Avery Street property from her father who had failed to connect to the sewer system within the timeframe that would have allowed the impact fee to be waived.

A motion was made by Mr. Perkins, seconded by Ms. Benson, to waive the impact fee.

Mr. Odom stated that past actions by the Board have consistently been to deny such requests and advised the Board that this request should also be denied.

Ms. Benson stated that perhaps it is time for staff to review past actions regarding requests for waiver and determine if perhaps a revisit of the policy is needed.

The vote on the motion carried 5-0.

(b) Huntington Creek (Campbell)

Ms. Campbell indicated that she had invited representatives for the Huntington Creek subdivision to attend the Board meeting and asked that they be heard.

Mr. Jerry McGuire, engineer for the development, addressed the Board advising of the problems they are encountering relative to ECUA's approval and acceptance of the lift station. Mr. McGuire advised that they

would like for the Board to allow the developer to proceed with the plans they have submitted for the lift station that will service the subdivision.

Mr. Bill Johnson, ECUA Director of Engineering, and Mr. Gerry Piscopo, ECUA Director of Maintenance and Construction-Utility Operations, responded to Mr. McGuire's comments stating that the orientation of the wet well placed in the ground is different from what was approved within the plans. The wet well, as installed by the developer's contractor, is off 90 degrees and that was not what was approved and it is impacting access to the wet well by ECUA vehicles. Mr. McGuire stated that the wet well is installed exactly as indicated on the approved plans.

Mr. Sorrell commented that staff did not know about this issue until just before the Board meeting and had they known, staff could have been better prepared to address the issue.

A motion was made by Ms. Benson, seconded by Ms. Campbell, to refer this issue to staff and that the developer be given as much latitude as possible with the understanding that the Board is eager to move forward with a resolution. Motion carried 5-0.

ITEM 6 - PRESENTATIONS

There were no presentations.

ITEM 7 - APPROVAL OF MINUTES

A motion was made by Mr. McCorvey, seconded by Mr. Perkins, to approve the minutes of the regular Board meeting of June 26, 2014 as presented. Motion carried 5-0.

ITEM 8 - REPORT OF THE ECUA CITIZENS' ADVISORY COMMITTEE 07/16/14

A motion was made by Ms. Benson, seconded by Mr. Perkins, to approve the following recommendations for items F through I. Motion carried 5-0.

F. Award of Bid: Fire Hydrant and Fire Hydrant Extensions

Approve the one-year contract (with two, one-year optional extensions upon mutual agreement of both parties, with no increase in price) with Consolidated Pipe & Supply, Milton, Florida, the lowest bidder meeting specifications, to supply fire hydrants and fire hydrant extensions at an

estimated cost of $149,222.08; with funding from the appropriate budget line items.

G. Annual Service Contract – Maintenance of Lift Station Site Entrance Roads and Trees

Approve the extension of the current contract for maintenance of lift station site entrance roads and trees, as provided as an option in the existing contract with HHH Construction of NW Florida, Inc., at a proposed total cost of approximately $75,000, with payment from the appropriate budget line item. The duration of the contract will be for one year, with an optional one-year extension, upon the mutual agreement of both parties with no change in price.

H. Purchase of Purafil Odor Control Filter Media

Waive the normal bidding process and approve the sole source purchase of Purafil odor control media from Pump & Process Equipment Incorporated, Pensacola, Florida, for its use at various ECUA sites at an estimated cost of $185,075.00, with funding from the appropriate budget line item.

I. Report – Electronic Paperless Billing – Information Only

Held in Committee.

J. Fiscal Year 2015 Budget

A motion was made by Ms. Benson, seconded by Mr. Perkins, to approve the following recommendations. Motion carried 5-0.

Water and Wastewater fiscal year 2015 CIP and Operating budgets

Approve the operating budget and CIP budget, including all projects as presented, and a 3% rate increase for water and wastewater.

Sanitation fiscal year 2015 CIP and Operating budgets

Approve the Sanitation budget with the 3.5% increase and including the CIP projects.

Ms. Benson stated that with the next budget, she would like to see a Department by Department statement of what they plan to accomplish in the next 12 months with specific items and measurable outcomes.

Also, Ms. Benson asked what the impact of the water and wastewater rate increase would have on some of the large commercial customers and perhaps have the answer at the next Board meeting.

ITEM 9 - OPERATIONAL ITEMS:

(a) Adoption of Resolution 14-07

A motion was made By Mr. Perkins, seconded by Ms. Campbell, to adopt Resolution 14-07 - *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 5-0.

(b) Adoption of Resolution 14-08

A motion was made by Mr. McCorvey, seconded by Ms. Campbell, to adopt Resolution 14-0 – *A PRELIMINARY RATE SETTING RESOLUTION PROVIDING FOR NOTICE AND PUBLIC HEARING CONCERNING THE PROPOSED ESTABLISHMENT OF NEW AND REVISED SANITATION SERVICE RATES AND CHARGES*. Motion carried 5-0.

Ms. Benson stated that the rate increase for sanitation is tied to the increase in tipping fees at the County's Perdido landfill.

(c) Contract extension - biodegradable hydraulic oil

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

(d) Annual emergency service contract

A motion was made by Mr. Perkins, seconded by Ms. Benson, to waive the competitive bidding requirement based on the pricing structure available through the 2009 bid, and authorize staff to enter into an agreement with Pensacola Concrete Construction, Pensacola, Florida, for a one-year contract (with three one-year optional extensions upon mutual agreement), with funding provided from the appropriate budget line items. Motion carried 5-0.

(e) Extension of small scale utility projects contract

A motion was made by Mr. McCorvey, seconded by Mr. Perkins, to approve extension of the Small Scale Utility Projects contract as awarded to Warrington Utility and Excavating, Inc., with original bid prices, for one additional year, as specified in the contract's Standard Form of Agreement. Motion carried 5-0.

(f) Award of bid – Broad Street well – Water Treatment Facility replacement

A motion was made by Mr. McCorvey, seconded by Ms. Campbell, to award the contract for the Broad Street Well - Water Treatment Facility replacement to Vision Construction Ent., Inc., the lowest bidder, for the base bid in the total amount of $888,630, with funds allocated from CIP Project RW031. Motion carried 5-0.

(g) Award of bid – Ridgetop Apartments lift station abandonment

A motion was made by Ms. Benson, seconded by Ms. Campbell, to (a) conclude that Brown Construction of Northwest Florida's having bid more than 3% for mobilization as well as its math/transcription errors constitute minor informalities; (b) waive those minor informalities; (c) award a contract to Brown Construction of Northwest FL, Inc., the low bidder, in the total amount of $230,683.18, for the Ridgetop Apartments Sewer Addition & Lift Station #136 Abandonment - CIP Project RS121G; and (d) transfer funds in the amount of $270,000.00, from Lift Station Replacement & Upgrading (CIP Project RS121) to CIP Project RS121G. Motion carried 5-0.

(h) Award of bids – Transmission main interruption plan components

A motion was made by Mr. Perkins, seconded by Ms. Benson, to approve awarding the bids and issuing purchase orders totaling $872,523.50, including a 7-year lining warranty on select items, as follows, with funding provided by CWRF Transmission Main Interruption Plan - CIP Project CS415. Motion carried 5-0.

		Std. Warranty	7-Yr. Warranty
Ferguson Waterworks	Item A (45° & 90° Bends)	$301,100.00	
Pensacola, AL	Item C (Accessory Kits)	54,820.00	
	Item D (Repair Clamps)	8,310.00	
	Item E (Bell Joint Clamps	16,772.00	
	Item G (54" Pipe & Bends)	311,544.00	

		$692,546.00	$712,546.00
HD Supply Pensacola, FL	Item B (Sleeves) Item F (16"-48" Pipe)	$ 78,666.00 49,316.00 $127,982.00	$157,977.50

(i) Change Order – Bayou Marcus WRF headworks upgrade and clarifier improvements

A motion was made by Mr. Perkins, seconded by Mr. McCorvey, to authorize the Executive Director to approve a change order with J&P Construction Co., Inc., in a not-to-exceed amount of $70,000 for revisions to the screen structure location which will involve the rerouting of the existing reclaimed water lines, with funding provided by the subject project (CIP Project RS032). Motion carried 5-0.

(j) Group benefits – fiscal year 2015

A motion was made by Mr. McCorvey, seconded by Mr. Perkins, to approve Option 2, which is the proposed benefits package at a cost of $5,419,825, and including the following plan components: (a) approve renewal with Florida Municipal Insurance Trust (FMIT) as the medical insurer, and (b) offer two plan designs, one HSA plan and one traditional Preferred Provider Organization or "PPO" plan, (c) provide the employee premium for both plans, (d) provide an average of 65% of the dependent premium for the two plans, and (d) contribute $750 of the employee deductible or $1,125 of the family deductible into a health savings account for each employee enrolled in the Health Savings Account plan. Motion carried 4-1 with Ms. Benson voting against the motion.

Group Medical Insurance	Budgeted Fiscal year 2014	Budgeted Fiscal year 2015
Medical Insurance (including the ECUA contribution into Health Savings Accounts)	$5,069,042	*$5,419,825
Budget change for fiscal year 2105		$ 350,783

**Calculations show overall funding for projected enrollment plus five Board members. Part-time employees, seasonal employees, and students are not included.*

Ms. Benson expressed concern with the lack of encouragement of participation in the Health Savings Account (HSA). Further, she would like to

see a big push towards HSA enrollments. Further, Ms. Benson inquired as to how many employees in the HR Department are enrolled in the HSA plan.

ITEM 10 -INFORMATIONAL REPORTS

None.

ITEM 11 - EXECUTIVE DIRECTOR'S REPORT:

The Executive Director did not have anything to report.

ITEM 12 - ATTORNEY'S REPORT

The Attorney did not have anything to report.

ITEM 13 - UNFINISHED BUSINESS

None.

ITEM 14 - NEW BUSINESS

None.

ITEM 15 - BOARD COMMUNICATIONS

Mr. Perkins commented that he was pleased to see a letter from the County Administrator to Mr. Sorrell, stating it was a good letter and hopefully ECUA will be able to work cooperatively with the County.

Chairman Walker stated he also feels things are moving in a positive direction for the first time in a long time in ECUA's relationship with the County.

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 3:30 p.m.

Respectfully submitted,

Stephen E. Sorrell
Executive Director and
Secretary

Board meeting 07/24/14

APPROVED BY THE ECUA BOARD
IN REGULAR SESSION ON 08/26/14.

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