MINUTES OF THE EMERALD COAST UTILITIES AUTHORITY BOARD MEETING HELD THURSDAY, MAY 29, 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
Mike Hamlin, Manager of Utility Development
Amanda Handrahan, Recycling Coordinator
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

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

Mr. Sorrell advised that a corrected recommendation for item 9(g) was before the Board.

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

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ITEM 4 - PUBLIC HEARINGS

None.

ITEM 5 - OPEN FORUM

There were no comments from the audience.

ITEM 6 - PRESENTATIONS

There were no presentations.

ITEM 7 - APPROVAL OF MINUTES

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

ITEM 8 - REPORT OF THE ECUA CITIZENS' ADVISORY COMMITTEE 05/21/14

A motion was made by Ms. Benson, and seconded, to approve the committee recommendations for items J and K. Motion carried 5-0.

F. ECUA Emergency Flood Response – Staff Presentation

Presentation in Committee only – action not required.

Ms. Benson expressed her appreciation for the efforts of the ECUA employees and their dedication to their jobs during the recent flooding crisis. Ms. Benson stated that she is very proud of the ECUA employees and requested that they be recognized in some way. Chairman Walker stated that he was sure that Mr. Sorrell is looking into a way to recognize the employees.

G. Listing Contract for the Main Street Property

Mr. John Griffing, The Griffing Company, was present and responded to questions concerning the requirement for an environmental assessment of the Main Street property. Mr. Griffing stated that he does not recommend that an assessment be done at this time as any lender would require a more recent assessment.

A motion was made by Ms. Campbell, seconded by Mr. Perkins, to extend the contract with NAI Halford for an additional nine months. Motion carried 5-0.

Ms. Benson stated that she would like to see the extension of the proposed contract reduced to five months and offered a substitute motion to extend the contract for an additional five months. *The motion died for lack of a second.*

H. Perdido Key Mouse Crossings – Utility Relocations

Representatives from the Florida Department of Transportation (FDOT) were present and responded to questions from the Board regarding the location of the crossings, time requirements for construction, and utilization of mitigation fees for this project.

A motion was made by Ms. Benson, seconded by Mr. Perkins, to decline to participate in the FDOT mouse crossing project as currently designed, and petition to work with FDOT and the U.S. Fish and Wildlife Service to discuss and consider alternate project approaches and timelines that would make the utility relocation aspects of the project more economically acceptable to the ECUA customer base. Motion carried 5-0 as amended by Mr. Perkins.

A substitute motion was made by Ms. Campbell to (1) notify FDOT that it would be impossible for ECUA to have the relocations completed before January and ask to delay commencement of the crossings from August to November, allowing time to get past the hurricane and tourist seasons, allowing ECUA to bid the project properly and transparently; and (2) if FDOT will not work with ECUA in this manner, that we authorize the Executive Director to proceed with a project to relocate ECUA facilities as necessary to accommodate FDOT's project to install mouse crossings along Perdido Key Drive, establish a budget of $1,000,000 with funding from Project Contingencies, and waive the formal design, bidding and contract award procedures as necessary to expedite contract procurement. *Motion died for lack of a second.*

An amendment to the motion was made by Mr. Perkins, seconded by Ms. Campbell, to send a letter to Governor Scott explaining why ECUA is objecting to this project and ask that he either veto or cancel the project. Further, let him know ECUA is willing to work with the State in accomplishing their goals in a more reasonable manner. Copies of the letter to be sent to the Perdido Key Chamber of Commerce, Pensacola News Journal, and individual County Commissioners.

I. Infinitus Energy Recycling Processing Agreement

Mr. Odom advised that prior to taking action on this item, termination of the recyclables agreement with West Florida Recycling would

need to be addressed. Therefore, he recommended that this item be delayed to follow item 9(f).

A motion was made by Mr. Perkins, seconded by Ms. Benson, to move this item to Unfinished Business. Motion carried 5-0.

J. Extension of Contracts – Grounds Maintenance

Approve the one-year extension of the current contracts for ground maintenance at the CWRF, Regional Lift Stations, and ECUA water well properties, as provided as an option in the existing contracts with Executive Landscaping, at the same cost and terms, for a proposed cost of $52,105 and $39,660, respectively, with payment from the appropriate budget line item. The duration of the contracts will be for one year.

K. Extension of Chemical Contract – Bagged Hydrated Lime

Approve the first year of two one-year extensions of the contract with Cheney Lime and Cement Co., of Allgood, AL, with no change in the unit price of $218.34 per ton, for the supply of bagged hydrated lime at the terms and rates offered by the supplier, with funding from the appropriate budget line item.

L. Fiscal Year 2015 Capital Improvement Program Budget - Continued

Held in Committee.

ITEM 9 - OPERATIONAL ITEMS:

(a) Auditing Services Engagement letter

A motion was made by Ms. Campbell, seconded by Mr. McCorvey, to authorize the Executive Director to sign the proposed engagement letter with SC&G (attached) for the audit for the fiscal year ending September 30, 2014, with funding from the appropriate budget line item. Motion carried 4-0 with Mr. Perkins being absent during voting.

Upon Mr. Perkins' return, a motion was made and seconded to revote on item 9(a) and the vote on the motion carried 5-0.

(b) Florida Department of Transportation temporary construction easement

A motion was made by Ms. Campbell, seconded by Ms. Benson, to approve the granting of the temporary construction easement and purchase agreement, and authorize the Executive Director to execute the necessary documents. Motion carried 5-0.

(c) Sole source purchase – repair of dryer #2-Komline-Sanderson

A motion was made by Mr. Perkins, seconded by Ms. Campbell, to waive the normal bid process due to the proprietary nature of the needed modifications to Dryer #2 at the CWRF, and approve the sole source purchase of parts, materials and inspection services from Komline-Sanderson at a cost of $184,597.12, with funding from CIP Project RS235 – Sludge Dryer Improvements. Motion carried 5-0.

(d) Sole source purchase – repair of dryer #2-Wiltew, LLC

A motion was made by Ms. Benson, seconded by Ms. Campbell, to waive the normal bid process due to the proprietary nature of the needed modifications to Dryer #2 at the CWRF, and approve a sole source purchase for labor and equipment from Wiltew, LLC at a cost of $196,500, with funding from CIP Project RS235 and a transfer of $130,000 from Project Contingencies. Motion carried 5-0.

(e) Disposition of surplus property – Mayfair WWTP and lift station on Massachusetts Avenue

A motion was made by Ms. Benson, seconded by Mr. Perkins, to authorize the Executive Director to enter into a purchase and sale agreement to sell the parcel to Mr. Tony Biles for the amount of $15,010.00, with all closing and transactional costs being borne by Mr. Biles. Motion carried 5-0.

Chairman Walker commented on the ownership of the water and sewer systems prior to ECUA, stating that the County owned very little and that the bulk of the system was owned and operated by the City of Pensacola.

(f) Recyclables purchase agreement with West Florida Recycling, LLC

A motion was made by Ms. Benson, seconded by Ms. Campbell, to (1) conclude that West Florida Recycling, LLC is in material default of its obligations under the Recyclables Purchase Agreement, as generally delineated in the Executive Director's letter to it dated April 25, 2014; (2) affirmatively find that West Florida Recycling has neither cured those material defaults within 30 days after receiving the Executive Director's letter dated April 25, 2014, nor

vigorously pursued cures in good faith; and (3) terminate the Recyclables Purchase Agreement with West Florida Recycling as a result. Motion carried 5-0.

(g) Central Water Reclamation Facility (CWRF) Biosolids Composting

A motion was made by Ms. Benson, seconded by Ms. Campbell, to (1) approve a transfer of $300,000 from Project Contingencies (CZ999) to a new CIP project, CWRF Composting, and establish a capital budget for fiscal year 2014; and (2) waive the formal bid process in order to expedite the composting project and reduce the operating costs for disposal and processing of sludge and yard waste, and approve award of contract to Brown Construction of Northwest Florida as the lowest responsive bidder in the amount of $139,932 for site clearing of the Phase 1 Biosolids Composting area. Motion carried 5-0.

At the request of Ms. Benson, Mr. Sorrell explained how this program will fit into the alternative energy program that ECUA issued a RFQ for in November 2013.

ITEM 10 - INFORMATIONAL REPORTS

None.

ITEM 11 - EXECUTIVE DIRECTOR'S REPORT:

The following report was presented for information only and did not require action.

(a) Notification of Emergency Purchase – Sludge Dewatering and Hauling

Mr. Sorrell also reported on the progress with the ground storage tank on Pensacola Beach and the Barcelona elevated storage tank.

Mr. Sorrell also reported that with the recent flood, the employees did an excellent job and everything is up and running.

Mr. Perkins stated that he appreciates the foresight that the ECUA staff has when it comes to responding to unanticipated disastrous events and the level at which they are able to respond.

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ITEM 12 - ATTORNEY'S REPORT

(a) Mr. Odom reported that the County has filed a motion, scheduled for August, to have ECUA become a joint receiver with the County relative to the Innerarity Island water and sewer system. Further, he inquired of the County as to what they wanted ECUA to do and they indicated they did not know at this time. Mr. Odom stated that it was suggested that the Deerfield Estates situation be used as a template, as well as other suggestions.

Ms. Campbell pointed out that using Deerfield Estates as a template is what she recalled was offered over a year ago.

(b) Mr. Odom stated that the RFP for brokerage services for commercial insurance services is on the street and will be coming back to the Board soon.

(c) Mr. Odom reported that County Code Enforcement issued a notice for cleanup of the Mayfair WWTP site and staff has alleviated this situation.

(d) Further, Mr. Odom reported that trial will begin next week regarding a determination as to whether the Mackey Key system is privately owned or ECUA owned. Mr. Odom advised that he would be available to discuss this individually with each Board member if they so desired.

(e) Mr. Odom stated an agreement with Gulf Power to utilize ECUA property as a staging area in the event of a hurricane is being finalized.

(f) Lastly, Mr. Odom reported that an estimated cost for a Phase 2 environmental assessment of the Main Street property has been determined to range from $30-58,000. Further, in light of Mr. Griffing's statement regarding an environmental assessment, Mr. Odom requested guidance from the Board as to how they wished to proceed. It was the consensus of the Board to delay Phase 2 of the environmental study until such time as there is a buyer for the property.

ITEM 13 - UNFINISHED BUSINESS

Item 8I. – Infinitus Energy Recycling Agreement

Mr. Odom stated that the agreement should be correctly identified as an agreement with IREP-Montgomery MRF, LLC.

A motion was made by Ms. Benson, seconded by Ms. Campbell, to approve a short-term agreement between IREP-Montgomery MRF, LLC and the ECUA, and authorize the Executive Director to execute all required documents.

Ms. Benson stated that she would like to see ECUA work with the County in the future and perhaps delay this action in an effort to work with the County.

A substitute motion was made by Mr. Perkins, seconded by Ms. Benson, to delay action on this agreement until the next Board meeting with the full intention of carrying it out and to authorize the Executive Director to continue the existing contract under his authority. Motion failed 2-3 with Ms. Campbell and Messrs. McCorvey and Walker voting against the motion.

The vote on the main motion made by Ms. Benson carried 5-0.

ITEM 14 - NEW BUSINESS

None.

ITEM 15 - BOARD COMMUNICATIONS

(a) Mr. Perkins reported that he has agreed to a meeting with Commissioner Robinson which has been scheduled for June 4 at 9:00 relative to the recycling/solid waste issue. The meeting will include members of the County staff and ECUA staff.

Ms. Campbell stated that she wished to remind the Board of County Commissioners that ECUA is willing to work with them in the future. Also, Ms. Campbell stated that she would like for Randy Rudd and Mr. Sorrell to attend this meeting and that the meeting be recorded.

(b) Chairman Walker reported on his meeting with Commissioner Barry, stating that Commissioner Barry has indicated he would be willing to represent the Board of County Commissioners informally in meeting with Dr. Walker and Representative Clay Ingram. Further, he would make a request of the Commission at its Tuesday meeting to permit this to occur on an unofficial basis.

It was the consensus that Chairman Walker proceed with the meeting with Commissioner Barry and Representative Ingram as indicated and that Randy Rudd and Mr. Sorrell also be in attendance. Further, proceed with the caution that Dr. Walker would not be speaking for the ECUA Board, nor

would Mr. Perkins, and that the meeting conversations would be brought into the sunshine in accordance with the Sunshine Law.

(c) Mr. McCorvey reported that he missed the last two meeting of the Citizens' Advisory Committee due to deaths in his family and that he would not be present at the June meeting as he will be attending a conference out of state.

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 approximately4:08 p.m.

Respectfully submitted,

Stephen E. Sorrell
Executive Director

APPROVED BY THE ECUA BOARD
IN REGULAR SESSION ON 06/26/14.

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