MINUTES OF THE EMERALD COAST UTILITIES AUTHORITY BOARD MEETING HELD THURSDAY, SEPTEMBER 25, 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
Tom Dawson, Director of Water Production
Tim Haag, Director of Government Affairs
Amanda Handrahan, Recycling Coordinator
Linda Iversen, Executive Assistant to the Board
Bill Johnson, Director of Engineering
Don Palmer, Director of Water Reclamation
Gerry Piscopo, Director of Maintenance and Construction
Randy Rudd, Deputy Executive Director-Shared Services
David Roberts, Director of Information Technology
Jim Roberts, Public Information Officer
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

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

Board meeting 09/25/14

ITEM 3 – ADOPTION OF AGENDA

Chairman Walker informed the Board that a revised recommendation for Item 9(c), page 28, was before the Board.

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

ITEM 4 - PUBLIC HEARINGS:

None.

ITEM 5 - OPEN FORUM

(a) Mr. Barry Tweedie, 1095 Old Dairy Lane, read a letter written by an ECUA customer in which they expressed their appreciation of assistance from ECUA drivers provided on two different occasions. Mr. Tweedie stated that he suspects such positive, helpful actions by ECUA employees occurs more often than realized and he wanted to bring this to the attention of the Board.

Mr. Tweedie also reminded the Board of his concerns expressed at the August meeting relative to the increase in the "vacant senior rate" in that the recently approved rate increase was somewhat attributable to the increase in disposal costs at the landfill. Further, he feels that if the property is vacant, then the senior customer is not adding to the disposal cost.

Chairman Walker reminded Mr. Tweedie that although the property may be vacant, a number of owners still have the yards maintained on a regular basis.

(b) Mr. Charles Patrick Granat, 402 SE Syrcle Drive, Pensacola, FL, addressed the Board requesting that he be granted a two month extension on the requirement to connect to sewer at his home. Mr. Granat indicated he recently retired from the Salvation Army and returned to the United States and Pensacola from Poland.

A motion was made by Ms. Benson, and seconded, to waive the fee to connect for two additional months. Motion carried 5-0.

ITEM 6 - PRESENTATIONS

Chairman Walker presented the framed 2013 Peak Performance Gold Award from National Association of Clean Water Agencies (NACWA) to

employees from the Central Water Reclamation Facility and the Silver Award to employees from the Bayou Marcus Water Reclamation Facility.

Chairman Walker indicated the Central Water Reclamation Facility received the Gold Award in that the plant did not have any excursions, out of thousands of tests, and the Bayous Marcus Water Reclamation Facility received the Silver in that the plant only had one, out of thousands of tests.

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 August 28, 2014 as presented. Motion carried 5-0.

ITEM 8 - REPORT OF THE ECUA CITIZENS' ADVISORY COMMITTEE 09/17/14

A motion was made by Ms. Benson, seconded by Mr. McCorvey, to approve the following recommendations for Items G-L and O-R, noting that Items M and N had been withdrawn. Motion carried 5-0.

E. Presentations:

(1) Certificate of Achievement for Excellence in Financial Reporting from Government Finance Officers Association (GFOA)

(2) 2013 Peak Performance Awards from National Association of Clean Water Agencies (NACWA):

a. Gold Award – Central Water Reclamation Facility
b. Silver Award – Bayou Marcus Water Reclamation Facility

Also, see Item 6 above.

G. Write Off Uncollectible Balances

Authorize the Executive Director or his designee to write off as uncollectible accounts receivable in the total sum of $660,230, and make appropriate entries in the financial records of ECUA to reflect the write off of said uncollectible accounts.

These accounts are to be written off solely to enable the Executive Director to carry out his duties in accordance with generally accepted

accounting principles and ECUA does not waive any rights it may have to collect said accounts.

H. Contract Renewal – Outsourcing Utility Bill and Delinquent Notice Printing

Accept the optional second-year contract extension, and authorize the Executive Director to renew the contact with Pinnacle Data Systems, Inc., for services related to utility bill and delinquent notice printing and mailing at the original 2010 per-unit contract price, with funding from the appropriate budget line item.

I. Blanket Purchase Order – Thioguard (Magnesium Hydroxide)

Approve a contract with Premier Chemicals, LLS, for the sole source purchase of Thioguard, a proprietary chemical formulation, at the price of $2.17 gallon, with funding from the appropriate budget line item.

J. Extension of Chemical Contract – Orthophosphate

Approve the second optional one-year contract extension with Dumont Company, Inc., Oviedo, FL, for the supply of orthophosphate at the terms and rates offered by the supplier, with funding from the appropriate budget line item.

K. Contract for Evaporated Salt

Waive the bid process due to limited supply options and award the contract for evaporated salt in the amount of $186.36 per ton to Cargill Salt, with payment from the appropriate budget line item from the operating budget.

L. Award of Bid – Generator Maintenance and Odor Control Building and Central WRF Site Utilities

(a) Authorize award of the contract for the generator maintenance and odor control building (with the associated CWRF site utilities) to Larry Hall Construction Co., Inc., Pace, FL, the low bidder, in the total amount of $3,546,900, for the Base Bid and Alternate Bids 1, 2, and 3;

(b) Authorize funding provided by CIP Project CS418 - Generator Maintenance & Odor Control Building, $1,460,000, along with transfers of $1,200,000 from CIP Project CS421 - Moreno Street Lift Station Screening, and $940,000 from CIP Project CZ998 – MTBE Settlement Funds; and

(c) Authorize the Executive Director to approve value engineering deductions, with the savings credited to CIP Project CZ998 – MTBE Settlement Funds.

M. Award of Bid – Central WRF Headworks Odor Control Piping

This item was removed from the agenda.

N. Award of Bid – Flood Washout/Road Repairs at the Central WRF

This item was removed from the agenda.

O. Award of Bid – Annual Rental of Storage Tanks for Placement at Booker Street Lift Station and Pen Haven Lift Station

Waive the normal bidding process based on the acquisition of four separate quotes, and authorize the Executive Director to issue a purchase order for the annual rental of three surge tanks to Rain for Rent, Mobile, Alabama, the lowest responsive bidder, in the total amount of $58,925.20, with funding from CIP Project RS728G.

P. Environmental Operations Solutions Carbon Source and Nitrogen Monitoring – Bayou Marcus WRF

Waive the bidding process based on operating trials and experience, and approve an extension of the agreement with Environmental Operating Solutions, Inc., to purchase MicroC 2000 at a price of $2.34 per gallon for a one-year period, with funding from the appropriate budget line item.

Q. Agent/Broker for Commercial Insurance and Bonds

(a) Adopt the Executive Director's proposed ranking of proposals for the services of Agent/Broker for Commercial Insurance and Bonds as follows:

1. Public Risk Insurance Agency (PRIA)
2. USI Insurance Services, LLC
3. Fisher Brown Bottrell Insurance

(b) authorize the Executive Director to negotiate with the firms in the adopted rank order and execute all required documents; (c) renew ECUA's Commercial

Crime Bond, Commercial Crime Policy, and Pollution Liability Policy with Fisher Brown Bottrell Insurance; and (d) approve funding through the appropriate budget line item.

R. Group Benefits for Fiscal Year 2015 – Dental, Life and Disability

Approve the proposed group benefits at a cost of $319,866, as illustrated in the table below, and including the following plan components: (1) approve renewal with the current Dental insurer, United Concordia, and provide 100% of the premium for the Basic Plan, (b) approve renewal with the current Life insurer, Unum, and provide 100% of the premium for the Basic Plan, and (c) approve renewal with the current Long Term Disability insurer, Unum, and provide 100% of the premium for the Base Plan.

Group Benefits	Actual fiscal year 2014	Projected fiscal year 2015*
Dental Insurance	$136,347	$136,347
Life Insurance	67,673	95,419
Long Term Disability Insurance	88,100	88,100
Total	**$292,120**	**$319,866**
Premium Increase – fiscal year 2015		**$ 27,746**

**Calculations reflect costs associated with the fiscal year, October 1, 2014 – September 30, 2015.*

ITEM 9 - OPERATIONAL ITEMS:

(a) Purchase of new tires for the ECUA fleet

A motion was made by Ms. Benson, seconded by Ms. Campbell, to authorize staff to purchase tires from the list of State-approved local vendors at the current State Contract price, through September 30, 2015, with estimated annual funding of $300,000 coming from the appropriate line item of the Sanitation Operating budget. Motion carried 5-0.

(b) Contract extension – purchase of unleaded and diesel/bio-diesel fuel

A motion was made by Mr. McCorvey, seconded by Ms. Benson, to approve the purchase of diesel and bio-diesel fuel and unleaded gasoline through the continued utilization of the Santa Rosa County School Board's

contract with McPherson Oil, Inc., with funding provided in the appropriate budget line items for fiscal year 2015. Motion carried 5-0.

(c) Award of bid – Cantonment lift stations (140, 141, 142) replacement

A motion was made by Mr. McCorvey, seconded by Mr. Perkins, to authorize the Executive Director to award the contract for the RS121E – Cantonment Lift Stations (140, 141, 142) Replacement project, to TALCON Group, the lowest bidder, in the amount of $1,260,436.50, with funding from CIP Project RS121E, once all of the real property necessary for the project has been acquired. Motion carried 5-0.

(d) Award of bid – Tank maintenance 2014

A motion was made by Mr. Perkins, seconded by Mr. McCorvey, to award the contract for CIP Project RW717N Tank Maintenance 2014 to Jetco, Ltd., the lowest bidder, for the Base Bid in the amount of $ 288,200.00, with funding in the amount of $300,000 from CIP Project RW717, Elevated Tank Maintenance – Main. Motion carried 5-0.

(e) Easement request from City of Pensacola – Main Street plant site

A motion was made by Ms. Campbell, seconded by Ms. Benson, to approve the easement request from the City of Pensacola for a parcel located at the southwest side of the intersection of Government and Coyle Streets, and authorize the Executive Director to execute an easement agreement after review by ECUA legal counsel. Motion carried 5-0.

Mr. Tweedie commented on the possible impact this action would have on the value of the property.

(f) Renewal of service agreement with Third-Party Administrator for self-insured Workers' Compensation Program

Mr. Odom reported that this item reflects a 2% increase in administrative fees; however, staff was able to negotiate it to 0%.

A motion was made by Mr. McCorvey, seconded by Ms. Benson, to approve the proposal to renew with Broadspire as the third party administrator for ECUA's self-insured workers' compensation program, to include funding for claims administration and medical management. Motion carried 5-0.

Type of Service/Fees	Projected fees fiscal year 2015
Claims Administration Fees (including administrative costs and system charges for online portal)	$ 32,999
Medical Management Service Fees	$ 70,000*
Incurred/Conversion Fees	$ 20,000*
Total – fiscal year 2015	$122,999
Total – fiscal year 2014	$110,103
Increase for fiscal year 2015	**$ 12,896**

**These fees are approximate and are derived based on fees incurred in fiscal year 2014.*

(g) Disposition or demolition of the Ensley tank

A motion was made by Ms. Campbell, seconded by Mr. McCorvey, to concur in the finding of the Executive Director that the Ensley Tank is no longer necessary, useful, or profitable in the operation of the utility systems of the ECUA, and authorize the staff to prepare specifications and receive bids for its sale or alternatively for demolition. Motion carried 5-0.

(h) Adoption of Resolution 14-12

A motion was made by Ms. Campbell, seconded by Mr. Perkins, to adopt Resolution 14-12 - A RESOLUTION FINDING THE ENSLEY ELEVATED WATER STORAGE TANK TO BE NO LONGER NECESSARY, USEFUL, OR PROFITABLE IN THE OPERATION OF THE UTILITY SYSTEMS OF THE EMERALD COAST UTILITIES AUTHORITY; AUTHORIZING ITS SALE OR DEMOLITION; PROVIDING AN EFFECTIVE DATE. Motion carried 5-0.

ITEM 10 - INFORMATIONAL REPORTS

None.

ITEM 11 - EXECUTIVE DIRECTOR'S REPORT

Mr. Sorrell reported that all is going well, and although he cannot say at this time where it is coming from, ECUA will be receiving another major award very soon.

ITEM 12 - ATTORNEY'S REPORT

Mr. Odom reported that with regard to a sewer use ordinance issue, they were able to enter into a consent order. Also, in a case pending before the Department of Administrative Hearings, an Administrative Law Judge determined the facts supported all allegations of policy violations, as alleged by ECUA.

Mr. Odom provided an update on the new backflow rule from FDEP, stating that arrangements are being made to hopefully have a representative attend the October CAC meeting. Further, Mr. Odom indicated he would like to meet with individual Board members to discuss this issue prior to that time.

Also, Mr. Odom addressed a recent increase regarding customers being contacted by individuals marketing home water filters and using deceptive tactics to get the customer to purchase a system, with the most recent being individuals from Home Depot.

Ms. Campbell expressed concerns she had with an experience a friend of hers had with an individual from Home Depot.

Ms. Benson recommended that ECUA get something on its web site as soon as possible regarding the tactics that are being used.

Mr. Perkins indicated that he would prefer to have something more solid to take to the Attorney General rather than just a couple of incidences.

Ms. Angela Guttman, 5105 Flamingo Drive, addressed the Board outlining her experience with an individual that approached her in Home Depot and made arrangements to come to her home to test her water. Ms. Guttman stated that she recently graduated from law school and has a background in biology and she stated the methodology used by the individual was questionable. Further, after approximately one hour, the individual provided her a price quote of $5-6,000 for a filter and a $25 Home Depot gift card.

The Board requested that Ms. Guttman meet with the ECUA attorney after the meeting.

Ms. Benson suggested that perhaps a letter from our attorney needs to be sent to Home Depot regarding this issue.

ITEM 13 - UNFINISHED BUSINESS

(a) Ms. Benson commented on her recent presentation at the Downtown Rotary Club as it compared to the presentation last year. Ms. Benson stated that her recycling presentation was well-received.

(b) Mr. Perkins stated that he would like to see a small reduction in the asking price on the Main Street property, and perhaps consider owner-financing. Also, he would like to see this topic on the agenda for a future Board meeting.

Ms. Benson commented that she would like for the property agents to come up with some methods to sweeten the pot.

Mr. Sorrell was requested to transmit these ideas to the agent, and it was requested that this topic be placed on the next Citizens' Advisory Committee agenda.

ITEM 14 - NEW BUSINESS

Ms. Benson informed the Board that the City of Seattle has voted to begin fining customers $1.00 for placing food scraps in the garbage and she would like to see some research done on this and a report to come back to the Citizens' Advisory Committee.

Mr. Rudd stated that the IREP system does separate the organic materials and IREP has indicated that if a system is working for a community, that the community continue with that system.

ITEM 15 - BOARD COMMUNICATIONS

Ms. Campbell stated that she would be inviting all the Board members to an Open House on November 7 at her new business location.

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 3:16 p.m.

Board meeting 09/25/14

Respectfully submitted,

Stephen E. Sorrell
Executive Director and
Secretary

APPROVED BY THE ECUA BOARD
IN REGULAR SESSION ON 10/23/14.

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