OFFICIAL
Approved by the
Board 12/18/14

MINUTES OF THE EMERALD COAST UTILITIES AUTHORITY BOARD MEETING HELD THURSDAY, NOVEMBER 20, 2014 AT 2:00 P.M. IN THE ECUA BOARD ROOM AT 9255 STURDEVANT STREET, ELLYSON INDUSTRIAL PARK, PENSACOLA, FL

Members present:	Lois Benson, Chairman Larry Walker, Vice Chairman Vicki Campbell 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 Stacey Hayden, Project Engineer Steve Holcomb, Director of Wastewater Infrastructure Linda Iversen, Executive Assistant to the Board Bill Johnson, Director of Engineering Randy Rudd, Deputy Executive Director-Shared Services Jim Roberts, Public Information Officer

ITEM 1 – CALL TO ORDER

Chairman Benson called the regular meeting of the Emerald Coast Utilities Authority Board to order at approximately 2:16 p.m.

ITEM 2 – INVOCATION AND PLEDGE OF ALLEGIANCE

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

ITEM 3 – ADOPTION OF AGENDA

Mr. Perkins added "*Engineering Manual*" to the agenda.

Mr. Sorrell added "an award" under Presentations.

Dr. Walker added "Committee meetings" to the agenda.

Board meeting 11/20/14

A motion was made by Ms. Campbell, seconded by Mr. McCorvey, to adopt the agenda as presented and amended and to include items 14(a) through (d) as well as other additions as indicated. Motion carried 5-0.

Mr. Odom requested that Item 14(d) be moved up on the agenda and Chairman Benson placed that item to follow the adoption of the agenda.

ITEM 4 - PUBLIC HEARINGS:

None.

ITEM 5 - OPEN FORUM

(a) Mr. Wayne Erdman, 180 Commercial Square, Slidell, LA, addressed the Board requesting that he be refunded the money he placed in escrow for the purchase of the Navy Boulevard property, stating that his original investor for purchasing the property withdrew from the proposed project.

A motion was made by Dr. Walker to offer to settle with Mr. Erdman for one-half of the escrow amount. The motion failed due to lack of a second.

Ms. Campbell commented that when you are dealing with that kind of money, and you have supposedly an attorney that is working for you, then that should have been something that his attorney wrote in. So, he maybe should ask his attorney for it.

Mr. Perkins stated that he is sympathetic to the man, but the thing that scares him about it is that if the escrow was refunded, the Board would be setting a precedence for people's entrepreneurial risk taking, and ECUA reimbursing that would be unwise.

(b) Although reflected in agenda order in these minutes, Mr. Kronon addressed the Board prior to Item 13.

Mike Kronon, 6308 Summer Circle, Pensacola, FL, addressed the Board concerning a situation over the years relative to a non-ECUA easement at his property and the erosion of his property. Mr. Kronon stated he feels that when ECUA came out to do some sewer repairs, they failed to tamp the soil which contributed to the erosion problems. Therefore, he was asking the ECUA to come back and fix the problem they created, giving him something that will protect his property.

Mr. Sorrell responded, stating that the easement does not belong to ECUA, but ECUA does have a large sewer main there. The property in question is a very steep negative vertical from the top of the back to the front of the street. The water flowing from the top of the property did wash out our pipe. ECUA is going to secure the pipe and some erosion controls will be applied. It is a pretty big job, but ECUA is working on that part of it. ECUA cannot do anything on private property but will be taking care of the erosion controls to protect the sewer main. Mr. Sorrell advised that he would get a timeline for the Board members, as well as how and if FEMA will reimburse for the repairs.

ITEM 6 - PRESENTATIONS

Mr. Sorrell presented to Chairman Benson the Natural Gas Vehicle Industry Accomplishment Award received recently for what ECUA has done as an outstanding participant in the natural gas industry.

ITEM 7 - APPROVAL OF MINUTES

A motion was made by Dr. Walker, seconded by Ms. Campbell, to approve the minutes of the regular Board meeting of October 23, 2014 as presented. Motion carried 5-0.

ITEM 8 - REPORT OF THE ECUA CITIZENS' ADVISORY COMMITTEE 11/12/14

A motion was made by Dr. Walker, seconded by Mr. McCorvey, to approve the following recommendations for items, F, G and H as presented. Motion carried 5-0.

F. Renewal of Maintenance Agreement – Sungard Public Sector Software

Waive the competitive bidding process for all of the above-stated reasons and authorize the Executive Director to renew the maintenance contract with SunGard Public Sector, Inc., at a cost of $105,296.92 with funds allocated from the appropriate budget line item.

G. Renewal of Annual Unit Price Contract – Cured-In-Place Pipeline Rehabilitation

Approve the one-year extension of the Cured-In-Place Pipeline Rehabilitation contract with Suncoast Infrastructure, Inc., in accordance with the existing contract, with funding from CIP Project RS625U.

H. Renewal of Annual Unit Price Contract – Manhole Rehabilitation

Approve the one-year extension of the manhole rehabilitation contract with SBP, Inc., in accordance with the terms of the contract, with funding from CIP Project RS113K.

I. Proposed Revisions to ECUA's Cross-connection Control (CCC) Program

A motion was made by Mr. McCorvey, seconded by Dr. Walker, to approve Option 1, with any necessary funding for the current fiscal year through existing funding in the Operating Budget, and (a) that on May 1, 2015, staff notify residential water customers, affected by the FDEP Rule, of the requirement for the installation of back flow prevention devices or assemblies within120 days. The customer will be responsible for the installation, initial testing, biannual follow-up testing/inspection, and maintenance of the device or assembly; (b) that a Double Check be approved as minimum protection in lieu of a dual check; and (c) that when a Pressure Vacuum Breaker (PVB) backflow prevention assembly is installed, the property owner's licensed plumber must certify that the installed PVB backflow prevention assembly is higher in elevation than all the sprinkler heads.

Mr. Perkins stated that when the Committee made its recommendation, an amendment was placed on it at the beginning that we ask the Legislature to appeal this rule specifically and that is not in the recommendation.

An amendment to the motion was made by Mr. Perkins, seconded by Ms. Campbell, that the ECUA also ask the Legislature to study and consider repealing rule 62-555.360.

Chairman Benson suggested that the Haas Center be requested to do an analysis rather than taking it to the Legislative Delegation at this time, and once that analysis is complete, then take the results to the Delegation.

Mr. Perkins withdrew his amendment and offered an amendment to also include commissioning an objective, unbiased, cost-benefit analysis of the Florida DEP backflow prevention strategy and then proceed to forward it to the Legislature for action depending on which way it goes.

Ms. Campbell stated that as maker of the second, this was agreeable to her should the Haas Center find that it is not relevant, that we don't need it. And, if they find that we do, then we should not bother going.

Mr. Perkins agreed.

The vote on the amendment as made by Mr. Perkins carried 4-1 with Mr. McCorvey voting against the motion. The vote on the amended motion as the main motion carried 3-2 with Messrs. McCorvey and Perkins voting against the motion.

A motion was made by Mr. McCorvey, seconded by Mr. Perkins, to utilize any means ECUA has to inform customer of the pending action/rule. Motion carried 5-0.

ITEM 9 – OPERATIONAL ITEMS

(a) Adoption of Resolution 14-14

A motion was made by Mr. Perkins, seconded by Dr. Walker, to adopt Resolution 14-14 - A PRELIMINARY RATE SETTING RESOLUTION PROVIDING FOR NOTICE AND PUBLIC HEARING CONCERNING THE PROPOSED ESTABLISHMENT OF RESIDENTIAL SANITATION SERVICE CHARGES IN SANTA ROSA COUNTY, FLORIDA. Motion carried 5-0.

(b) Award of bid – Truck tire retread services

A motion was made by Dr. Walker, seconded by Mr. McCorvey, to award a one-year contract not to exceed $150,000 to Dave Howell Truck & Giant Tire 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.

(c) Award of bid – Central WRF headworks odor control blower system

A motion was made by Dr. Walker, seconded by Ms. Campbell, to authorize the Executive Director to issue a purchase order for the purchase of the Central WRF headworks odor control blower system to Air Power Services, Inc., Pensacola, FL, the lowest responsive bidder, in the total amount of $220,905 with funding from CIP Project CS416. Motion carried 5-0.

(d) Award of bid – Pumps-Quietwater Beach sewer realignment

A motion was made by Mr. Perkins, seconded by Mr. McCorvey, to (1) award the bid and issue a purchase order to Pump & Process Equipment, Pensacola, FL, the lowest responsive bidder, in the lump sum amount of $59,477.20 for the Alternate Bid as appropriate, for the purchase of pumps, guiderails, and appurtenances for Lift Station #205 and (2) authorize the transfer of funds in the amount of $59,477.20 from CIP Project RS121 - Lift Station Replacements & Upgrades to CIP Project RS949 - Quietwater Beach Sewer Realignment. Motion carried 5-0.

(e) Long-term flow monitoring task order approval

A motion was made by Mr. McCorvey, seconded by Dr. Walker, to authorize the Executive Director to execute a contract with Arcadis for long-term flow monitoring in the amount of $134,500 for a period of six months with an option to extend the contract for two additional six-month terms for a total of 18 months, with funding provided by CIP Project RS624 – Inflow and Infiltration. Motion carried 5-0.

(f) Pine Lake Estates sewer expansion – In-kind sewer project

A motion was made by Ms. Campbell, seconded by Mr. McCorvey, to approve Option 1 [authorize the Executive Director to initiate a project through bidding for low pressure sewer expansion in Pine Lake Estates]. Motion carried 5-0.

(g) Mixed Waste Processing Agreement with Southern Waste Recovery, LLC

A motion was made by Dr. Walker, seconded by Mr. Perkins, to (1) conclude that Southern Waste Recovery, LLC, is in material default of its obligations under the Mixed Waste Processing Agreement, as generally delineated in the Executive Director's letter to it dated October 16, 2014; (2) affirmatively find that Southern Waste Recovery, LLC, has neither cured those material defaults within 30 days after receiving the Executive Director's letter dated October 16, 2014 nor vigorously pursued cures in good faith; and (3) terminate the Mixed Waste Processing Agreement with Southern Waste Recovery, LLC, as a result. Motion carried 5-0.

ITEM 10 - INFORMATIONAL REPORTS

None.

Board meeting 11/20/14

ITEM 11 - EXECUTIVE DIRECTOR'S REPORT

Mr. Sorrell reported on the Innerarity Island, stating staff is working with the County on this and is moving along positively.

Also, Mr. Sorrell reported that the Request for Qualifications on the Solid Waste Recycling Facility was sent out on Tuesday.

Further, staff has selected an individual to fill the Director of Information Technology position. That individual is scheduled to start in mid-January.

ITEM 12 - ATTORNEY'S REPORT

Mr. Odom reported that the problems with lift station 140 property that they were trying to acquire in the Booker Street area, and conditionally approved the project pending the squaring up of the land issues, and IP needing to move some facilities they had on that property, etc., are just about cleared up. Further, they should be closing on the property within two weeks.

Also, the remaining test result regarding the Airport North well was good and there is no required environmental cleanup on that.

ITEM 13 - UNFINISHED BUSINESS

(a) Engineering Manual (Perkins)

Mr. Perkins stated that it was his understanding, regarding the requirements for the lift station issue between ECUA and the homebuilders where ECUA had it standards and the homebuilders wanted a lesser standard, that a policy was to be developed taking the issues into consideration. Further, he has been told that those the higher standards required by ECUA are in the Engineering Manual and they are a requirement.

Staff indicated that is not the case. They were in there originally and staff received direction from the Board to develop a lesser standard and that has been done. Public hearings were held and staff did not receive any questions. Basically, the *Manual* will state that ECUA is going to conform to Ten State Standards and that is what everybody conforms to. A policy will be provided to the Board next month.

ITEM 14 - NEW BUSINESS

Board meeting 11/20/14

(a) Award of bid – CWRF road erosion and perimeter fence repair

A motion was made by Ms. Campbell, seconded by Mr. McCorvey, to approve Option 1 [award the bid for the repair of the flood damaged roadways and perimeter fence repairs on the CWRF property to W. D. Rogers Mechanical Contractors, the lowest responsive bidder, in the total amount of $194,995]. Motion carried 5-0.

(b) Budget amendment – Sanitation systems

A motion was made by Mr. Perkins, seconded by Mr. McCorvey, to approve the following budget amendment in the not-to-exceed amount for the Sanitation System for fiscal year 2014. Motion carried 5-0.

Sources:

Sanitation System	
Unrestricted Reserves	$425,000

Uses:

Sanitation System	
Operating Expenditures	425,000

(c) Interlocal Agreement with Santa Rosa County

A motion was made by Mr. Perkins, seconded by Dr. Walker, to approve the Interlocal Agreement between the ECUA and Santa Rosa County to define the terms and conditions that will allow the ECUA to provide waste collection services within Santa Rosa County, FL, and authorize the Executive Director to sign the agreement once approved as to form by the ECUA Attorney. Motion carried 5-0.

(d) Sale of Main Street property

Although reflected in agenda order in these minutes, this item was considered following Item 4.

A motion was made by Mr. Perkins, seconded by Ms. Campbell, for conceptual approval of the sale of the property allowing the attorney and the Executive Director to work out the details according to the terms and price presented.

Mr. Odom advised that a separate Letter of Intent was before the Board and replaces the one stapled to the item. Mr. Odom stated there were some discussions after the item was published between himself and Mr. Studer's counsel that have finalized the various terms and corrected some of the pen-and-ink corrections. Further, there is an issue regarding mineral rights. According to statute, the ECUA has to retain certain mineral rights and they are going to retain them. There is an exclusion that ECUA does not have the right to enter the property, mine the minerals, etc., but if anyone ever does, then ECUA would retain its percentage. It is a lawful way of addressing the requirements under 270.11.

Mr. Perkins stated that the conceptual approval of the Letter of Intent with the price and everything would give them the authority to go ahead and execute a contract as long as there is not a great variation in what is in the document. If there is a big variation, then the Board would have to readdress it. Ms. Campbell offered her concurrence.

Mr. Quint Studer addressed the Board indicating his possible plans for utilization of the Main Street property, stating they would like to open the property to the community as soon as possible. Further, the first phase would be to make the property vibrant as soon as possible by including activities associated with a sports complex. Phase two would make this a multi-use facility that would make it a healthy living type village, which would include an arts and educational component. Also, they are very excited about a medical partnership and look to have a flagship medical type facility on the property. And, they would like to see a residential type component.

Mr. Griffing, NAI Halford, 24 West Chase Street, Pensacola, FL, addressed the Board expressing his appreciation to the Board, stating they have not had an offer like this that offers the value it is offering to ECUA, and also the value to the community. Further, it is a no-nonsense deal and a straight forward real estate deal.

The vote on the motion carried 5-0.

(e) Committee meetings (Walker)

Dr. Walker commented that the Citizens' Advisory Committee is supposed to exist to give the Board advice. Further, it would be in the best interest in the proper operation of the ECUA, if the Board members would talk less at CAC meetings and encourage the appointed citizens to talk more. Also, he would encourage his fellow Board members as they sit on the Citizens' Advisory Committee to encourage the citizens to speak and to tell the Board

what they think rather than any of the Board members taking the lead, a position, or a posture which in effect dares any of them to disagree. He asked that his fellow Board members think about that, stating that obviously this is not an action item but just a commentary and request that they all think about it.

ITEM 15 - BOARD COMMUNICATIONS

Ms. Campbell wished everyone a happy Thanksgiving.

Chairman Benson thanked the members of the Board for their confidence in electing her as Board Chairman.

ITEM 16 - ADJOURNMENT

There being no further business to come before the regular meeting of the Emerald Coast Utilities Authority Board, Chairman Benson declared the meeting adjourned at approximately 3:38 p.m.

Respectfully submitted,

Stephen E. Sorrell
Executive Director and
Secretary

APPROVED BY THE ECUA BOARD
IN REGULAR SESSION ON 12/18/14.

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