MINUTES OF THE EMERALD COAST UTILITIES AUTHORITY BOARD MEETING HELD THURSDAY, APRIL 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
Lydia Fortin, Manager of Human Resources
Amanda Handrahan, Recycling Coordinator
Linda Iversen, Executive Assistant to the Board
Bill Johnson, Director of Engineering
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 2:00 p.m.

ITEM 2 – INVOCATION AND PLEDGE OF ALLEGIANCE

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

ITEM 3 – ADOPTION OF AGENDA

Ms. Benson requested that she be recognized under Board Communications.

Mr. Sorrell added to the agenda "renewal of the property listing contract with NAI Halford for the Main Street property".

A motion was made by Mr. Perkins, 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

There were no comments from the audience.

ITEM 6 - PRESENTATIONS

There were no presentations.

ITEM 7 - APPROVAL OF MINUTES

A motion was made, seconded by Mr. McCorvey, to approve the minutes of the regular Board meeting of March 27, 2014 as presented. Motion carried 5-0.

ITEM 8 - REPORT OF THE ECUA CITIZENS' ADVISORY COMMITTEE 03/19/14

A motion was made by Ms. Benson, seconded by Ms. Campbell, to approve the following recommendations for Items F, G and I. Motion carried 5-0.

F. Staff Presentation/Discussion – Sanitary Sewer Overflows (SSO)

Information only – presentation in Committee only.

G. Sale of Heat Dried Sludge Product

Authorize the Executive Director to extend the contract for the sale of the heat dried sludge product produced at the Central Water Reclamation Facility to Mannco Environmental Services, Inc., Conway, Arkansas, the highest bidder at a sale price of $15.00 per dry ton for one year.

H. Public Relations Services

Ms. Benson stated that this is not about telling our story or polishing our image – it's about disseminating important information to our customers, as well as factual information.

Board meeting 04/24/14

A motion was made by Ms. Benson, seconded by Ms. Campbell, to waive the normal bidding process due to the time-sensitive nature of the requested services, and award a one-year, not-to-exceed $207,000, contract to E.W. Bullock, to assist PIO staff and supply public information services for the ECUA, with funding from the appropriate budget line items, with a transfer from operating contingency as necessary. Motion carried 5-0.

I. Fiscal Year 2015 Capital Improvement Program Budget

Held in Committee.

ITEM 9 - OPERATIONAL ITEMS:

(a) Award of bid: Virgo/Russell sewer expansion

A motion was made by Mr. McCorvey, seconded by Ms. Campbell, to award a contract for the Virgo/Russell Sewer Expansion Project (Base Bid plus Additive Alternate #1) for the total bid amount of $476,020.00 to Chavers Construction, Inc., the lowest bidder, with funding from CIP Project CS318L and a transfer in the amount of $400,000.00 from CIP Project CS317 Sewer Expansion. Motion carried 5-0.

(b) Removal of certain items of Tangible Personal Property

A motion was made by Mr. Perkins, seconded by Mr. McCorvey, to authorize the removal of the items of tangible personal property appearing on Exhibit A from ECUA's Detailed Listing as well as each item's corresponding value and accumulated depreciation from ECUA's Balance Sheet. Motion carried 5-0.

(c) Employee benefits and Insurance Consultant services

Mr. Kevin Scoggins and Mr. Burnett of USI addressed the Board advising that if ECUA does not have the proper resources available to them, they will have difficulty navigating the current insurance climate and would be leaving money on the table.

A motion was made by Mr. Perkins, seconded by Ms. Benson, to approve the selection of Rodney Rich & Company, as the consultant for our group benefits program, including the following components: (a) consult regarding ECUA's group benefits program to include health insurance, dental insurance, life insurance, disability insurance, and voluntary ancillary products; (b) a $3.50 per benefits eligible employee and retiree per month, which currently

equates to an annual fee of $26,344 for contracted services; and (c) a two-year contract period of May 1, 2014 – April 30, 2016. Motion carried 5-0.

(d) Real property purchases – Thousand Oaks sewer expansion project

A motion was made by Ms. Campbell, seconded by Mr. Perkins, to approve the negotiated Purchase and Sale Agreements to facilitate sewer expansion in the Thousand Oaks Subdivision and authorize the Executive Director to execute those documents. Motion carried 5-0.

(e) Adoption of Resolution No. 14-05

A motion was made by Mr. Perkins, seconded by Ms. Campbell, to adopt Resolution 14-05 – OFFICIAL INTENT RESOLUTION FOR ADDITIONAL UTILITY SYSTEM PROJECTS. Motion carried 5-0.

ITEM 10 - INFORMATIONAL REPORTS

None.

ITEM 11 - EXECUTIVE DIRECTOR'S REPORT:

(a) Mr. Sorrell reported that the renovation of the Customer Service area has been completed and the employees have been moved back to that area. Mr. Sorrell invited all to walk over and view the renovated area.

(b) Mr. Sorrell also reported that staff is still in the recovery mode from the recent excessively heavy rainfall in the area, stating the stormwater overflows into the ECUA wastewater system. Further, approximately 40 million gallons flowed into the CWRF for four hours. However, the plant was able to handle it and there were no permit violations at the plant.

ITEM 12 - ATTORNEY'S REPORT

(a) Mr. Odom reported that the Request for Proposals (RFP) for brokerage services for commercial insurance and bonds should be out on May 8.

ITEM 13 - UNFINISHED BUSINESS

None.

Board meeting 04/24/14

ITEM 14 - NEW BUSINESS

(a) Contract for Main Street property

Mr. Ken Ellzey, NAI Halford, addressed the Board requesting an extension to the contract for marketing the Main Street property.

A motion was made by Ms. Benson, seconded by Ms. Campbell, to extend the contract for one month and the topic placed on the agenda for the next Citizens' Advisory Committee meeting. Motion carried 5-0.

ITEM 15 - BOARD COMMUNICATIONS

(a) Lois Benson

Ms. Benson expressed her concerns with a letter sent out to Commission Chairman May under the signature of ECUA Chairman Walker. Ms. Benson further expressed concern with a conversation she had with the Executive Director relative to this issue and his response. Further, she expressed concern with the receivership of the Innerarity utility issue and ECUA's role in that regard.

Mr. Perkins stated that he agrees with Ms. Benson on some things conceptually and ECUA should work to improve relations with the County, and that he feels ECUA could work with the County regarding the Innerarity Island system.

Ms. Campbell stated she had discussed an MSBU possibility for the Innerarity Island system with Mr. Valentino and he agreed that an MSBU should be done and they would like to work with ECUA. Further, she thinks that some on the BCC know that ECUA wanted to work with them. Also, she stated that she never thought for one minute that ECUA was voting not to take on Innerarity Island, and it was always her assumption that ECUA was voting not to be the receiver because ECUA did not have any way of collecting the funds.

Mr. McCorvey stated that it was his understanding that ECUA did offer to work with the County regarding Innerarity Island. The concern was that ECUA does not have $7.5 million to cover the expenses to upgrade the system. Under their authority, the County can establish a funding mechanism which the ECUA cannot.

Chairman Walker stated he sent the letter with the wording in it not to be provocative but in an attempt to communicate honestly in the least public way possible. Further, as far as he was concerned, that was a private, personal

letter from the Chairman of the ECUA to the Chairman of the County Commission. It was not distributed to the media and there was no intention for any of the language in it to be heard by anyone except Mr. May. Chairman Walker also commented that with the recent changes at the County, he hoped ECUA would be able to obtain a better working relationship with the County Commission and the letter was intended to pursue that. Further, the letter did contain the offer, again, that ECUA would be happy to take over the Innerarity Island system if proper funding could be arranged through the financial powers of the Commission.

Mr. Odom stated that as for the notion of whether the letter that Dr. Walker sent out should have been disseminated to the other Board members, he was of the opinion that dissemination of the letter to other Board members for review and comment would have clearly been a violation of the Sunshine Law. Further, the letter was a communication from the Chairman, who is the spokesman of the Board by virtue of the *ECUA Code*, and he believes it was a proper letter to have been sent and, therefore, passed legal review.

Mr. Odom continued commenting, stating that a number of communications have been sent to the County indicating ECUA would work with them to develop a long-term solution for the Innerarity Island utilities; however, a response has not been received.

Ms. Benson stated that she feels ECUA needs to go the extra mile – these are our potential water/sewer customers to ECUA and we believe we have a role in helping them. Further, ECUA needs to be more aggressive about reaching out and it didn't happen and it should. Also, Ms. Benson stated she believes staff needs to be directed to walk over to the County and say let's work this out – let's get rid of these artificial barriers in governmental bodies and let's get this problem fixed.

Chairman Walker stated that he does not see that ECUA has been at fault in the communications with the County. Further, the County knows what the ECUA position is, and he feels they are not willing to work with ECUA and have attempted only to use the Innerarity Island situation to embarrass ECUA and make ECUA look bad. Further, he feels that the interim Administrator has not informed some of the Commissioners of previous offers that ECUA has made, including a very generous offer relative to a waste-to-energy facility.

Mr. Perkins stated that if ECUA would do a 21% rate increase on all the rest of the ratepayers, ECUA could take care of the Innerarity Island system and get that private developer off the hook. But, in his mind that is really not fair to the rest of ECUA's ratepayers. Further, he is not opposed to ECUA participating in some measure on this with the County. The County can do the

Board meeting 04/24/14

MSBU – ECUA cannot, the County can apply for the BP funds – ECUA cannot, and so it is going to take a teamwork approach. Also, once the new county Administrator is on board, then ECUA representatives should visit with him and let him know of ECUA's willingness to work with the County and to develop good positive relationships between the two agencies.

(b) Chairman Walker stated that he feels ECUA has had some extraordinary performance by much of the staff, wastewater staff especially, in the last couple of weeks and months because of all the heavy rain and they should be recognized at ECUA's next social event. Mr. Sorrell was requested to convey the opinion to staff.

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 approximately3:40 p.m.

Respectfully submitted,

Stephen E. Sorrell
Executive Director

APPROVED BY THE ECUA BOARD
IN REGULAR SESSION ON _____.

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