MINUTES OF THE EMERALD COAST UTILITIES AUTHORITY BOARD MEETING HELD THURSDAY, FEBRUARY 27, 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
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

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

ITEM 3 – ADOPTION OF AGENDA

Ms. Benson added the topics "Main Street property" to the agenda as unfinished business, and "customer service" as new business.

Mr. Sorrell advised of a correction to Item 8H – Award of Bid – Lift Station #34 (West Shore Drive) replacement in that the bid amount should have been $458,453.57 rather than $452,453.57.

A motion was made by Ms. Benson, 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) Special joint meeting of January 22, 2014

Ms. Campbell stated that the minutes did not reflect any comments made by the ECUA Board members. Further, she stated that the Board members had a lot to say and the comments should be in the minutes.

Mr. Sorrell stated that the lack of comments being reflected in the minutes was an oversight on Ms. Iversen's part and she will go back and listen to the meeting and add those comments.

A motion was made by Mr. Perkins, seconded Ms. Campbell, to table the minutes of the special joint meeting until the next Board meeting to allow insertion of the Board members comments. Motion carried 5-0.

(b) Regular Board meeting of January 23, 2014

A motion was made by Ms. Benson, seconded by Mr. McCorvey, to approve the minutes of the regular Board meeting of January 23, 2014 as presented. Motion carried 5-0.

ITEM 8 - REPORT OF THE ECUA CITIZENS' ADVISORY COMMITTEE 02/19/14

A motion was made by Ms. Benson, seconded by Mr. Perkins, to approve the following recommendations for Items F, H (as amended) through N. Motion carried 5-0.

F. Presentation/Discussion – Disposable Wipes Program of the National Association of Clean Water Agencies

Information/discussion only – full presentation to be made at March CAC meeting.

G. Presentation/Discussion – Lift Station Standards

A motion was made by Ms. Benson, seconded by Mr. Perkins, to direct staff to work publically with all stakeholders' and until new standards are approved by the Board, that the standards go back to the prior July revisions. Motion carried 3-2 with Messrs. McCorvey and Walker voting against the motion.

Chairman Walker recessed the meeting from 2:19 until approximately 2:27 p.m.

H. Award of Bid – Lift Station #34 (West Shore Drive) Replacement

Award the contract for the West Shore Drive lift LS Replacement to Utility Service Company, the lowest bidder, for the bid in the amount of $458,453.57, with funds allocated from CIP Project RS121F and an additional $120,000.00from CIP Project RS121.

I. Award of Bid – West Region Office Site Paving

Award the contract for the West Region Office Site Paving to Chavers Construction, the lowest bidder, with $110,000 funds allocated from CIP Project CA601.

J. Award of Bid – Sanitation Support Building

Award the contract for the Sanitation Support Building to Larry Hall Construction, Inc., the lowest bidder, for the Base Bid in the amount of $641,000, with funds allocated from CIP Project RT201.

K. Structure located at 2968 Chemstrand Road

Approve and concur in the findings of the Executive Director that the residence on the property located at 2968 Chemstrand Road in Cantonment, Florida is not necessary, useful, or profitable in the operation of the utility systems of ECUA, and authorize its demolition.

L. Interest Rates charged to ECUA Customers on Delinquent Account Balances

Take no action and retain the interest rate at the same rate as that established in Resolution No. 87-15.

M. Surplus ECUA Property – Mayfair WWTP and Lift Station Site

To declare the property surplus and place it out for bid.

N. Former Mayfair WWTP and Lift Station Site Access

To not grant a license.

Q. New Business

(1) Water Supply Development Community Assistance Initiative Grant Agreement

A motion was made by Ms. Benson, seconded by Mr. Perkins, to approve the acceptance of the Water Supply Development Community Assistance Initiative Grant from the Northwest Florida Water Management District, and authorize the Executive Director to execute the grant agreement following review and approval of the agreement by ECUA counsel. Motion carried 5-0.

Mr. Barry Tweedie addressed the Board, stating that he opposes the expenditure of matching ECUA funds and ECUA should not be responsible for providing reclaimed water to Scenic Hills golf course and UWF as he feels this is a needless expense.

Mr. Sorrell explained the utilization of reclaimed water, stating the ECUA needs to have additional customers for the disposal of the amount of reclaimed water that ECUA has available.

Ms. Benson commented she feels it is worth another look at ECUA's reclaimed water program, stating perhaps the issue should go to the Citizens' Advisory Committee. Further, Ms. Benson stated, as CAC Chairman, she would like to refer the issue of reclaimed water to the CAC.

Mr. Sorrell provided an update on the reclaimed water provided to Pensacola Beach, stating there is a fee for this and that an expansion plan for the reclaimed water on the Beach is in process. Also, Mr. Sorrell stated that they are also looking at a fee structure for providing reclaimed water to Scenic Hills golf course and UWF and staff will be bringing a recommendation back to the Board.

ITEM 9 - OPERATIONAL ITEMS:

Board meeting 02/27/14

(a) Adoption of Resolution 14-03

A motion was made by Mr. Perkins, seconded by Ms. Campbell, to adopt Resolution 14-03 - A RESOLUTION FINDING THE STRUCTURE LOCATED AT 2968 CHEMSTRAND ROAD IN CANTONMENT, FLORIDA TO BE NOT NECESSARY, USEFUL, OR PROFITABLE IN THE OPERATIONS OF THE UTILITY SYSTEMS OF THE EMERALD COAST UTILITIES AUTHORITY; AND AUTHORIZING ITS DEMOLITION; PROVIDING AN EFFECTIVE DATE. Motion carried 5-0.

(b) Adoption of Resolution 14-04

A motion was made by Mr. Perkins, seconded by Ms. Campbell, to adopt Resolution 14-04 - A RESOLUTION FINDING THE FORMER MAYFAIR WASTEWATER TREATMENT PLANT AND LIFT STATION SITE ON MASSACHUSETTS AVENUE IN PENSACOLA, FLORIDA TO BE NO LONGER NECESSARY, USEFUL, OR PROFITABLE IN THE OPERATION OF THE UTILITY SYSTEMS OF THE EMERALD COAST UTILITIES AUTHORITY; AUTHORIZING ITS DISPOSITION; AND PROVIDING AN EFFECTIVE DATE. Motion carried 5-0.

(c) Award of bid – Lift station #68 (34th Street) replacement

A motion was made by Ms. Benson, seconded by Mr. Perkins, to (a) recognize that Brown Construction's unit price for sodding/landscape was clearly erroneous, allow it to reduce its unit price to $7.04855 per square yard, and waive the unit-price error as a minor informality; (b) award a contract for the LS #68 replacement project to Brown Construction Company, Pensacola, FL, the low bidder, in the total amount of $430,281.08 for the base bid, with funding from CIP Project RS121J; and (c) transfer funds in the amount of $500,000.00 from CIP Project RS121 - Lift Station Replacement & Upgrading to CIP Project RS121J. Motion carried 5-0.

Ms. Campbell stated that she would like to be informed of any change orders submitted for this project.

Mr. Sorrell stated that just because a contractor submits a change order does not mean it will be granted as staff very thoroughly scrutinizes all of them.

(d) 3rd Street and Winthrop Avenue sewer expansion

A motion was made by Mr. Perkins, seconded by Ms. Benson, to authorize the Executive Director to enter into an agreement with Escambia County for reimbursement of the cost of sewer expansion on the County's 3rd Street and Winthrop Avenue roadway and drainage improvements project, and

establish a project budget in the amount of $120,000 from CIP Project CS317. Motion carried 5-0.

(e) Nitrogen monitoring equipment for Bayou Marcus WRF

A motion was made by Mr. Perkins, seconded by Mr. McCorvey, to waive the bidding process based on equipment trials conducted at the Bayou Marcus Water Reclamation Facility, and authorize the executive director to purchase the nitrogen monitoring equipment from EOSI in the amount of $86,787.00, with funding from CIP Project CS319. Motion carried 5-0.

ITEM 10 - INFORMATIONAL REPORTS

None.

ITEM 11 - EXECUTIVE DIRECTOR'S REPORT:

(1) Mr. Sorrell reported that a letter had been received from the City Administrator, Ms. Colleen Castille, advising that if ECUA does not settle with them on the Airport wells, then they expect ECUA to pay all attorney fees. Mr. Sorrell commented that Mr. Odom has responded accordingly.

(2) Mr. Sorrell also reported that on January 17 he made a recycling proposal to the County where ECUA would process the clean stream and the County would get the dirty stream. Mr. Sorrell stated he has not received a response from the County regarding his proposal.

Chairman Walker commented that, in his opinion, the offer to the County was very generous.

Mr. Perkins stated he would encourage ECUA to continue to be hopeful that a response will be forthcoming.

(3) Mr. Sorrell further reported that the County has requested ECUA to be the receiver of the Innerarity Island water and sewer systems as it is going to be abandoned on March 28. Mr. Sorrell stated that approximately $7.5 million will be needed to bring the systems up to standards. Also, this is a private system and it is regulated by the Public Service Commission and any rate changes would need to be approved by the PSC.

Mr. Sorrell stated that he recommends that ECUA not become the receiver and that a professional receiver be appointed, or the County if they will accept.

In response to an inquiry from Ms. Campbell, Mr. Odom stated that ECUA cannot be forced to take the system as it is a private system.

Ms. Benson stated that ECUA should become proactive with this issue since ECUA is the provider of these services in Escambia County.

Chairman Walker stated the burden should be on the family trust and that the County should adopt a MSBU for the system.

Mr. Odom stated that the issue is whether ECUA should be the receiver for the private system or should some other entity become receiver for the private system in the short-term until some changes are made.

Ms. Campbell pointed out that approximately 118 lots are owned by the trust and they could be assigned some of those fees.

A motion was made by Ms. Benson, seconded by Ms. Campbell, to decline the receivership and request that a professional receiver be appointed and that ECUA simultaneously begin exploring options for a solution. Motion carried 5-0.

ITEM 12 - ATTORNEY'S REPORT

Mr. Odom reported that on February 11, mediation was conducted with the City regarding the Airport wells and that mediation was unsuccessful.

Mr. Odom also informed the Board that diversity training will begin the week of March 3 and all ECUA employees will be going through that training.

Further, Mr. Odom informed the Board that he would be calling in the Surety to finish one of ECUA's projects where the contractor failed to do so. Also, he would be willing to discuss this issue one-on-one with each Board member.

Chairman Walker suggested that Mr. Odom seek out an FAA expert regarding the Airport well. Mr. Odom was so instructed by the Board.

ITEM 13 - UNFINISHED BUSINESS

(a) Main Street property (Benson)

Ms. Benson commented that she feels it would beneficial to have a Stage 1 and Stage 2 environmental study conducted on the Main Street property. If they are not already doing this, staff was requested to look into this

and report back to the Board. Mr. Perkins objected to the expenditure. No action was taken by the Board

ITEM 14 - NEW BUSINESS

(a) Customer Service (Benson)

Ms. Benson expressed her appreciation for the excellent service and responsiveness that the Customer Service Department provides to ECUA customers. Ms. Benson also expressed her appreciation for the efforts of Mr. Sorrell and all other employees, stating ECUA has a great workforce.

Ms. Campbell and Mr. Perkins echoed Ms. Benson's comments, stating they also appreciate the staff.

ITEM 15 - BOARD COMMUNICATIONS

(a) Ms. Benson encouraged everyone to attend the Pensacola Opera performance of Cinderella.

(b) Ms. Campbell announced that Mr. Jim Roberts will be at Springfest on March 15 providing information about ECUA's environmental efforts.

(c) Chairman Walker announced that the FFA will conduct its annual event on March 8, from 10 am to 4 pm.

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 3:18 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: