MINUTES OF THE EMERALD COAST UTILITIES AUTHORITY BOARD MEETING HELD THURSDAY, JUNE 26, 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
Tim Haag, Director of Government Affairs
Amanda Handrahan, Recycling Coordinator
Linda Iversen, Executive Assistant to the Board
Bill Johnson, Director of Engineering
Jim Roberts, Public Information Officer
John Seymour, Manager of Engineering Projects
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 2:00 p.m.

ITEM 2 – INVOCATION AND PLEDGE OF ALLEGIANCE

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

ITEM 3 – ADOPTION OF AGENDA

Mr. Sorrell advised that a revised item 9(c) was before the Board.

Chairman Walker added the following items under Board Communications.

(a) Report on telephone conference with FDOT Secretary Prasad and his meeting with BCC Chairman, Commissioner May.

(b) Request staff to provide an update on the discussions with the Home Builders Association.

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A motion was made by Ms. Benson, seconded by Mr. McCorvey, 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 by Ms. Campbell, seconded by Mr. McCorvey, to approve the minutes of the regular Board meeting of May 29, 2014 and the special Board meeting June 18, 2014 as presented. Motion carried 5-0.

ITEM 8 - REPORT OF THE ECUA CITIZENS' ADVISORY COMMITTEE 06/18/14

A motion was made by Ms. Benson, seconded by Mr. Perkins, to approve the following recommendations for items G through I. Motion carried 5-0.

F. Fiscal Year 2015 Budget

Held in Committee.

G. Manhole and Valve Box Adjustments - City of Pensacola's 2014 Resurfacing Program

Authorize the Executive Director to enter into an agreement with the City of Pensacola for reimbursement of costs associated with Manhole and Valve Box Adjustments – City of Pensacola 2014 Resurfacing Program, and establish a project with a budget of $150,000 with funds from CIP Project CR405 – General Utility Relocates.

H. Award of Chemical Contracts - Aluminum Sulfate and Sodium Hypochlorite

Award the contract for aluminum sulfate to the low bidder, Southern Ionics, Inc., in the amount of $213.65 per dry ton, and sodium hypochlorite to the low bidder, Allied Universal Corporation, in the amount of $0.734 per gallon for one year, with two one-year options to extend, with the agreement of the supplier and the ECUA Board, and authorize payment from the appropriate line items from the operating budgets of the different wastewater plants.

I. Consulting Engineer's Report and Financial Feasibility Study

(a) Adopt the Executive Director's proposed ranking of proposals for the Consulting Engineers Report and Financial Feasibility Study as follows: (1) Raftelis Financial Consultants, Inc.; (2) Willdan Financial Services; and (3) Arcadis; and (b) authorize the Executive Director to negotiate with those firms in that rank order and execute all required documents for the study to be performed. Project funding shall be from Operating Contingency.

ITEM 9 - OPERATIONAL ITEMS:

(a) Award of bid – Navy Point sewer expansion, Phase 3

A motion was made by Ms. Benson, seconded by Ms. Campbell, to award the contract for the total bid (Base Bid plus the Additive Alternate) to the lowest bidder, Roberson Excavation, Inc., for the total bid amount of $1,709,682.14, with funding from CIP Project CS318J and authorize the Executive Director to enter into a reimbursement agreement with Escambia County for the drainage portion of the project. Motion carried 5-0.

(b) Award of bid – Downtown South (Basins A4/A4A) excavated sewer rehabilitation

A motion was made by Ms. Benson, seconded by Ms. Campbell, to award a contract to Utility Service Co., Inc., Gulf Breeze, Florida, the low bidder, in the amount of $1,066,945.55 for the Base Bid for construction of the Downtown South (Basins A4/A4A) Excavated Sewer Rehabilitation, and establish a Project Budget of $1,125,000.00 with funding from CIP Project RS624 - Inflow and Infiltration Reduction. Motion carried 5-0.

(c) Award of bid – Downtown South (Basins A5/B2) excavated sewer rehabilitation

A motion was made by Ms. Benson, seconded by Ms. Campbell, to (a) waive the error on the Subcontractor/Supplier Project Plan form as a minor informality; accept the revised form from the contractor; and award a contract to Roberson Excavation, Inc., Milton, Florida, the lowest responsive bidder, in the total amount of $1,281,011.00 for the Base Bid for construction of the Downtown South (Basins A5/B2) Excavated Sewer Rehabilitation; and (b) establish a Project Budget of $1,350,000.00 with funding from CIP Project RS624 - Inflow and Infiltration Reduction. Motion carried 5-0.

(d) Cured-in-Place lateral lining – Pen Haven/Myrtle Grove and Cantonment Inflow and Infiltration

A motion was made by Ms. Benson, seconded by Mr. McCorvey, to waive the formal bid procedures due to the need to expedite repairs to help achieve compliance with requirements of the SSO consent order and issue a contract to BLD Services, Inc., of Kenner, Louisiana, for the rehabilitation of approximately 1,100 sewer service laterals in the approximate amount of $5,400,000, and transfer $6,000,000 from CIP Project RS624 – Inflow and Infiltration to CIP Project RS625A – Pen Haven and Cantonment Lateral Rehabilitation to establish a project budget. Motion carried 5-0.

(e) Blue Angel 30-inch force main extension

A motion was made by Ms. Campbell, seconded by Ms. Benson, to approve a project through competitive bidding for Blue Angel 30-inch Force Main Extension, and establish a budget in the amount of $1,000,000 with funding from CIP Project RS624, Inflow and Infiltration Reduction. Motion carried 5-0.

(f) Beulah Meadows Subdivision – oversizing

A motion was made by Mr. McCorvey, seconded by Ms. Campbell, to approve oversizing of water and wastewater facilities for the proposed Beulah Meadows Subdivision, and establish a project budget of $89,200.00 with funding from CIP Project CA001 Oversizing. Motion carried 5-0.

(g) Compressed natural gas agreement amendment for Ellyson fuel site

A motion was made by Mr. Perkins, seconded by Mr. McCorvey, to approve Pensacola Energy's request for an additional $114,105 in funding, and

authorize the Executive Director to execute the required amendment to the contract. Motion carried 4-1with Chairman Walker voting against the motion.

(h) Compressed natural gas agreement amendment for Pine Forest fuel site

A motion was made by Mr. Perkins, seconded by Mr. McCorvey, to approve Pensacola Energy's request for an additional $96,400 in funding to construct a protective enclosure at the Pine Forest CNG Station, and authorize the Executive Director to execute the required amendment to the contract. Motion carried 5-0.

(i) Real estate purchase from International Paper – lift stations 140, 141, and 142

A motion was made by Mr. Perkins, seconded by Mr. McCorvey, to approve the real estate purchases of the three parcels from International Paper for upgrades of Lift Stations 140,141, and 142, and authorize the Executive Director to execute the documents necessary to purchase these parcels for approximately $10,000, with funding from CIP Project RS121E. Motion carried 5-0.

ITEM 10 - INFORMATIONAL REPORTS

None.

ITEM 11 - EXECUTIVE DIRECTOR'S REPORT:

The following reports were for information only and did not require action.

(a) Notification of Emergency Purchases – repair of dryer #1

(b) Mr. Sorrell reported that the new Septage Receiving Facility located at CWRF is up and running and working very well.

(c) Mr. Sorrell informed the Board that the Consumer Confidence Report (CCR) has been completed and is being mailed, and ECUA's water meets every single State and Federal guideline.

(d) Also, Mr. Sorrell reported on recent meetings with FDOT concerning the Perdido Key Mouse Crossing project, stating that FDOT has informed ECUA that they are proceeding and will be submitting the expenses for relocating ECUA's infrastructure to ECUA. Further, they have indicated they

will attempt to mitigate the costs as much as possible, and they have reduced the crossing conflicts from 12 to 8. Also, FDOT has requested that ECUA purchase materials to reduce the costs of the project.

At this point, Chairman Walker reported on his June 23 conference call with FDOT Secretary Prasad, stating that nothing was changed other than an offer to allow ECUA to make payments for the cost of relocating its infrastructure.

A motion was made by Mr. Perkins, seconded by Ms. Campbell, to authorize staff to reduce and mitigate all costs possible associated with this project [Perdido Key Mouse Crossings] if the project is imminent, and that ECUA reserves the right to challenge any expenditure FDOT desires to charge ECUA.

Discussion was held concerning the reserving of the right to challenge placing ECUA's position in jeopardy. Mr. Odom stated that as long as ECUA reserves its rights, ECUA's legal position is uncompromised.

Ms. Benson expressed her concerns relative to taking further action on this issue, stating the ECUA "drew a line in the sand" and that is the position it should remain with.

Mr. Perkins withdrew his motion and Ms. Campbell withdrew her second.

A motion was made by Mr. Perkins, seconded by Ms. Benson, that ECUA continue to challenge the project at every angle and every way possible. Motion carried 5-0.

ITEM 12 - ATTORNEY'S REPORT

(a) Mr. Odom reported that the Santa Rosa County Commission unanimously voted to enter into a source separated recyclables loading and transportation agreement with ECUA; however, there is an insurance issue outstanding and he could not recommend acceptance until the issue is resolved. Therefore, Mr. Odom suggested that if the ECUA Board desires to proceed with the arrangement, that the Board authorize the Executive Director and attorney to negotiate this issue and execute the agreement once the remaining issue is resolved.

A motion was made by Ms. Benson, seconded by Mr. McCorvey, to authorize Mr. Sorrell and Mr. Odom to continue to work out the remaining details as expressed by Mr. Odom and to execute the document. Motion carried 5-0.

(b) Mr. Odom reported that Diversity Training for a staff of over 500 employees has been completed and was well received.

(c) Also, Mr. Odom indicated a "How to do Business with ECUA" workshop will be conducted on Friday, June 27.

(d) Further, Mr. Odom stated that the Barcelona Tank contractor has been declared to be in default and they are negotiating with the Surety.

ITEM 13 - UNFINISHED BUSINESS

(a) HBA discussions

Mr. Sorrell reported on meeting with the HBA, stating that the HBA and ECUA costs for certain elements of lift station construction are not in agreement, and this is the main issue between the two. Further, evaluation from individual contractors, agreed to by both parties, is underway relative to the costs.

ITEM 14 - NEW BUSINESS

None.

ITEM 15 - BOARD COMMUNICATIONS

(a) Conference call with FDOT Secretary (Walker)

See item 11(d), pgs. 5-6.

(b) Meeting with Chairman May (Walker)

Chairman Walker informed the Board that he met with BCC Chairman May on Tuesday, June 24 and they had a very cordial, friendly meeting. Chairman Walker stated that he understood Chairman May to say that he was not personally in favor of abolishing ECUA and he could see where that would hamper the efforts of ECUA to work with the County.

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 3:12 p.m.

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Respectfully submitted,

Stephen E. Sorrell
Executive Director

APPROVED BY THE ECUA BOARD
IN REGULAR SESSION ON _____.

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