

**MINUTES OF THE EMERALD COAST UTILITIES AUTHORITY BOARD MEETING
HELD THURSDAY, JUNE 25, 2015 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
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
Randy Rudd, Deputy Executive Director-Shared
Services
Patricia Sheldon, Director of Budgets and Cash
Management

ITEM 1 – INVOCATION AND PLEDGE OF ALLEGIANCE

Prior to calling the regular meeting of the Board to order, Mr. McCorvey provided the invocation and led the Pledge of Allegiance.

ITEM 2 – CALL TO ORDER

Chairman Benson called the regular meeting of the Emerald Coast Utilities Authority Board to order at approximately 2:01 p.m.

ITEM 3 – ADOPTION OF AGENDA

Mr. Sorrell added the following items to the agenda:

- 14(a) – Award of bid – Pensacola Beach WWTP Clarifier 1 Replacement
- 14(b) – Notification of Emergency Purchase – Pipeline Regional Pumping Station Electrical Repairs
- 14(c) – Authorization to Bid and Buy

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Mr. Odom advised that a revised Exhibit A to Resolution 15-08 – Chapter 13 – Purchasing Procedures was before the Board.

Chairman Benson added “waiver of connection fee” to the agenda under Unfinished Business.

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

ITEM 4 - PUBLIC HEARINGS:

None.

ITEM 5 - OPEN FORUM

(a) Mr. Frederick D. Soule, 4914 LaVentana Circle, Pensacola, FL 32526, addressed the Board concerning the requirement for a notarized letter stating that the customers with wells are not connected to the public water supply. Mr. Soule stated that he has a well, is not connected and never intends to connect his well. Further, he advised that the plumbers he has contacted are refusing to provide such a letter, and if they do, they are increasing the cost for the inspection to certify he is not connected.

Board members and staff explained this is a requirement placed on ECUA by the FDEP and an affidavit or notarized letter is required from the customer stating their well is not connected.

ITEM 6 - PRESENTATIONS

None.

ITEM 7 - APPROVAL OF MINUTES

A motion was made by Ms. Campbell, seconded by Dr. Walker, to approve the minutes of the regular Board meeting of May 28, 2015 as presented. Motion carried 5-0.

ITEM 8 - REPORT OF THE ECUA CITIZENS' ADVISORY COMMITTEE 06/17/15

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

F. Extension of Chemical Contract – Aluminum Sulfate

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Extend the contract for aluminum sulfate to Southern Ionics, Inc., in the amount of \$213.65 per dry ton, for the first of the two one-year options to extend, with pricing as agreed to by the supplier and with the approval of the ECUA Board, and authorize payment from the appropriate line item from the operating budget.

G. Extension of Chemical Contract – Sodium Hypochlorite

Extend the contract for sodium hypochlorite to Allied Universal Corporation, in the amount of \$0.734 per gallon, for the first of the two one-year options to extend, with pricing as agreed to by the supplier and with the approval of the ECUA Board, and authorize payment from the appropriate line item from the operating budget.

H. Fiscal Year 2016 Budget

To accept all the budgets.

NOTES:

Water/Wastewater: The above acceptance includes for the Water/Wastewater budget a 2.26% rate increase, and also \$20 million for the Water/Wastewater Capital Improvement Program (CIP). Monies received from the sale of the Main Street property and revenues will provide funding for the CIP.

Sanitation: The above acceptance includes for the Escambia County sanitation customers a 9.5% rate increase, discontinuation of the Household Hazardous Waste (HHW) program, and \$165,000 for the Sanitation CIP.

ITEM 9 - OPERATIONAL ITEMS:

Mr. Richard Lott, ECUA Bond Counsel, and Mr. Dewayne Draper, of Bryant, Miller and Olive, addressed the Board, providing documents that indicated last minute changes to Resolutions 15-06 and 15-07, and explaining the need for those changes.

(a) Adoption of Resolution 15-06

A motion was made by Ms. Campbell, seconded by Mr. McCorvey, to adopt Resolution 15-06 – A RESOLUTION OF THE EMERALD COAST UTILITIES AUTHORITY AMENDING, COMPILING, CONSOLIDATING AND RESTATING RESOLUTION NO. 92-39 IN ITS ENTIRETY; PROVIDING FOR THE ISSUANCE OF

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UTILITY SYSTEM REVENUE BONDS TO PAY THE COST OF CERTAIN CAPITAL IMPROVEMENTS TO THE UTILITY SYSTEM OF THE AUTHORITY AND TO PAY THE COST OF REFUNDING CERTAIN OUTSTANDING OBLIGATIONS OF THE AUTHORITY; PROVIDING FOR THE RIGHTS OF THE HOLDERS OF SUCH BONDS; PROVIDING FOR THE PAYMENT THEREOF; MAKING CERTAIN OTHER COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; PROVIDING FOR SEVERABILITY; PROVIDING AN EFFECTIVE DATE. Motion carried 5-0.

(b) Adoption of Resolution 15-07

Mr. Mitch Owens, ECUA Financial Advisor, addressed the Board explaining the benefits to ECUA for moving forward with the subject bond issue. Mr. Owens stated that ECUA should see a savings level between \$800,000 and \$1.3 million.

A motion was made by Mr. Perkins, seconded by Ms. Campbell, to adopt Resolution 15-07 – A RESOLUTION OF THE EMERALD COAST UTILITIES AUTHORITY, SUPPLEMENTING AN AMENDED, COMPILED, CONSOLIDATED AND RESTATED RESOLUTION ADOPTED ON THE DATE HEREOF; PROVIDING FOR THE ISSUANCE AND SALE OF NOT EXCEEDING \$60,000,000 UTILITY SYSTEM REFUNDING REVENUE BONDS, SERIES 2015, FOR THE PURPOSE OF REFUNDING ALL OR A PORTION OF THE AUTHORITY'S OUTSTANDING UTILITY SYSTEM REVENUE BONDS, SERIES 2006, AND FINANCING AND/OR REIMBURSING THE COST OF THE DESIGN, PERMITTING, ACQUISITION, CONSTRUCTION AND EQUIPPING OF CERTAIN CAPITAL IMPROVEMENTS TO THE SYSTEM; FUNDING NECESSARY RESERVES, AND PAYING COSTS RELATED THERETO, SUBJECT TO THE SATISFACTION OF CERTAIN CONDITIONS CONTAINED HEREIN AND SUBJECT TO THE TERMS AND CONDITIONS OF A PURCHASE CONTRACT; PROVIDING FOR THE RIGHTS OF THE HOLDERS OF SUCH BONDS; PROVIDING FOR THE PAYMENT THEREOF; MAKING CERTAIN OTHER COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; APPROVING THE FORM OF THE PURCHASE CONTRACT, PRELIMINARY OFFICIAL STATEMENT CONTINUING DISCLOSURE CERTIFICATE AND ESCROW DEPOSIT AGREEMENT; AUTHORIZING THE EXECUTION AND DELIVERY OF A PURCHASE CONTRACT, FINAL OFFICIAL STATEMENT, CONTINUING DISCLOSURE CERTIFICATE AND ESCROW DEPOSIT AGREEMENT; DELEGATING THE CHAIRMAN TO AWARD THE SALE OF SUCH BONDS TO THE UNDERWRITERS NAMED HEREIN PURSUANT TO A NEGOTIATED SALE AND SUBJECT TO THE CONDITIONS AND TERMS SET FORTH HEREIN AND IN THE PURCHASE CONTRACT; AUTHORIZING THE ISSUER TO OPT TO INSURE ALL, A PORTION OF OR NONE OF SUCH BONDS WITH A POLICY OF MUNICIPAL BOND INSURANCE AND/OR TO PURCHASE A RESERVE ACCOUNT INSURANCE POLICY, IF IN THE BEST FINANCIAL INTEREST OF THE ISSUER, APPOINTING AN ESCROW HOLDER, PAYING

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AGENT AND BOND REGISTRAR FOR SUCH BONDS; AUTHORIZING OTHER ACTION IN CONNECTION WITH THE DELIVERY OF SUCH BONDS; AND PROVIDING AN EFFECTIVE DATE. Motion carried 5-0.

(c) Adoption of Resolution 15-08

Mr. Odom provided a brief overview of the changes made to the Purchasing Procedures; stating prior Board-approved changes have been incorporated.

A motion was made by Mr. McCorvey, seconded by Dr. Walker, to adopt Resolution 15-08 - A RESOLUTION REVISING PURCHASING PROCEDURES; PROVIDING AN EFFECTIVE DATE. Motion carried 5-0.

An amendment to the motion was made by Mr. Perkins that the Executive Director report purchases over \$50,000 to the Board at its next meeting.

Mr. Odom explained that the current policy, approved by the Board, allows the Executive Director to directly approve purchases up to \$100,000 without Board approval. Mr. Sorrell explained that anything over that amount is reported to the Board.

Mr. Perkins withdrew his amendment.

(d) Award of Bid – Water Service Renewals 2015

A motion was made by Mr. Perkins, seconded by Dr. Walker, to award the contract for Water Service Renewals 2015 to Underground Solutions, LLC, the lowest bidder, for the Base Bid in the total amount of \$563,825.00, with funding from CIP Project RW507S. Motion carried 5-0.

(e) Award of Contract – Northwest and West Nine Mile Road Force Main System Cleaning

A motion was made by Mr. McCorvey, seconded by Ms. Campbell, to waive the bidding process based on the need to complete this cleaning process in a timely manner, and award a contract to Professional Piping Services, Inc., for cleaning the Northwest Force Main and the force main system in the vicinity of west Nine Mile Road in the not-to-exceed amount of \$275,000, and transfer funds in the amount of \$250,000 from CIP Project RS527 – Ongoing Force Main Cleaning Program to CIP Project CS224A – Northwest Force Main Cleaning. Motion carried 5-0.

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(f) Auditing Services Engagement Letter

A motion was made by Mr. McCorvey, seconded by Dr. Walker, to renew the current contract with SC&G for audit services, and authorize the Executive Director to sign the proposed engagement letter with SC&G (attached) for the audit for the fiscal year ending September 30, 2015, with funding from the appropriate budget line item. Motion carried 5-0.

(g) 2015 Manhole and Valve Box Adjustments – City of Pensacola 2015 Resurfacing Project

A motion was made by Ms. Campbell, seconded by Mr. McCorvey, to 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 2015 Resurfacing Program, and establish a project with a budget of \$160,000 with funds from CIP Project CR405 – General Utility Relocates. Motion carried 5-0.

(h) Coyle Street Stormwater and Wastewater Improvements

A motion was made by Mr. McCorvey, seconded by Mr. Perkins, to authorize the Executive Director to enter into an Interlocal Cost-Sharing Agreement with the City of Pensacola for the replacement of sewer manholes along Coyle Street as a part of the City of Pensacola's Coyle Street - 2014 Storm Reconstruction and Pipe Rehabilitation Project, with \$400,000 funding coming from CIP Project CZ999, Project Contingencies. Motion carried 5-0.

(i) Request for Proposals Ranking – Solid Waste Processing and Recycling

A motion was made by Ms. Campbell, seconded by Dr. Walker, to approve the Evaluation Committee recommendation to negotiate with Mustang Renewable Power Ventures to develop a contract for solid waste processing and recycling services, and bring the results of those negotiations back to the ECUA Board and Escambia County Board of County Commissioners for consideration. Motion carried 5-0.

(j) Perdido Key Mouse Crossings – Reimbursement to FDOT

A motion was made by Dr. Walker, seconded by Mr. McCorvey, to reluctantly approve reimbursement to FDOT for utility relocation work associated with the construction of mouse crossings on Perdido Key Drive in the amount of \$355,955.28, with funding from Project Contingencies. Motion carried 5-0.

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ITEM 10 - INFORMATIONAL REPORTS

None.

ITEM 11 - EXECUTIVE DIRECTOR'S REPORT

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

- (a) Notification of Emergency Purchase – Olive Road West utility relocation
- (b) Notification of Emergency Purchase – Coyle and Jackson manhole replacement

Mr. Sorrell also distributed copies of the Consumer Confidence Report (CCR) for this year, stating there were no major infractions.

Mr. Sorrell stated that staff is recommending that plastics not be used for yard waste and provided an example of a brown paper yard waste bag that staff is recommending for customer use. Further, staff will be purchasing 72,000 of the bags with the ECUA logo on them. These bags will be made available locally for customer purchase.

Regarding the Live Green campaign, Mr. Sorrell commented that based on a survey last year in which ECUA was barely recognized, a second survey after the campaign was implemented shows its effectiveness in that ECUA is now third most recognized.

Chairman Benson inquired as to the cost to provide the FDEP mandated CCR and Ms. Bowers stated that the annual cost is approximately \$15,000. Chairman Benson stated that she feels this is such a technical document that it is ludicrous to send it out to each customer but should only be placed on the ECUA website. Further, she would like for staff to revisit this requirement with FDEP and Mr. Sorrell indicated he would talk with FDEP concerning this reporting requirement.

Mr. Sorrell reported on the property negotiations for the North Palafox property, stating that he signed the contract to purchase.

Mr. Sorrell distributed to the Board copies of the IT Strategic Master Plan, stating that staff is already working on some of the items, such as the payment methods brought up by Mr. Perkins.

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ITEM 12 - ATTORNEY'S REPORT

Mr. Odom reported that they have closed on the Hollywood Avenue property and ECUA will soon begin the due diligence period for the North Palafox property now that the contract has been signed.

Mr. Odom also reported that the "staging" agreement, in the event of a hurricane, has been signed with Gulf Power.

Further, a case filed against ECUA by a former employee claiming he was wrongfully dismissed has concluded and ECUA prevailed in the case.

ITEM 13 - UNFINISHED BUSINESS

(a) **Waiver of Connection Fee (Benson)**

Chairman Benson stated that she had been contacted by a young couple that had purchased a property in her District (in which the previous owner did not connect in the time period allotted for a waiver) that they were renovating and they had requested that half of the connection fee be waived as they had received a grant that would cover the other half. Further, she stated that when individuals are willing to take on improvements to property that ultimately improves/rehabilitates neglected areas of the community, consideration should be given to waiving the connection fee.

Dr. Walker suggested that the property owners be given an additional six month to a year to connect. Chairman Benson indicated this suggestion should be referred to the Citizens' Advisory Committee.

Mr. Odom stated that as a governmental body, ECUA is compelled to treat all individuals the same, and this is a routine request in that the service has been available since 2009, and it is not an extraordinary event but simply a request from the owners and he recommends that, as the ECUA attorney, the request be denied. Further, he would also recommend that Dr. Walker's suggestion be denied.

Dr. Walker stated that this should be discussed in the Citizens' Advisory Committee.

Mr. McCorvey commented that there are specific situations and neighborhoods where sewer lines should be provided, such as those neighborhoods that have "hard pan" below them and the septic tanks will not percolate. Mr. McCorvey requested that Mr. Sorrell and his staff look at this.

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This issue was referred to the Citizens' Advisory Committee.

Mr. Perkins request that the CAC also look at Dr. Walker's suggestion and it was directed that this topic be placed on the next CAC agenda for discussion.

ITEM 14 - NEW BUSINESS

(a) **Award of bid – Pensacola Beach WWTP Clarifier 1 Replacement**

A motion was made by Dr. Walker, seconded by Ms. Campbell, to (a) waive the contractor's omission in its Subcontractor/Supplier Project Plan Form as a minor informality; (b) authorize award of the contract for the Pensacola Beach Clarifier 1 Replacement to Advance Tank and Construction Co., Pell City, AL, the only bidder, in the total amount of \$722,000 for the Base Bid and Alternate 1; and (c) authorize funding provided by CIP Project RS511F - Pensacola Beach Tank Painting and Rehabilitation in the amount of \$677,262, along with a transfer of \$60,000 from CIP Project CZ999 – Project Contingency for the additional funds. Motion carried 5-0.

(b) **Notification of Emergency Purchase – Pipeline Regional Pumping Station Electrical Repairs**

Information only – no action required.

(c) **Authorization to Bid and Buy**

A motion was made by Mr. Perkins, seconded by Ms. Campbell, to authorize the Executive Director to inspect, evaluate and place bids on the recycling equipment currently being auctioned by the City of Chicago, up to a value determined by inspection of the equipment. The final cost of the equipment will be reported to the ECUA Board if a successful acquisition is accomplished. Motion carried 5-0.

Mr. Odom pointed out that this action is contingent on action to be taken by the Board of County Commissioners at its meeting this evening relative to adoption of a related resolution.

ITEM 15 - BOARD COMMUNICATIONS

None.

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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 3:37 p.m.

Respectfully submitted,

Stephen E. Sorrell
Executive Director and
Secretary

APPROVED BY THE ECUA BOARD
IN REGULAR SESSION ON _____.

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