MINUTES OF THE EMERALD COAST UTILITIES AUTHORITY BOARD MEETING HELD THURSDAY, JULY 23, 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 (arrived at 2:06 p.m.) 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 Linda Iversen, Executive Assistant to the Board Bill Johnson, Director of Engineering Gerry Piscopo, Director of Maintenance and Construction Jim Roberts, Public Information Officer Randy Rudd, Deputy Executive Director-Shared Services Kim Scruggs, Human Resources Manager Patricia Sheldon, Director of Budgets and Cash Management Cindy Sutherland, Director of Human Resources and Administrative Services

ITEM 1 – INVOCATION AND PLEDGE OF ALLEGIANCE

Prior to calling the regular meeting of the Board to order, Mr. Perkins 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 1:58 p.m.

ITEM 3 – ADOPTION OF AGENDA

Mr. Sorrell added the following items to the agenda:

14(a) – Interim Materials Recycling Facility project budget

14(b) – Central Water Reclamation Facility (CWRF) biosolids composting

A motion was made by Mr. McCorvey, seconded by Ms. Campbell, to adopt the agenda as presented and amended. Motion carried 4-0.

ITEM 4 - PUBLIC HEARINGS:

None.

ITEM 5 - OPEN FORUM

(a) Mr. Clyde Coker, 815 N. 77th Avenue, Pensacola, FL, addressed the Board concerning ECUA's requirement for insurance coverage by haulers of septic waste to dispose of waste at the Central Water Reclamation Facility (CWRF). Mr. Coker also expressed his displeasure with the number of allowable addresses on the manifest.

Mr. Odom explained the insurance requirements of the State of Florida, as well as those required by ECUA. Mr. Odom stated he would not advise the Board to reduce the coverage as it would significantly increase the liability for ECUA. Mr. Odom also stated that on the manifest, there is a place for three addresses but the hauler can attach a list of additional addresses if they want.

Chairman Benson referred the issue of the number of addresses on the manifest to staff and follow-up with Mr. Coker.

(b) Mr. Justin Herrington, 303 Alba Plena Street, Pensacola, FL, addressed the Board concerning his request for waiver of ECUA's $1,600 hook-up fee for the requirement to connect to the sewer system.

It was the consensus of the Board that a policy change will be under consideration at the time the Board receives the Committee report later in the meeting and asked that Mr. Herrington delay his request until that time.

ITEM 6 - PRESENTATIONS

None.

Board meeting 07/23/15

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 June 25, 2015 as presented. Motion carried 5-0.

ITEM 8 - REPORT OF THE ECUA CITIZENS' ADVISORY COMMITTEE 07/15/15

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

F. Extension of Chemical Contract – Liquid Chlorine

Approve the optional one-year extension of the contract with DPC Enterprises of Mobile, Alabama, the second of the two optional one-year extensions, at the terms and rates of the existing contract, with funding from the appropriate budget line item.

G. Extension of Chemical Contract – Granular Activated Carbon

Approve a one-year extension of the contract with Calgon, the second of the two optional one-year extensions, at the terms and rates of the existing contract, with funding from the appropriate budge line item.

H. Contract Extension – Fire Hydrants and Fire Hydrant Extensions

Approve the first of two optional one-year extensions which is based upon the mutual agreement of both parties, that there will not be an increase in the price originally bid by Consolidated Pipe & Supply, Milton, Florida, in May 2014, with funding from the appropriate budget line item.

I. Blanket Purchase Order – Thioguard (Magnesium Hydroxide)

Approve a contract extension with Premier Chemicals, LLS, for the sole-source purchase of Thioguard at the price of $2.27 gallon, with funding from the appropriate budget line item.

J. Award of Bid – Central Well Field Aquifer Performance Test

A motion was made by Mr. McCorvey, seconded by Mr. Perkins, to approve a contract with Layne Christensen Company for the base bid, items 1

through 9, and alternate bid item 10 in the amount of $1,675,675.60, with funds from CIP Project CZ998 - MTBE settlement funds. Motion carried 5-0.

K. Sewer Expansion Program – Discussion of Project Priorities

A motion was made by Mr. McCorvey, seconded by Ms. Campbell, that the policy not be modified in anyway and continue to work in the direction of the health aspect, surface waters and partnering with the County and others to get sewer to areas in need. Motion carried 5-0,

L. Sewer Capacity Impact Fee – Policy Consideration

A motion was made by Mr. McCorvey, seconded by Ms. Campbell, to amend the ECUA's Sewer Capacity Impact Fee policy to allow the waiver of the sewer impact fee for a period of 365 days in instances where a change of ownership occurs for properties within areas in which ECUA previously had a Sewer Expansion Program project and the property, although eligible for the 365 day impact fee waiver at the time the Sewer Expansion Program project was completed, never connected to sewer. The additional 365-day sewer impact fee waiver would run from the date of the change of ownership. Staff will have the authority to extend the waiver another 365 days, based on extenuating circumstances. Motion carried 5-0.

Mr. Odom advised that he would be drafting a resolution for this policy change and presenting it to the Board at its next meeting.

ITEM 9 - OPERATIONAL ITEMS:

(a) Adoption of Resolution 15-09

A motion was made by Dr. Walker, seconded by Mr. McCorvey, to adopt Resolution 15-09 – A PRELIMINARY RATE SETTING RESOLUTION PROVIDING FOR NOTICE AND PUBLIC HEARING CONCERNING THE PROPOSED ESTABLISHMENT OF REVISED WATER AND WASTEWATER RATES AND CHARGES. Motion carried 5-0.

(b) Adoption of Resolution 15-10

A motion was made by Mr. McCorvey, seconded by Dr. Walker, to adopt Resolution 15-10 – A PRELIMINARY RATE SETTING RESOLUTION PROVIDING FOR NOTICE AND PUBLIC HEARING CONCERNING THE PROPOSED ESTABLISHMENT OF REVISED RESIDENTIAL SANITATION SERVICE CHARGES. Motion carried 5-0.

Dr. Walker asked if the rate increase could be split into two years. Staff responded that it could not as funding would not be available to accomplish the things that are needed.

(c) Award of bid – Lift station control panel replacement

A motion was made by Mr. Perkins, seconded by Ms. Campbell, to authorize award of a purchase order for the fabrication of the replacement electrical and control panels for the seven subject lift stations to Automation Control Services, the low bidder, in the total amount of $524,220, with funding provided from Project Contingencies with reimbursement of qualified expenses from FEMA through the State of Florida. All funds from FEMA will be used to replenish Project Contingencies. Motion carried 5-0.

(d) Extension of Annual Emergency Services Contract

A motion was made by Ms. Campbell, seconded by Mr. McCorvey, to authorize staff to renew its contract with Pensacola Concrete Construction, Pensacola, Florida, for the first of three optional one-year extensions, with funding provided by the appropriate budget line item(s). Also, for the Board to authorize a contract modification to reflect a maximum of five percent mark-up for work provided by subcontractors. Motion carried 5-0.

(e) Sale of heat-dried sludge product

A motion was made by Mr. McCorvey, seconded by Dr. Walker, to 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, at a sale price of $15 per dry ton for one year. Motion carried 5-0.

(f) Navy Point sewer expansion, Phase 3 – Change order no. 2

A motion was made by Mr. Perkins, seconded by Dr. Walker, to authorize approval of Change Order No. 2 in the amount of $105,131.01, and the transfer of $106,000.00 from CIP Project CS317, Sewer Expansion to CIP Project CS318J, Navy Point Sewer Expansion, Phase 3. Motion carried 5-0.

(g) Closed circuit television software – I & I vehicles

A motion was made by Mr. McCorvey, seconded by Dr. Walker, to (a) waive the formal competitive bidding process based on an analysis and consideration of the performance of key system components, and award the contract to Pipeline Analytics for the purchase of the WinCan CCTV software,

the lower-priced option, in the no-to-exceed amount of $90,000; and (b) transfer $78,500 from CIP Project RS624 – Inflow and Infiltration Reduction to CIP Project RS430 – I&I Vehicles. Motion carried 5-0.

(h) Group benefits for fiscal year 2016 – Medical Insurance and Flexible Benefits Plan

A motion was made by Mr. McCorvey, seconded by Mr. Perkins, to approve the proposed benefits package at an approximate cost of $5,673,234, including the following plan components: (a) approve renewal with Florida Municipal Insurance Trust (FMIT) as the medical insurer; (b) offer two plan designs, one High Deductible Plan (HDHP) and one traditional Preferred Provider Organization (PPO) plan; (c) provide the employee premium for both plans; (d) provide an average of 65% of the dependent premium for the two plans; and (e) contribute $850 of the employee deductible or $1,275 of the family deductible into a health savings account (HSA) for each employee enrolled in the High Deductible Health Plan (HDHP). Motion carried 5-0.

Ms. Kim Scruggs, Human Resources Manager, responded to questions from the Board, explaining that a preliminary renewal increase of 15% was reduced to 12%, primarily attributed to updated claims experience, which produced a downward trend in ECUA's loss ratio. Ms. Scruggs also highlighted the efforts regarding the wellness programs.

Ms. Campbell stated she would like to see a number comparison of ECUA employees in the HSA plan to other agencies that are of ECUA's size.

Chairman Benson indicated she would like to see how ECUA stacks up against other agencies as far as the claims rate. Also, Chairman Benson stated she would like a breakdown of ECUA's contribution levels to the Health Savings Account plan from the time it was made available to employees as an insurance plan choice.

(i) Executive Director's purchasing authority – Interim Materials Recovery Facility (MRF)

Chairman Benson suggested that the Board might consider allowing the Chairman to have a 24-hour review period for such purchases prior to approval by the Executive Director.

It was the consensus of the remaining Board members that the process as outlined worked very well when the authority was granted to the Executive Director during the construction of the CWRF, thus it should work as well with this project.

Board meeting 07/23/15

A motion was made by Mr. Perkins, seconded by Dr. Walker, authorize the Executive Director to enter into contracts and approve expenditures related to the construction of a Materials Recovery Facility at the Central Water Reclamation Facility in excess of his current purchasing authority of $100,000, with subsequent notification provided to the Board at its next meeting. Motion carried 4-1 with Ms. Benson voting against the motion.

ITEM 10 - INFORMATIONAL REPORTS

None.

ITEM 11 - EXECUTIVE DIRECTOR'S REPORT

Mr. Sorrell provided an update and overview of the yard waste grinding, reimbursement from the State of Florida in the amount of $185,000 for purchasing natural gas vehicles, and the pigging project in the line from Highway 297A to the Bayou Marcus Water Reclamation Facility.

ITEM 12 - ATTORNEY'S REPORT

Mr. Odom reported that the Palafox property is now officially under contract and in the due diligence phase.

ITEM 13 - UNFINISHED BUSINESS

None.

ITEM 14 - NEW BUSINESS

(a) Interim Materials Recycling Facility project budget

A motion was made by Mr. McCorvey, seconded by Dr. Walker, to approve the establishment of a budget for the MRF Project of $7.2 million with funding from loan funds. Motion carried 5-0.

(b) Central Water Reclamation Facility (CWRF) biosolids composting

A motion was made by Ms. Campbell, seconded by Mr. McCorvey, to (a) approve Change Order No. 2 with Utility Service Co., Inc., in the total amount of $215,626.23, for the CWRF Biosolids Composting – CIP Project CS425-1, in order to construct a concrete pad for yard trash grinding operations and related work; and (b) transfer funds in the amount of $220,000.00 from Project

Board meeting 07/23/15

Contingencies (CZ999) to CWRF Biosolids Composting - CIP Project CS425-1. Motion carried 5-0.

ITEM 15 - BOARD COMMUNICATIONS

(a) At the request of Ms. Campbell, Mr. Sorrell provided an update on the Innerarity Island system, stating that the County has contracted with an engineering firm to design the project and the project should be completed in about two years.

(b) Mr. Perkins expressed his concerns about the requirement for backflow devices on wells and separately metered irrigation systems, but not on irrigation systems tied into the house line/meter. Mr. Perkins suggested that this should be looked into. Further, Mr. Perkins stated that, under the guidance of the ECUA attorney, ECUA should delay a penalty until the customer has completed the appeal process with FDEP.

Chairman Benson requested that staff provide a report on the Haas Center study to the Citizens' Advisory Committee.

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 3:20 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: