

**MINUTES OF THE EMERALD COAST UTILITIES AUTHORITY BOARD MEETING
HELD THURSDAY, DECEMBER 17, 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
Dale Perkins, Vice Chairman
Vicki Campbell
Elvin McCorvey
Larry Walker

Counsel present: Bradley S. Odom

Staff present: Stephen E. Sorrell, Executive Director
Nathalie Bowers, Public Information Officer
Debra Buckley, Director of Finance
John Daane, Director of Information Technology
Tim Haag, Director of Government Affairs
Steve Holcomb, Director of Wastewater Infrastructure
Linda Iversen, Executive Assistant to the Board
Bill Johnson, Director of Engineering
Jim Roberts, Public Information Officer

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 2:00 p.m.

ITEM 3 – ADOPTION OF AGENDA

Mr. Sorrell added the following items to the agenda:

- 15(a) – Notification of Purchase – Biosolids building masonry waterproofing system – CWRP
- 15(b) – Notification of Purchase – Fabric building for interim material recovery facility
- 15(c) – Interim materials recycling facility project budget amendment
- 15(d) – Award of bid – Interim material recovery facility site-work at the Perdido Landfill

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Chairman Benson indicated that she would like to move Open Forum to follow Item 4.

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

ITEM 4 - PUBLIC HEARINGS

- (a) 2:00 p.m. – Proposed establishment of new charges for the receipt and processing of vegetative debris

Chairman Benson convened the public hearing at approximately 2:01 p.m. There were no comments from the audience and the hearing was closed.

- (b) Adoption of Resolution 15-21

A motion was made by Mr. McCorvey, seconded by Mr. Perkins, to adopt Resolution 15-21 - A FINAL RATE SETTING RESOLUTION ESTABLISHING A NEW POLICY AND CHARGES FOR THE RECEIPT AND PROCESSING OF VEGETATIVE DEBRIS; PROVIDING AN EFFECTIVE DATE. Motion carried 5-0.

ITEM 5 - PRIVATE SESSION TO DISCUSS SETTLEMENT NEGOTIATIONS IN PENDING LITIGATION

Although reflected in agenda order in these minutes, this item followed Item 6, which was moved to follow Item 4.

Mr. Odom asked that the regular meeting be recessed for the private session to discuss pending litigation and requested that the following individuals join him for the private session to be held in the Human Resources Conference Room. The private session was estimated to last approximately 10-15 minutes. Chairman Benson placed the regular meeting in recess at approximately 2:08 p.m.

Lois Benson
Larry Walker
Vicki Campbell
Elvin McCorvey

Dale Perkins
Stephen Sorrell
Terry Hoffman (court reporter)

Chairman Benson called the regular Board meeting back to order at approximately 2:20 p.m.

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A motion was made by Mr. Perkins, seconded by Ms. Campbell, to approve the settlement as was discussed in the private session. Motion carried 5-0.

ITEM 6 - OPEN FORUM

Mr. Barry Tweedie, Old Dairy Lane, Pensacola, FL, inquired about the status of recycling. Mr. Sorrell provided a brief verbal report, stating that Santa Rosa materials are being delivered to the Santa Rosa landfill and not the Perdido Landfill. Further, action regarding recycling will be addressed later in the meeting.

ITEM 7 - PRESENTATIONS

(a) **Presentation of Special Recognition Award to Mr. Charles Green**

Mr. Green was not available to accept his award. Chairman Benson explained that Mr. Green had served on the ECUA Citizens' Advisory Committee and the award was to recognize his service. Further, due to Mr. Green's relocation out of Escambia County, he no longer was able to serve on the Committee.

ITEM 8 - APPROVAL OF MINUTES

A motion was made by Dr. Walker, seconded by Ms. Campbell, to approve the minutes of the Organizational Board meeting of November 19, 2015 and the regular Board meeting of November 19, 2015 as presented. Motion carried 5-0.

ITEM 9 - REPORT OF THE ECUA CITIZENS' ADVISORY COMMITTEE 12/09/15

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

F. **Network Circuits Upgrade**

(1) Waive the competitive bid process and approve the proposal from Southern Light and Fiber, under GSA Schedule GS-35F-524BA, with reduced pricing, to upgrade the network circuits; and (2) authorize the Executive Director to sign the agreement for the selected proposal, with annual funding of \$45,372, from the appropriate budget line items.

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G. Microsoft Enterprise Agreement and License Renewals

(1) Waive the competitive bid process and approve the proposal from SHI, under Florida State Contract #252-001-09-1, to enter into the Microsoft Enterprise Agreement and purchase 400 CALs; and (2) authorize the Executive Director to sign the purchase contract for the selected proposal, with funding of \$102,360 over three years, or \$34,120 annually from the appropriate budget line item.

H. Purchase Consulting Services Assistance for Request For Proposal Process For The Enterprise Resource Planning Applications

Waive competitive bidding and accept GFOA's proposal as allowed under Section 13.3(d) of the *ECUA Code*, - an exemption for bid requirements is afforded on contracts for professional and technical services - and authorize the Executive Director to initiate the purchase of the GFOA proposal, with funding of \$119,555 from CIP Project CA605, IT Master Plan.

ITEM 10 - OPERATIONAL ITEMS:

(a) Award of bid - Corrydale lift station #109 replacement

A motion was made by Mr. Perkins, seconded by Mr. McCorvey, to award a contract to Brown Construction of NWFL, Inc., the low bidder, for the total bid price of \$834,917.31 for the Corrydale lift station #109 replacement project, with funding for the base bid from CIP Project RS847 plus a transfer of \$60,000.00 from CIP Project RS121 - Lift Station Replacement & Upgrades, and with funding for the Additive Alternate provided by Escambia County through an interlocal agreement. Motion carried 5-0.

(b) Contract for evaporated salt

A motion was made by Dr. Walker, seconded by Mr. McCorvey, to waive the bid process and award the contract for evaporated salt in the amount of \$193.00 per ton to Cargill Salt, and authorize payment from the appropriate line item from the Operating Budget. Motion carried 5-0.

(c) Bayou Marcus WRF headworks upgrade and clarifier improvements-change order

A motion was made by Mr. Perkins, seconded by Mr. McCorvey, to authorize the Executive Director to approve a change order with J&P Construction Co., Inc., in the approximate amount of \$210,000 for additional

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work related to basin cleaning and construction of a chemical storage tank foundation and secondary containment, with funding provided by a transfer of funds in the amounts of \$49,700 from CIP Project CS319 – Bayou Marcus Basin Cleaning, and \$300,000 from CIP Project CS320 – Bayou Marcus Nitrogen Analyzer, to CIP Project RS032 – Bayou Marcus Headworks Upgrade & Clarifier Improvements. Motion carried 5-0.

(d) Pensacola Bay Bridge replacement – utility relocation

A motion was made by Mr. McCorvey, seconded by Dr. Walker to authorize the Executive Director to enter into a UWHC Agreement with FDOT for utility relocations associated with work on the Pensacola Bay Bridge replacement, with funding from CIP Project CR410 - Pensacola Bay Bridge Utility Relocation, and a transfer of \$650,000 from CIP Project CR014 - Pinestead/Longleaf Utility Relocation. Motion carried 5-0.

ITEM 11 - INFORMATIONAL REPORTS

None.

ITEM 10 - EXECUTIVE DIRECTOR'S REPORT:

Mr. Sorrell reported that during the past week a number of water outages have occurred in the vicinity of Scenic Highway and Langley Avenue, all of which were caused by others.

Mr. Sorrell also reported that the building on the property at 1750 North Palafox Street is being evaluated for determination of repairs or demolition, stating permeation of water from the exterior to the interior is occurring and a large amount black mold is also a problem.

Mr. Sorrell further reported that the Odor Control and Generator Maintenance building is essentially completed and we should be occupying the building very soon.

Also, Mr. Sorrell stated that property on Plantation Road is on a dead-end water line and staff was able to obtain an easement at an extremely reasonable cost of \$200 from an individual and the line will now be able to be looped.

Mr. Sorrell further reported on the reclaimed water system on Pensacola Beach, the Beach Haven stormwater and sanitary sewer project-the County's is able to utilize Restore Act funds, the composting operation at CWRP, and the "Click-to-Gov" software.

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Mr. Perkins commented that the hearing this week concerning the beach reclaimed water system went very well and the beach residents were very appreciative of ECUA's efforts.

Ms. Campbell inquired if the composting system would go toward the State recycling percentage. Mr. Sorrell indicated that it would and it is going to include a large amount of yard debris in the recycling process.

Ms. Campbell also asked how much of a savings would ECUA see as a result of the sludge drying program. Mr. Sorrell indicated that overall a savings in the vicinity of \$1 million would be recognized, although there will be capital costs associated with construction.

ITEM 11 - ATTORNEY'S REPORT

(a) IREP

Mr. Odom indicated that, as is known, ECUA has a contract with IREP for it to receive the recyclables that ECUA collects and that contract runs through mid-May of 2016 and IREP has refused to accept those recyclable from ECUA. IREP has also not paid ECUA for the rebate fees that are due under various deliveries. Further, with IREP in breach of contract and the pre-suit requirements having been fulfilled, the contract requires that ECUA litigate with them in Birmingham, Alabama, he would request that the Board give permission for ECUA to file suit against IREP and to retain the law firm of Starnes, Davis and Florie in Birmingham in order to represent it in the case.

A motion was made by Mr. Perkins, seconded by Mr. McCorvey, to move the recommendation. Motion carried 5-0.

(b) Mr. Odom advised that he had been contacted by the City of Pensacola's legal counsel regarding the Airport well, requesting that another effort be made to come to a resolution in the matter. Further, they are asking for another mediation session for February 2016.

(c) Mr. Odom reported that the closing on the 1750 North Palafox property should occur by the end of the week and so it will be ECUA property by Christmas.

Also, the property swap with the Santa Rosa Island Authority has been approved by SRIA and the documents necessary to finalize the transfer are currently being processed.

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Further, another closing will be occurring later this month on the property on "I" Street.

ITEM 12 - UNFINISHED BUSINESS

None.

ITEM 13 - NEW BUSINESS

15(a) – Notification of Purchase – Biosolids building masonry waterproofing system – CWRP

A motion was made by Dr. Walker, seconded by Mr. McCorvey, to waive the bid requirement for the purchase of the sealant system for the CWRP Biosolids Building due to the selected material being available through competitively bid GSA pricing, and approve the issuance of a sole source purchase order to KEIM Mineral Coatings of America, Inc., in the total amount of \$98,025.68 with funding available from CIP Project RS532, CWRP Building Water Sealing. Motion carried 5-0.

15(b) – Notification of Purchase – Fabric building for interim material recovery facility

Information only – no action required.

15(c) – Interim materials recycling facility project budget amendment

A motion was made by Dr. Walker, seconded by Mr. McCorvey, to approve a budget amendment for the Interim Materials Recycling Facility (IMRF) Project, increasing the budget by \$2,647,000, for a total project budget of \$9,952,000, with funding from Project Contingencies and Unrestricted Reserves – Water and Wastewater Funds, or borrowed through an interest-free loan or ECUA inter-fund borrowing. Motion carried 5-0.

Mr. Perkins inquired about the life of the facility, as well as the savings in tipping fees. Mr. Sorrell responded that at this point, staff is projecting a 20-year life and in all probability it will be longer than that, but staff is using a depreciated value of 20 years. Regarding the savings in tipping fees over the 20-year period, staff is anticipating that the revenue that would be taken in would probably allow at least a half million dollars a year in revenues from the operation, depending on the amount of processed recyclables. The process will result in a cost avoidance because it is currently costing ECUA

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between \$50,000 and \$85,000 per month just for ECUA recyclables to be deposited in the landfill.

In response to concerns expressed about the three-year lease, Mr. Odom commented that the County has given ECUA power to run an interim MRF that also has a three-year timeframe, so ECUA could not, without County approval, have another MRF within this County after the expiration absent a renewal of that power, or an extension of that power. So, it is not as simple as taking our tent and going elsewhere in the county. Further, there could be some issues if we were unable to come to terms with Escambia County, there could be another location that might want ECUA to have the equipment there and would give ECUA power to do that. It is important to explain that in addition to the lease issue, there's a legal authority issue involved with running an interim MRF.

Ms. Campbell inquired about the life extension of the landfill as a result of the MRF, with Mr. Sorrell stating that it would be significant. However, the number of years would have to be determined by Mr. Pat Johnson at the landfill.

15(d) – Award of bid – Interim material recovery facility site-work at the Perdido Landfill

A motion was made by Dr. Walker, seconded by Ms. Campbell, to (1) affirmatively waive as a minor informality the error made by Brown Construction of N.W. FL, Inc., in its bid; and (2) award the contract for IMRF site-work to Brown Construction, the low bidder, in the amount of \$1,493,154.63, with funding from the CIP Project CT507. Motion carried 5-0.

ITEM 14 - BOARD COMMUNICATIONS

Members Benson, Campbell and Walker wished everyone a very Merry Christmas and any other holidays being celebrated at this time. Mr. McCorvey thanked Chairman Benson for the gift bags she provided to each member.

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ITEM 15 - 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 3:07 p.m.

Respectfully submitted,



Stephen E. Sorrell
Executive Director and
Secretary

APPROVED BY THE ECUA BOARD
IN REGULAR SESSION ON 01/28/16.

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