# MINUTES OF THE EMERALD COAST UTILITIES AUTHORITY BOARD MEETING HELD THURSDAY, JUNE 23, 2016 AT 2:00 P.M. IN THE ECUA BOARD ROOM AT 9255 STURDEVANT STREET, ELLYSON INDUSTRIAL PARK, PENSACOLA, FL

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| Members present: | Lois Benson, Chairman<br>Dale Perkins, Vice Chairman<br>Vicki Campbell<br>Larry Walker |
| Member absent: | Elvin McCorvey |
| Counsel present: | Bradley S. Odom |
| Staff present: | Stephen E. Sorrell, Executive Director<br>Nathalie Bowers, Public Information Officer<br>Tim Haag, Director of Government Affairs<br>Linda Iversen, Executive Assistant to the Board<br>Bill Johnson, Director of Engineering<br>Jim Roberts, Public Information Officer<br>Patricia Sheldon, Director of Budgets and Cash Management<br>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, Chairman Benson 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 2:02 p.m.

## ITEM 3 – ADOPTION OF AGENDA

Mr. Sorrell added Item 14(a) – Adoption of Resolution 16-08 to the agenda.

Dr. Walker added "Logan Place" to the agenda.

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

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ITEM 4 - PUBLIC HEARINGS

None.

ITEM 5 - OPEN FORUM

Mr. Barry Tweedie addressed the Board concerning the issue of eminent domain, asking for a definition from the attorney for a "quick take" as related to item 8.I. Mr. Odom explained the process, stating that the issue still has to go before a Judge and the property owner's interests are protected.

ITEM 6 - PRESENTATIONS

None.

ITEM 7 - APPROVAL OF MINUTES:

A motion was made by Dr. Walker, seconded by Mr. Perkins, to approve the minutes of the regular Board meeting of May 26, 2016 as presented. Motion carried 4-0.

ITEM 8 - REPORT OF THE ECUA CITIZENS' ADVISORY COMMITTEE 05/18/16

A motion was made by Ms. Campbell, seconded by Mr. Perkins, to approve the following recommendations for items F. through I. Motion carried 4-0.

F. Award of Contract – Aluminum Sulfate (Liquid Alum)

Award a one-year purchase contract for aluminum sulfate to the low bidder, Southern Ionics, Inc., in the amount of $219.00 per dry ton, with two one-year options to extend, and authorize payment from the appropriate budget line items.

G. Award of Bid - Brookmeadow Lane force main replacement

Award the bid for the Brookmeadow Lane force main replacement project to B&W Utilities, Inc., the lowest bidder, for the base bid in the total amount of $113,923.96, with a funding transfer from CIP Project RS624 - Inflow/Infiltration to IP Project RS626Y in the amount of $135,000.00 for the base bid and contingencies.

H. Disposition of Surplus Real Property – former lift station #140 site-101 Sheppard Street

Authorize the Executive Director to enter into a contract to sell the former lift station #140 site parcel to Ms. Margaret A. Floyd for the amount of $100, with all closing and transactional costs being borne by Ms. Floyd.

I. Protection of wastewater transmission main-Power of Eminent Domain

Authorize the initiation of a quick-take eminent domain proceeding to acquire the needed easements from South Palafox Properties, LLC, should ECUA be unable to negotiate the purchase of the needed easements during the mandatory pre-suit period.

J. Fiscal year 2017 Operating and CIP budgets

A motion was made by Ms. Campbell to table this item and return it to the Citizens' Advisory Committee. *Motion died for lack of a second.*

A motion was made by Ms. Campbell, seconded by Dr. Walker, to approve Scenario #2 [2.27% rate increase based on the CPI in combination with the described capital assessment fee, and approving the $20 million cash-funded CIP shown in the budget, and no additional debt] and a 2.27% rate increase based on the CPI for sanitation.

Discussion was held concerning the proposed assessment with members Benson and Campbell stating they feel it needs more discussion. Ms. Benson also indicated that she does not have any objection going to the market when the rates are low for funds for improvements to the system.

Mr. Perkins indicated that he would be in favor of Scenario #1 that was presented in Committee.

A motion was made by Mr. Perkins, seconded by Dr. Walker, to table the item until the next Board meeting. Motion carried 4-0.

A motion was made by Dr. Walker to take this item from the table and refer it back to the Committee. *Motion died for lack of a second.*

ITEM 9 - OPERATIONAL ITEMS:

(a) Budget amendment-Interim Materials Recycling Facility

A motion was made by Dr. Walker, seconded by Mr. Perkins, to approve a budget amendment for the Interim Materials Recycling Facility (IMRF) Project, increasing the budget by $225,000, for a total project budget of

$10,627,000, 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 4-0.

(b) Bayou Marcus WRF headworks/upgrade and clarifier improvements-change order no. 5/final

A motion was made by Dr. Walker, seconded by Mr. Perkins, to authorize the Executive Director to approve Change Order No. 7/Final with J&P Construction Co., Inc., in the approximate amount of $117,000 for additional work related to basin cleaning and installation of a 30-inch gate valve, with supplemental funding provided by a transfer of funds in the amount of $60,000 from Project Contingencies – CIP Project CZ999 to CIP Project RS032 – Bayou Marcus Headworks Upgrade & Clarifier Improvements. Motion carried 4-0.

(c) Interlocal agreement with the City of Pensacola – Utility relocations along Nine Mile Road

A motion was made by Ms. Campbell, seconded by Mr. Perkins, to approve, and authorize the Executive Director to execute, the Interlocal Agreement with the City of Pensacola wherein ECUA would incorporate trenching and backfilling to accommodate the City's relocated natural gas main, with full reimbursement from the City, into ECUA's utility relocation work necessary for the Florida Department of Transportation project on Nine Mile Road, between Pine Forest Road and Highway 29. Motion carried 4-0.

ITEM 10 - INFORMATIONAL REPORTS

None.

ITEM 11 - EXECUTIVE DIRECTOR'S REPORT:

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

(a) Expenditures approved by the Executive Director – Interim Materials Recovery Facility
(b) Notification of Emergency Purchase – Spanish Trail well
(c) Notification of Emergency Purchase – Bio solids Composting-Change Order No. 7

Mr. Sorrell also provided updates on the following:

(a) Composting operation/facility - stating it is going extremely well and the site will need to be expanded.
(b) The IMRF project is also going extremely well – separation equipment will be delivered the first or second week of July – test run and grand opening is anticipated in August - full operation beginning in September.
(c) State Representative Mike Hill toured facilities this week – he was very supportive and was amazed at the progress and accomplishments of ECUA.
(d) The County approved the interlocal agreement on the Innerarity Island system on June 3 – project should be underway in the next few months.
(e) Staff is reviewing the possibility of a dirty MRF (at no cost to ECUA) for placement at the Perdido Landfill adjacent to the ECUA IMRF.

ITEM 12 - ATTORNEY'S REPORT

Mr. Odom reported on the results of the North Hill case, stating the motion for a temporary injunction was denied and ECUA prevailed in that matter.

Mr. Odom also reported that he has been in contact with the attorneys for Home Depot and they are looking into the process being utilized for filter sales in their stores. Further, ECUA residents approached at the Home Depot stores have been in contact with the Florida Attorney General's office with complaints.

Also, Mr. Odom stated that he and staff are continuing to provide "How to do Business with ECUA" workshops with the most recent one being conducted last week.

Mr. Odom stated that a judgement for approximately $600,000 was obtained against IREP last week and the only thing remaining would be the collection of the judgement.

Mr. Odom advised of the recent automatic removal of a member from the Committee due to lack of meeting the attendance requirement, stating the At-large replacement would need to be made by the Board. Further, in accordance with ECUA policy, the appointment cannot be made from District One as the Committee already has two appointments serving from that district.

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A motion was made by Dr. Walker, seconded by Mr. Perkins, to solicit résumés (via press release) until the next Board meeting at which time copies will be provided to the Board members and that the replacement appointment be made at the August Board meeting. Motion carried 4-0.

ITEM 13 - UNFINISHED BUSINESS

None.

ITEM 14 - NEW BUSINESS

(a) Adoption of Resolution 16-08

A motion was made by Mr. Perkins, seconded by Ms. Campbell, A RESOLUTION OF THE EMERALD COAST UTILITIES AUTHORITY AUTHORIZING AND DIRECTING GENERAL COUNSEL TO INITIATE CONDEMNATION PROCEEDINGS OVER CERTAIN PROPERTY WITHIN ESCAMBIA COUNTY, FLORIDA BY EMINENT DOMAIN AND THE TAKING OF POSSESSION OF CERTAIN EASEMENTS IN ADVANCE OF THE ENTRY OF FINAL JUDGMENT SHOULD REQUIRED PRE-SUIT NEGOTIATIONS PROVE UNSUCCESSFUL; PROVIDING AN EFFECTIVE DATE. Motion carried 4-0.

(b) Logan Place (Walker)

Dr. Walker explained that he had been approached by an individual regarding the Board's previous action relative to use of eminent domain for property in the Logan Place Subdivision. Further, the individual felt it would cost ECUA more in legal fees than it would to buy the property outright.

Mr. Odom stated that the Board has not approved to proceed with eminent domain, approved only asking for the approval by the County for ECUA to proceed in that direction if necessary. At this point, negotiations are on-going with the property owner.

Mr. Perkins stated he would rather ECUA pay a little extra for the property rather than pay it in legal fees and hopefully staff will be able to get it resolved.

ITEM 15 - BOARD COMMUNICATIONS

Ms. Campbell stated she met the most wonderful couple walking on the Bayou Marcus boardwalk and they expressed their thanks to ECUA for the boardwalk.

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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 3:01 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: