

**MINUTES OF THE EMERALD COAST UTILITIES AUTHORITY BOARD MEETING
HELD THURSDAY, AUGUST 25, 2016 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
John Daane, Director of Information Technology
Linda Iversen, Executive Assistant to the Board
Bill Johnson, Director of Engineering
Doug Patterson, Risk Manager
Jim Roberts, Public Information Officer
Patricia Sheldon, Director of Finance
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 2:01 p.m.

ITEM 3 – ADOPTION OF AGENDA

Mr. Sorrell added item 14(a) – Notification of Emergency Purchase – Repair of Dryer #1, to the agenda. Mr. Sorrell also advised that a corrected page 42 of the agenda was before the Board.

Mr. Odom requested that items 9(b) and 9(c) be removed from the agenda as negotiations have not been concluded with Closed Loop, LP.

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

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ITEM 4 - PUBLIC HEARINGS

None.

ITEM 5 - OPEN FORUM

(a) Mr. Barry Tweedie, 10395 Old Dairy Lane, Pensacola, FL, addressed the Board speaking to the negative campaign and incorrect statements being made against Dr. Walker. Mr. Tweedie stated that he has previously run against Dr. Walker for the District Five ECUA seat and Dr. Walker always ran a very honest campaign and the statements made by his opponent(s) are just not correct.

ITEM 6 - PRESENTATIONS

None.

ITEM 7 - APPROVAL OF MINUTES:

A motion was made by Dr. Walker, seconded by Ms. Campbell, to approve the minutes of the regular Board meeting of July 28, 2016 as presented. Motion carried 5-0.

ITEM 8 - REPORT OF THE ECUA CITIZENS' ADVISORY COMMITTEE 07/20/16

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

F. Purchase of Thioguard (magnesium hydroxide)

Approve a contract extension with Premier Magnesia, LLC, for the sole source purchase of Thioguard at the price of \$2.27 per gallon, with funding from the appropriate budget line item.

G. Extension of chemical contract – orthophosphate

Approve the extension of the contract with Carus Corporation, Peru, IL, for the supply of orthophosphate for the first year of two optional extensions at the terms and rates agreed to in the contract, with funding from the appropriate budget line item.

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H. Extension of small scale utility projects contract

Approve the optional extension of the small scale utility projects contract as awarded to Evans Contracting, Inc., with original unit-cost bid prices, for one additional year.

I. Award of bid – Lift station #295 (Zarragossa Street) upgrade

(a) Award a contract for lift station #295 upgrade to Utility Service Company, Inc., Gulf Breeze, Florida, the low bidder, in the total amount of \$699,899.64 for CIP Project CS142D, and (b) transfer funds in the amount of \$735,000.00, from CIP Project RS121 to CIP Project CS142D.

J. Award of bid: Annual service contract for entrance roads and trees for lift station sites and ECUA easements

Reject all bids for the annual service contract for entrance roads and trees for ECUA lift station and easement sites and authorize the contract to be rebid.

K. Surplus furniture and equipment

Approve and concur in the finding of the Executive Director regarding the property, and authorize the removal of the property value and accumulated depreciation from the balance sheet of the ECUA as well as the disposal of all the obsolete items.

L. Commercial insurance renewals for fiscal year 2017

Ms. Campbell inquired if the Board members are covered under the Public Officials' Liability insurance as proposed. Mr. Odom indicated they are.

A motion was made by Ms. Campbell, seconded by Mr. McCorvey, to approve the renewal of the ECUA's commercial insurance policies with the current respective insurers as listed and explained [within the item], and that the Board choose to self-insure for the Public Officials & Employer Practices Liability Insurance with funding from the appropriate budget line item. Motion carried 5-0.

M. CIP proposed projects – fiscal year 2017

Discussion in Committee only – no action taken.

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ITEM 9 - OPERATIONAL ITEMS:

(a) **Adoption of Resolution 16-09**

A motion was made by Ms. Campbell, seconded by Dr. Walker, to adopt Resolution 16-09 - 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) **Term Loan Facility Agreement-Closed Loop, LP**

Removed from the agenda.

(c) **Adoption of Resolution 16-10**

Removed from the agenda.

(d) **2016 manhole and valve box adjustments-City of Pensacola 2016 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 2016 Resurfacing Program, and establish a project with a budget of \$70,000 with funds from CIP Project CR123 – Manhole/Valve Box Adjustments. Motion carried 5-0.

Discussion was held concerning resolution of a recent issue with the City of Pensacola Fire Chief questioning ECUA's right to maintain its water lines within the City limits. Mr. Sorrell and Mr. Odom indicated that the issue had been resolved and an apology was made by the City to ECUA.

(e) **Funding for Beach Haven Northeast drainage and sanitary sewer improvement project, Phase 1**

A motion was made by Mr. Perkins, seconded by Mr. McCorvey, to approve the transfer of \$1.5 million from CIP Project CS317 to CS318D. Motion carried 5-0.

(f) **Budgets for fiscal year 2017**

A motion was made by Mr. Perkins, seconded by Mr. McCorvey, to formally approve and adopt the presented budgets for the water and

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wastewater utility systems, along with CIP Projects as identified on the distributed corrected page 42; the sanitation collection utility system; and the materials recycling utility system for fiscal year 2017. Motion carried 5-0.

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) Notification of Emergency Purchase – Miscellaneous lift station upgrades, Phase 2
- (b) Expenditures approved by the Executive Director – Interim Materials Recycling Facility

Mr. Sorrell reported on the grand opening ceremony for the Interim Materials Recycling Facility, stating that it went very well and nothing but praise has been received.

Ms. Campbell advised that individuals from Montgomery and Birmingham, AL were present at the grand opening and they indicated to her they were very impressed with the facility.

Chairman Benson expressed her appreciation to staff for the good job they did relative to the ceremony.

Further, Mr. Sorrell reported that the plans for the Innerarity Island water system are 60% complete, with 100% completion anticipated around the first of October. Also, award of the project should be presented in the November/December timeframe. The sewer system will be addressed separately from the water.

Mr. Sorrell advised the Board of the preparation activities that are being undertaken with regard to the tropical system in the Atlantic and its potential to become a hurricane and make it into the Gulf of Mexico.

Mr. Perkins stated that he appreciates that staff always has a contingency plan for potential emergencies and storms, stating that is one of the reasons for the proposed storage tanks downtown – to protect that area should there be a failure of the transmission main.

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Mr. McCorvey indicated that he attended a political rally in his district and the information that was being put out by some individuals regarding the proposed storage tanks for downtown was very incorrect. At Mr. McCorvey's request, Mr. Sorrell provided a status report stating that the tanks are under design at this time and they are looking at demolishing the building located on the property. Further, award for construction of the tanks will probably be made in October.

ITEM 12 - ATTORNEY'S REPORT

Mr. Odom informed the Board that they are working on an interlocal agreement with the County for ECUA to take over the management of the drop-off sites for recyclables.

Also, they are working with the County attorney's office on trying to develop a better way to inform purchasers of homes that they are buying a home that is on a private system and there could be some issues develop with the private system in the future.

Chairman Benson stated that she would like to see the ECUA, County and City put together a legal document that would require disclosure of these type issues.

Mr. Odom also stated that IREP has officially filed for bankruptcy and ECUA has a judgement already in place against them.

Ms. Campbell stated that at some point in the future, she would like to see the issue of household hazardous waste disposal considered again.

ITEM 13 - UNFINISHED BUSINESS

None.

ITEM 14 - NEW BUSINESS

(a) **Notification of Emergency Purchase – Repair of Dryer #1**

Information only – no action required.

(b) Chairman Benson stated she feels it would be beneficial to do a comparison of rates from other areas and indicated she has asked Mr. Sorrell to do this.

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ITEM 15 - BOARD COMMUNICATIONS

Chairman Benson expressed her well wishes to the candidates running for office throughout.

Discussion was held concerning a fatal accident this past week in which an employee died at the Mobile Area Water and Sewer Authority. Mr. Sorrell explained the safety practices that ECUA utilizes with its employees in the field to prevent similar accidents.

Dr. Walker mentioned that during all of his previous campaigns of running for the District Five ECUA seat, he has never experienced such negativity as is currently happening.

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 2:48 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: