MINUTES OF THE EMERALD COAST UTILITIES AUTHORITY BOARD MEETING HELD THURSDAY, JUNE 23, 2011 AT 3:00 P.M. IN THE ECUA BOARD ROOM AT 9250 HAMMAN STREET, ELLYSON INDUSTRIAL PARK, PENSACOLA, FL

Members present:	Larry Walker, Vice Chairman Lois Benson Elizabeth S. Campbell Dale Perkins
Members absent:	Elvin McCorvey, Chairman
Counsel present:	Bradley S. Odom
Staff present:	Stephen E. Sorrell, Executive Director Debra Buckley, Director of Finance Lydia Fortin, Human Resources Manager Linda Iversen, Executive Assistant to the Board Bill Johnson, Director of Engineering David Roberts, Director of Information Technology Jim Roberts, Public Information Officer Randy Rudd, Director of Sanitation

ITEM 1 - CALL TO ORDER

In the absence of Chairman McCorvey, Vice Chairman Walker called the regular meeting of the Emerald Coast Utilities Authority Board to order at approximately 3:03 p.m.

ITEM 2 - INVOCATION AND PLEDGE OF ALLEGIANCE

Chairman Walker provided the invocation and led the Pledge of Allegiance.

ITEM 3 - ADOPTION OF AGENDA

Ms. Benson added the topic of budget to the agenda.

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

ITEM 4 - COMMUNICATIONS AND PRESENTATIONS

None.

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ITEM 5 - APPROVAL OF MINUTES

A motion was made by Ms. Benson, seconded by Ms. Campbell, to approve the minutes of the regular Board meeting of May 26, 2011 as presented. Motion carried 4-0.

ITEM 6 - OPERATIONAL ITEMS:

(a) Optional contract extension – Fire Hydrants and Fire Hydrant Extensions

A motion was made by Mr. Perkins, seconded by Ms. Benson, to approve the one-year optional contract extension with Ferguson Waterworks, Pensacola, Florida based upon the mutual agreement of both parties with no increase in price, which are indicated, with funding from the appropriate budget line item. Motion carried 4-0.

ITEM	COMPANY	ESTIMATED COST	PRIOR CONTRACT
1. Fire Hydrants	Ferguson Waterworks	102,959.10	278,250.00
2. Fire Hydrant Extensions	Ferguson Waterworks	11,358.90	18,340.00

(b) Award of bid – Bagged hydrated lime

A motion was made by Ms. Benson, seconded by Mc. Campbell, to award a contract to Cheney Lime and Cement Co. of Allgood, AL, the only bidder, for the purchase of bagged hydrated lime at an estimated annual cost of $340,425.00, for a one-year contract with two optional one-year contract extensions, and authorize payment from the appropriate budget line item. Motion carried 4-0.

(c) Bioassay testing

A motion was made by Ms. Benson, seconded by Mr. Perkins, to waive the requirements for bidding and award the contract for bioassay testing to TRAC Laboratories for an additional year at the current contract prices, with the option to extend the contract for an additional two years with both parties agreement, with funding from the appropriate budget line items. Motion carried 4-0.

(d) Award of contract extension – Otto, Inc.

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A motion was made by Ms. Campbell, seconded by Mr. Perkins, to approve a two-year contract extension with Otto, Inc., of Charlotte, NC for maintenance, repair and distribution of automated containers, with funding available in the Sanitation Operating Budget. Motion carried 4-0.

(e) Inflow and infiltration reduction – Lamphole replacement

A motion was made by Ms. Benson, seconded by Ms. Campbell, to award a contract for Lamphole Replacements to Roads, Inc., of Cantonment Florida, the lowest bidder, for the bid in the total amount of $574,084.90 utilizing the Escambia County Pricing Agreement, and establish a project budget of $635,000 through CIP RS624-Inflow and Infiltration. Motion carried 4-0.

Ms. Benson requested that staff provide a report on the I & I Program to the Citizens' Advisory Committee. Staff was so directed by the Chairman.

(f) Award of bid – Montclair diversion project

A motion was made by Mr. Perkins, seconded by Ms. Benson, to reject all bids for the Montclair Diversion Project, CIP Project CS141U, and direct staff to revise the bid package, and re-advertise for bids. Motion carried 4-0.

(g) Navy Point sewer expansion, Phase IIB

A motion was made by Ms. Benson, seconded by Mr. Perkins, to approve of and enter into the Interlocal Cost-Sharing Agreement with Escambia County and award the contract for the Base Bid plus Drainage Additive Alternate 1 for the Navy Point Sewer Expansion Project, Phase IIB to Roads, Inc. of NWF, the lowest bidder, for the Total Bid amount of $1,242,497.00 with funding from CIP Project CS317Q. Motion carried 4-0.

(h) Award of Bid – Sanitation Paving and Stormwater

A motion was made by Ms. Benson, seconded by Mr. Perkins, to award a contract for the paving and stormwater improvements at the Sanitation Department property on Godwin Lane to Gulf Atlantic, the lowest bidder, for the amount of $206,760, with funding from CIP Project CT005. Motion carried 4-0.

(i) Award of bid – Main Street WWTP demolition

Mr. Barry Tweedie, 10395 Old Dairy Lane, addressed the Board concerning the funding sources for this project.

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A motion was made by Mr. Perkins, seconded by Ms. Benson, to (1) find the bid submitted by PAW Materials, Inc., to be unresponsive; (2) award a contract for the demolition of the Main Street WWTP to Cross Environmental Services, Inc., Crystal Springs, Florida, the lowest responsive bidder, in the total amount of $734,617 for the Base Bid plus Alternate Bids 1 – 13; and (3) establish a project budget of $800,000 for the total bid plus contingencies, with funding from CIP Project CS141B. Motion carried 4-0.

(j) Central Water Reclamation Facility – Escambia Bay Modeling

A motion was made by Mr. Perkins, seconded by Ms. Campbell, to authorize the Executive Director to enter into an agreement with stakeholders in the Escambia Bay Modeling effort and establish a project budget of $60,000 with funding from CIP Project CS141Z Main Street Replacement Project. Motion carried 4-0.

ITEM 7 - INFORMATIONAL REPORTS:

None.

ITEM 8 - EXECUTIVE DIRECTOR'S REPORT:

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

(a) Expenditures approved by the Executive Director – Main Street WWTP Replacement project
(b) Notification of Emergency Purchase – Emergency repair of 8-inch sewer main

Mr. Sorrell also reported on a major sanitary sewer overflow that occurred on Wednesday, June 22, that may result in a consent order from the Florida Department of Environmental Protection.

Mr. Sorrell reported that one of the two Pensacola Beach plants has recently exceeded capacity due to the amount of tourism and that spare parts for the second plant are needed in order to have full redundancy at Pensacola Beach. A 31" clarifier gear drive unit is needed, it is a sole-source item from WesTec Engineering and there is a 20-week lead time to order it. The cost is $66,160 and it is needed just in case something breaks and we need the spare part.

A motion was made by Mr. Perkins, seconded by Ms. Benson, to authorize the Executive Director to purchase from WesTec Engineering a 31"

clarifier gear drive unit in the amount of $66,160 for Pensacola Beach. Motion carried 4-0

Mr. Sorrell further reported that this Board meeting would be the last for Mr. Steve Burgess, who is retiring, and that Mr. Pat Byrne will be retiring August 1, 2011.

Mr. Perkins stated that Mr. George Watson passed away and Chairman Walker pointed out that a number of ECUA employees/representatives attended his funeral last week.

ITEM 9 - ATTORNEY'S REPORT

Mr. Odom reported that a check in the amount of $312,000 and some change has been delivered to ECUA dealing with a performance bond and surety that has gone into receivership.

Mr. Odom stated that due to an increase in the number of foreclosures that are occurring, ECUA is being sued in a lot of those cases despite the fact that we have priority of lien over the mortgage that they are suing to foreclose on. As a result, his office has modified the lien documents to spell that out so that ECUA is sued less often in those matters.

ITEM 10 - UNFINISHED BUSINESS

(a) Budget (Benson)

Ms. Benson commented that everywhere she goes, ECUA gets many kudos and that is the result of the efforts the employees put forth in making the organization operate in an efficient and professional manner. Further, the Board is aware that the employees have not had a raise in three years and there is now a mandate coming down from Tallahassee and our employees are facing a 3.5% cut in their pay and she feels the Board should not stand by and watch this happen. Therefore, she is proposing that the Board enact a 3.5% increase into their salaries effective July 1. Further, because of the enacting legislation, we are reducing the amount that we put into FRS so it will not cost the ratepayers anything to do this.

A motion was made by Ms. Benson that all ECUA employees receive a 3.5% increase in their annual salary with funding for this salary increase for the remainder of this fiscal year to come from the corresponding decrease in ECUA's required FRS contributions and that this increase be effective July 1. Motion died for lack of a second.

Mr. Perkins stated he feels it is time to look at a raise for our employees; however, the time to do that is in the budget hearings that are scheduled to begin next month with the Citizens' Advisory Committee. Further, he would be in favor of expending the money that has already been set aside for retirement for this year to get us through the fiscal year and then take up the issue of raises during the regular budget hearings.

A motion was made by Mr. Perkins, seconded by Ms. Campbell, to go ahead and utilize the money that would have been slated for the Florida Retirement fund to off-set those additional costs the employees will suffer for this fiscal year and evaluate the idea of a raise during our regular budget hearings.

Mr. Odom advised that the only way ECUA can make the contribution based upon the way the law is written is by giving the employees a raise in that amount. Further, a contribution cannot be made on their behalf. It has to be that their salary is increased and then it is taken out.

Mr. Perkins rescinded his motion. Mr. Perkins made a motion, seconded by Ms. Benson, that we give the employees a temporary 3.5% raise to be in effect from July 1, 2011 until September 30, 2011 to off-set the retirement costs, and that we evaluate during normal budget processes whether or not to continue to decrease or increase that raise. Motion carried 3-1 with Dr. Walker voting against the motion.

Ms. Benson stated that she would be in favor of making this a permanent 3.5% increase as of October 1. Mr. Perkins responded that he agrees and expects that it will be in the budget.

Mr. Perkins stated that the 3.5% raise did not apply to Board members salary.

ITEM 11 - NEW BUSINESS

None.

ITEM 12 - BOARD COMMUNICATIONS

(a) Ms. Benson reported on a meeting she had with the Warrington Redevelopment Group of homeowners and she got a lot of questions from the residents and she recommends that each Board member participate in these types of meetings in their districts.

(b) Dr. Walker stated that the local 4-H Club property is being purchased by Navy Federal and thus the Club is looking for a new location and he suggested to them that they contact ECUA and International Paper.

(c) Dr. Walker also informed the Board that he has requested that Mr. Sorrell look into the possibility of reducing the lighting at the new CWRF, perhaps installing shields that would direct the light downwards.

ITEM 13 - OPEN FORUM

There were no further comments from the audience.

ITEM 14 - ADJOURNMENT

There being no further business to come before the regular meeting of the Emerald Coast Utilities Authority Board, Chairman Walker declared the meeting adjourned at approximately 3:58 p.m.

Respectfully submitted,

Stephen E. Sorrell
Executive Director

APPROVED BY THE ECUA BOARD
IN REGULAR SESSION ON _____.

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