

MINUTES OF THE EMERALD COAST UTILITIES AUTHORITY BOARD MEETING
TUESDAY, DECEMBER 15, 2020, 3:00 P.M.
ECUA BOARD ROOM
9255 STURDEVANT STREET, ELLYSON INDUSTRIAL PARK
PENSACOLA, FLORIDA

Members present: Lois Benson, Chairman
Kevin Stephens, Vice Chairman (*via GoToMeeting*)
Vicki Campbell (*via GoToMeeting*)
Dale Perkins
Larry D. Williams, Sr.

Members absent:

Counsel present: Mr. Phillip Pugh of Litvak Beasley Wilson & Ball, LLP.

Staff present: J. Bruce Woody, Executive Director

ITEM 1 – CALL TO ORDER

Chairman Benson called the regular meeting of the Emerald Coast Utilities Authority Board to order at approximately 3:07 p.m.

ITEM 2 – INVOCATION AND PLEDGE OF ALLEGIANCE

Mr. Perkins provided the invocation and led the Pledge of Allegiance.

ITEM 3 - ADOPTION OF AGENDA

Mr. Woody added the following item to the agenda under Executive Director's Report: Item 11(b) Sanitation Collection in Santa Rosa County. The Board was informed that Item 12(a) Executive Session has been cancelled.

Mr. Williams added the following item to the agenda under Unfinished Business: Item 13(a) Bill Pay Locations and added the following item to the agenda under New Business: Item 14(a) Recognition Program for Citizens'.

A motion was made by Mr. Williams, seconded by Mr. Perkins, to adopt the agenda as presented and amended.

Motion carried 5-0.

ITEM 4 – PUBLIC HEARINGS

There were no public hearings.

ITEM 5 – OPEN FORUM

(a) Ms. Paula Johnson, 5806 Margaretta Boulevard, Pensacola, Florida, addressed the Board on behalf of Ms. Pam Francis and Mr. Dale Schofield, address 3531 Milford Road, Pensacola, Floirda, regarding an issue with their water bill. Ms. Johnson and Mr. Schofield met with Ms. Jamie Rogers, Customer Service Manager and Mr. Gabe Brown, Director of Customer Service regarding the consumption on the inactive account at 3531 Milford Road, along with the amount due for those charges. A houseline leak prompted Ms. Johnson to request a leak adjustment. Ms. Johnson thought that the one-time leak adjustment would forgive the entire amount due, not just the two highest months' of usage. Ms. Johnson feels as if the entire balance should be credited.

Chairman Benson referred the issue back to Mr. Woody and staff to review the issue further.

ITEM 6 – PRESENTATIONS

- (a) Special Recognition Award to Mr. Brice Pelfrey, former ECUA Citizens' Advisory Committee member
Mr. Brice Pelfrey was unable to attend the meeting; however, the staff will make arrangements with Mr. Pelfrey to ensure he receives his award.
- (b) Special Recognition Award to Ms. Clorissti Shoemo, former ECUA Citizens' Advisory Committee member
Chairman Benson virtually presented a certificate of appreciation to Ms. Clorissti Shoemo for her service as a member of the Citizens' Advisory Committee.
- (c) Special Recognition Award to Mr. Maurice J. (Joe) Inkel, Jr., former ECUA Citizens' Advisory Committee member
Mr. Maurice J. (Joe) Inkel, Jr., was unable to attend the meeting; however, the staff will make arrangements with Mr. Inkel to ensure he receives his award.
- (d) Special Recognition Award to Mr. Randy Ponson, former ECUA Citizens' Advisory Committee member
Mr. Randy Ponson was unable to attend the meeting; however, the staff will make arrangements with Mr. Ponson to ensure he receives his award.
- (e) Staff Recognition from Gulf Power
Mr. Gerry Piscopo, Deputy Executive Director of Maintenance and Construction and staff, received a recognition plaque and letter from representatives of Gulf Power for collaboration during Hurricane Sally recovery efforts.
- (f) Special Districts 2020 Technology Innovation Award – Winner's Notice
Mr. John Daane, Director of Information Technology and staff, received the Special Districts 2020 Technology Innovation Award.
- (g) Recycle Star - Random Selection of Monthly Winner
Mr. Stephens, selected number seven, Mr. Jack Griffin, for the Recycle Star Award.

ITEM 7 – APPROVAL OF MINUTES

A motion was made by Mr. Perkins, seconded by Mr. Williams, to approve the minutes of the Organizational Board meeting of November 17, 2020, as presented.

Motion carried 5-0.

A motion was made by Mr. Perkins, seconded by Mr. Williams, to approve the minutes of the Regular Board meeting of November 17, 2020, as presented.

Motion carried 5-0.

ITEM 8 – REPORT OF THE ECUA CITIZENS' ADVISORY COMMITTEE OF December 8, 2020

Recommendations:

F. Inflow and Infiltration (I&I) Presentation

Mr. Don Palmer, Deputy Executive Director of Engineering and Environmental Services, provided a detailed presentation on Inflow and Infiltration (I&I) to the Citizens' Advisory Committee.

G. Recycle Coach App Presentation

Mr. Randy Rudd, Deputy Executive Director of Shared Services, provided a detailed presentation on the Recycle Coach App to the Citizens' Advisory Committee.

H. Adoption of General Resolution No. GR20-71

A GENERAL RESOLUTION AUTHORIZING THE AWARD OF CONTRACT WITH LHOIST NORTH AMERICA FOR BAGGED HYDRATED LIME AT \$323.84 PER TON.

Motion and Vote:

Motion was made by Mr. Williams, seconded by Mr. Perkins, to approve the recommendations for Items F through H.

Motion carried 5-0.

ITEM 9 – CONSENT AGENDA

(a) Adoption of General Resolution No. GR20-72

A GENERAL RESOLUTION UTILIZING AN ESCAMBIA COUNTY, FLORIDA, CONTRACT TO PURCHASE UNLEADED AND DIESEL FUEL FROM COUGAR OIL, INC., IN A TOTAL AMOUNT NOT TO EXCEED \$800,000.

(b) Adoption of General Resolution No. GR20-73

A GENERAL RESOLUTION AUTHORIZING APPROPRIATION OF FUNDS FOR RYDER TRUCK LEASE FOR CALENDAR YEAR 2021.

(c) Adoption of General Resolution No. GR20-74

A GENERAL RESOLUTION AUTHORIZING THE ACCEPTANCE OF BID AND AWARDED CONTRACT; AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT WITH BROWN CONSTRUCTION OF NORTHWEST FLORIDA, INC., FOR \$329,792.43, TO COMPLETE THE PENSACOLA BEACH WASTEWATER TREATMENT PLANT MANHOLE REPLACEMENT AND CURED-IN-PLACE PIPE LINING PROJECT; AUTHORIZING THE USE OF FUNDS FROM THE BUDGET ESTABLISHED FOR CIP PROJECT RS883—PENSACOLA BEACH WASTEWATER TREATMENT PLANT INFLUENT PIPING.

(d) Adoption of Special Resolution No. GR20-75

A GENERAL RESOLUTION AUTHORIZING THE ACCEPTANCE OF BID AND AWARDED CONTRACT; AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE A CONTRACT WITH TALCON GROUP, LLC., FOR \$1,379,175 TO COMPLETE THE CENTRAL WATER RECLAMATION FACILITY FILTER AND CHLORINE CONTACT CHAMBER FLOW DIVERSION; AUTHORIZING THE USE OF FUNDS FROM THE BUDGET ESTABLISHED FOR THIS PROJECT, CS529—CWRF FILTER & CHLORINE CONTACT CHAMBER FLOW DIVERSION.

(e) Adoption of General Resolution No. GR20-76

A GENERAL RESOLUTION AUTHORIZING THE ACCEPTANCE OF BID FROM GULF – ATLANTIC CONSTRUCTORS, INC., IN THE AMOUNT OF \$211,309.57 FOR EMERGENCY REPLACEMENT OF ANTIQUATED WATER MAINS AND TRANSFER OF PROJECT FUNDS FROM CIP PROJECT RW906.

(f) Adoption of General Resolution No. GR20-77

A GENERAL RESOLUTION AUTHORIZING THE PAYMENT OF THE LAST THREE MONTHS OF A 12-MONTH CONTRACT FOR THE SUPPLY OF LIME FROM FISCAL YEAR 2021 OPERATING FUNDS.

Comments:

Mr. Williams requested that the Board discuss Item 9(d) Adoption of General Resolution No. GR20-75 separately from all other items and move Items 9(a), 9(b), 9(c), 9(e), and 9(f) under the consent agenda.

Motion and Vote:

Motion made by Mr. Perkins, seconded by Mr. Williams, that the Board approve Items 9(a) through 9(c) and Items 9(e) and 9(f) under a consent agenda.

Motion carried 5-0.

Comments:

Chairman Benson opened discussion for Item 9(d) Adoption of General Resolution No. GR20-75.

Mr. Woody explained to the Board that in 2014, a catastrophic rain event caused extreme wastewater flows at the Central Water Reclamation Facility (CWRF) that overwhelmed the filter complex and the chlorine contact chamber. The flooding caused significant damage to the system. Staff formulated a project to construct a bypass of the filter complex and chlorine contact chamber during extreme storm events, which will prevent damage to these components and allow prompt restoration of the treatment process. ECUA submitted this project to the Florida Division of Emergency Management

(FDEM) and the project was approved for grant funding. ECUA is responsible for the 25% local match to the 75% federal share.

Mr. Woody stated that three bids were received and staff is requesting the acceptance of bid and award of contract to the lowest responsive bidder, Talcon Group, LLC.

Motion and Vote:

Motion was made by Mr. Perkins, seconded by Ms. Campbell, to approve 9(d) Adoption of General Resolution No. GR20-75.

Motion carried 5-0.

ITEM 10 – BUDGET REPORT

(a) Monthly Budget to Actual Report FY 2021 as of November 30, 2020

Comments:

Ms. Patty Sheldon, Director of Finance, stated that we are now into Fiscal Year (FY) 2021 on the Budget Report. The report illustrations that revenues and expenses are on track.

ITEM 11 – EXECUTIVE DIRECTOR'S REPORT

**(a) CIP Project RS0005 Clubbs Street Sewer Main Replacement –
Emergency Work Notification**

Mr. Woody explained that this Emergency Work Notification is for the Clubbs Street Sewer Main Replacement. In April 2020, Interim Executive Director, Mr. Bill Johnson, approved an emergency replacement of a damaged 6-inch clay sewer main that is located on Clubbs Street and runs north from Zarragossa Street. The infrastructure in this area is old and the contractor is redeveloping on existing lots which allowed them to not go through the normal planning process and therefore, our notification was limited to when building permits were already starting to be pulled and construction was initiated. A proposal was requested from our Annual Service Contractor, Warrington Utility & Excavating Inc., to replace the 6-inch gravity sewer main. With a new 8-inch sewer main, the cost of the work to replace the existing sewer main was originally estimated at approximately \$80,000. While the contractor was starting work on the sewer main replacement, ECUA staff contacted the developer who was planning to build six more homes immediately north on an adjacent parcel. Unfortunately, sewer was not available to these additional lots. ECUA staff coordinated with the developer of the property and were able to agree in principle that the developer would cost share/reimburse ECUA \$30,000 to extend the replacement sewer main and provide sewer services to the additional lots.

Mr. Woody added that the work has since been completed, however, in the end ECUA had one change order to address some additional manholes and requests by the city for a more extensive milling and overlay and pavement repair in the adjacent area, which increased the final project cost to \$146, 214.38. Each Board member was previously notified of the emergency repair via internal communication and this memorandum is to

serve as a formal declaration of the matter. This notification of emergency purchase is given as required by Section 13-2, paragraph (b) (3) of the *ECUA Code* and action by the Board is not required.

(b) Sanitation Collection in Santa Rosa County

Mr. Woody presented a brief history of ECUA's Sanitation service provided to the north end of Santa Rosa County under a franchise agreement and advised that the preceding Board had directed staff to not exercise the one-year extension option on the franchise agreement, set to expire on December 31, 2020. This is largely based on Santa Rosa County's refusal to allow ECUA to adjust rates and conditions in the existing agreement (communicated via e-mail in March 2020), and their indication to ECUA staff that they needed our answer as quickly as possible regarding the renewal of the agreement in order to proceed with the issuance of a Request for Proposal (RFP), should the ECUA decide to not renew the agreement. Surprisingly, Santa Rosa County did not issue an RFP for franchise collections, but instead proceeded to extend the north end franchise Waste Pro, who currently serves the south end Santa Rosa County area.

Some other competitors entered the market, specifically Adam's Sanitation, and some legal debates in that service area ensued. Waste Pro eventually dropped its lawsuit, effectively leaving an open market situation in the Santa Rosa County area. Mr. Woody continued to explain that this open market thus created opportunities for the ECUA. Staff identified the pros and cons of different alternatives and determined that ECUA can achieve our goal to bring adequate resources (trucks and staff; adding routes) back from Santa Rosa County in order to serve our needs in Escambia County while leaving enough resources to also compete in the open market in Santa Rosa County. Not being held to the requirements of the earlier contract, we can compete in the open market. Our proposal for the Board's consideration and discussion would be to offer services to our current customer base in Santa Rosa County at essentially the same rate that we are currently charging those in Escambia County, a monthly rate of \$24.54, providing the same service level: once weekly garbage pickup and once weekly pickup of recyclables, and yard trash service. If we only receive 50 to 70 percent of our Santa Rosa customer base we will still be able to cover our expenses, cover the remaining two years of debt service for equipment purchased to service Santa Rosa County and bring some revenue back to Escambia County.

Mr. Randy Rudd, Director of Shared Services, explained that we would bring back five trucks and drivers back to Escambia County, which was previously approved by the Board. This would increase the number of routes and reduce the length of existing routes, reducing the need for overtime to complete routes in Escambia County. Mr. Rudd added that the tipping fee is lower in Santa Rosa County than in Escambia County. Escambia County's fee is \$45.06/ton and Santa Rosa County's is \$40.00 a ton. Mr. Woody also stated that we have shared information with Mr. Mark Murray, Assistant County Administrator at Santa Rosa County.

Mr. Andrew Hill, Environmental Manager with Santa Rosa County introduced himself to the Board. Mr. Hill explained that on April 2, 2020, Santa Rosa County received a letter from the ECUA to serve as official notice of ECUA's intent to allow their interlocal agreement for residential solid waste and recycling collection to end at the end of the current term and discontinue service in Santa Rosa County. Mr. Hill further added that at the June 23, 2020, Board meeting the Board approved and authorized the existing

interlocal agreement between Santa Rosa County and ECUA to expire by not issuing a notice of intent to renew prior to July 1, 2020. Therefore, Santa Rosa County's understanding is that the current Resolution number 14-1-3, between the ECUA and the Santa Rosa County and the Residential Solid Waste and Recycling collection and their interlocal agreement would no longer be valid as of December 31, 2020. In addition, the ECUA's current solid waste collections permit issued by Santa Rosa County will no longer be valid after that time. In order to begin servicing Santa Rosa County residents again after January 1, 2021, the ECUA would need to apply for a new solid waste collections permit through the County as well develop a new resolution and a new interlocal agreement that outlines ECUA's intentions to operate as a free market enterprise in Santa Rosa County. These agreements would have to be brought to the Santa Rosa County Board of Commissioners.

Mr. Perkins stated that he would not be in favor of us going to Santa Rosa County and competing in the free market, uninvited, despite his firm belief that we could provide a better service, at a better rate. If ECUA were invited, Mr. Perkins stated he would be in favor. Ms. Campbell agrees with Mr. Perkins. Mr. Perkins and Ms. Campbell added that they would like for ECUA to focus on quality service in Escambia County and finish up our contract in Santa Rosa County on a strong note. Mr. Woody assured the Board that we have a very coordinated plan to empty and pickup cans as quickly as possible.

Mr. Woody stated that ECUA has an existing waste hauler's permit that is valid through May and that he was unaware that it was tied to the franchise agreement or if the other competitor(s) had to go through a process to apply for a new agreement. Mr. Woody was under the impression that these companies were provided a permit to compete in the open market, which is what ECUA is proposing. Mr. Hill explained that Santa Rosa County has been working with a waste hauler (Waste Pro) to take over after ECUA declined to renew its existing agreement. However, in the past few weeks the Santa Rosa Board voted to allow another company (Adams) to obtain a permit to operate in the northern part of the County. Mr. Hill further explained that the ECUA does have a solid waste collections permit to operate as the northern areas franchisee, but that ECUA would have to reapply for a modified permit. In addition, there is a resolution that states that the ECUA will be operating under the RFP that went out in 2014, which is a mutual agreement of both parties. It is his staff's understanding that there would have to be a new resolution created and ECUA's intentions would have to be stated within this resolution. Mr. Woody disagreed with Mr. Hill's assessment and explained that our intent would be to continue to operate only in the area that we previously served and have no intention to provide service in the south end of Santa Rosa County.

Mr. Woody explained to the ECUA Board members that in order to pursue this, that ECUA would need to notify our existing customers of our intentions through a letter, stating the terms and conditions for service, within the next one to two business days. Additionally, Mr. Woody proposed that the Board discuss a rate setting resolution for Santa Rosa County at the January Board meeting, to take effect in February 2021. Meanwhile, we would continue to bill customers at the existing rate for one month (as opposed to a whole quarter) and that the ECUA Board, if interested in this proposal, amend the fiscal year 2021 budget to reflect the anticipated revenues and expenses for the sanitation services in Santa Rosa County for the remaining three quarters of the year.

Ms. Benson asked Mr. Hill if the County Administrator was against ECUA continuing to provide service in Santa Rosa County. Mr. Hill explained that the county administration and county staff have been working hard to get the new waste collections program underway. Mr. Hill expressed that should ECUA choose to return, it would extremely complicate things.

Mr. Rudd indicated that Mr. Hill's statement regarding ECUA's need to apply for a new solid waste collections permit, as well develop a new resolution and a new interlocal agreement outlining ECUA's intentions to operate as a free market enterprise in Santa Rosa County, was the first mention he had heard of it. Mr. Rudd pointed out that should we decide to pursue this and were not awarded the franchise, whenever that were to occur, we would be required to leave the Santa Rosa service area. Furthermore, ECUA asked for clarification from Santa Rosa County regarding this issue several weeks ago, and never received a response. Mr. Rudd reiterated the belief that if other haulers are allowed to compete in the open market, in the absence of a franchise agreement, ECUA should also have that same opportunity. While this complicates the situation for Santa Rosa County, it does provide a benefit to those customers if we were to offer a service that they want, at a reasonable rate. The interlocal agreement and resolution end on December 31, 2020, and this is an entirely separate business proposition. We would require a legal interpretation on our permit ending May, 2021, which is valid for one year as to whether we could continue providing service or not. Mr. Rudd affirmed staff's commitment to follow whichever direction set forth by the Board, and assurance that we will always do our job, to the very last minute, and to the best of our abilities.

Mr. Perkins made a motion that we take no further action toward providing services in Santa Rosa County unless expressly invited to do so. Ms. Campbell seconded the motion. Ms. Benson expressed her belief that we are often accused of being a monopoly and customers don't get to choose their rates or providers. She welcomed the opportunity of being in an open playing field where customers have a choice and proposed that staff meet with the Santa Rosa County administrator to explore if the door is still open. Ms. Benson further added her appreciation for our staff's innovative proposal that would fill an apparent need in the Santa Rosa County community while utilizing our resources in a responsible manner. Mr. Woody explained that Santa Rosa County appears to be in some level of turmoil following the legal issues they are experiencing and the firing of their legal counsel. Further, we have not had any substantive communications from Santa Rosa County until the morning of this Board meeting.

Mr. Perkins proposed a substitute motion that we take no further action toward providing services in Santa Rosa County unless expressly invited to do so and that we explore the continuation of services with the Santa Rosa County Board of Commissioners, if they are in agreement. Ms. Campbell seconded the substitute motion. After some input from Mr. Woody and Mr. Rudd, Mr. Perkins withdrew his substitute motion and Ms. Campbell assented.

Mr. Perkins expressed his desire that staff continue as planned with the withdrawal from Santa Rosa County and stay the course.

Ms. Benson passed the gavel to Mr. Williams and made a motion that we give Santa Rosa County one week of dialogue before we make a determination on the provision of service in north end Santa Rosa County area. Mr. Stephens seconded the motion.

Motion and Vote:

Motion was made by Ms. Benson, seconded by Mr. Stephens, that we give Santa Rosa County one week of dialogue before we make a determination on the provision of service in north end Santa Rosa County.

Comments:

Mr. Williams expressed his belief in free markets and in the opportunity to serve those who want our service, but does not think that, as Mr. Perkins and Ms. Campbell have said, we want to devalue our name and reputation with the citizens of Santa Rosa County.

Motion carried 4-1, with Mr. Perkins voting against the motion.

ITEM 12 - ATTORNEY'S REPORT

Mr. Phillip Pugh introduced himself to the Board as Mr. Robert Beasley's partner and explained that he would be representing Mr. Beasley at today's Board meeting.

Mr. Pugh stated that there is a bill currently being discussed with our local delegation regarding potential changes to the Enabling Act for the ECUA. The changes include creating a review process where the Board of County Commissioners or another body may have some review and veto authority over the ECUA's budget. It creates an obligation to do some auditing and posting of those audits, some term limits and also provides for the Board of County Commissioners to even be able to remove an ECUA Board member under certain circumstances. We have been asked to review this proposal and examine the constitutionality of these proposed changes. The next step is a public forum discussion that will take place in January 2021. We will have representatives at the meeting with the local delegation.

The Board discussed the pros and cons to the changes to the Enabling Act for the ECUA.

(a) Executive Session (*cancelled*)

ITEM 13 – UNFINISHED BUSINESS

(a) Bill Pay Locations

Mr. Williams requested more information on where customers can pay their ECUA bill other than ECUA's main location, Ellyson Industrial Park. Ms. Patty Sheldon, Director of Finance, explained to Mr. Williams that ECUA has many payment options for our customers: online bill pay, automatic bank draft, bill pay processing through the customers personal bank, any Hancock Bank branch (Escambia County and Santa Rosa County) will take payments because they are ECUA's banking partner, and also there is a payment drop box at our Sanitation Department located on Godwin Lane.

ITEM 14 – NEW BUSINESS

(a) Recognition Program for Citizens'

Mr. Williams recommended that ECUA create a program to help recognize our citizens' who work to keep our community clean and provide acts that better the community. Ms. Benson suggested that Mr. Williams meet with Ms. Nathalie Bowers, Public Information Officer, and Mr. Jim Roberts, Public Information - Education Programs Specialist, to develop a creative process for his recommendation.

ITEM 15 – BOARD COMMUNICATIONS

None.

ITEM 16 – OPEN FORUM

There were no requests to address the Board.

ITEM 17 – ADJOURNMENT

There being no further business to come before the Board, Chairman Benson adjourned the meeting at approximately 5:15 p.m.

Respectfully submitted,

J. Bruce Woody, P.E.
Executive Director

APPROVED BY THE ECUA BOARD
IN REGULAR SESSION ON _____

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