

**MINUTES OF THE EMERALD COAST UTILITIES AUTHORITY
CITIZENS' ADVISORY COMMITTEE MEETING
TUESDAY, SEPTEMBER 17, 2019, 3:00 P.M.
ECUA BOARD ROOM
9255 STURDEVANT STREET, ELLYSON INDUSTRIAL PARK
PENSACOLA, FLORIDA**

Members present: Vicki Campbell, Chairman
Dale Perkins, Vice Chairman
Louise Ritz
Deborah Benn
Lois Benson
Catherine Booker
Kevin Hammer
Larry Walker

Members absent: Chuck Kimball
Pueschel Schneier
Randy Ponson

Staff present: Stephen E. Sorrell, Executive Director

ITEM A – CALL TO ORDER

Chairman Campbell called the regular meeting of the Emerald Coast Utilities Authority Citizens' Advisory Committee to order at approximately 3:00 p.m.

ITEM B – INVOCATION AND PLEDGE OF ALLEGIANCE

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

ITEM C – ADOPTION OF AGENDA

A motion was made Ms. Benn, and seconded by Ms. Ritz, to approve the agenda as presented.

Motion carried 8-0.

ITEM D – OPEN FORUM

None.

ITEM E – APPROVAL OF MINUTES

A motion was made by Ms. Benn, seconded by Mr. Hammer, to approve the minutes of the Citizens' Advisory Committee meeting of August 20, 2019, as presented.

Comments:

Chairman Campbell stated that she reviewed the minutes from the August CAC meeting that she was unable to attend. In the minutes, she noticed that Ms. Ritz spoke on the recycling of razors through TerraCycle. She wanted to add that the Lions Club recycles hearing aids and would like for the ECUA staff to share this information on our social media site and through our ECUA newsletter. Ms. Ritz also added that the Lions Club collects eye glasses and frames.

Motion carried 8-0.

ITEM F – Award of Bid: Mackey Key Sewer Rehabilitation

Recommendation:

That the Board approve and award the bid for the Mackey Key Sewer Rehabilitation to the low and fully responsive bidder, Pensacola Concrete Construction Company, Inc., in the total amount of \$234,797.40, with funding from CIP Project RS638 and a transfer of \$77,000 from CIP Project RS423D to RS638.

Comments:

Mr. Sorrell stated that ECUA inherited this system and discovered that it does not meet our standards. Most of this system is located through a swamp, which makes it very difficult to maintain. We are going to replace the force main system to avoid these issues in the future.

Ms. Ritz asked Mr. Sorrell if there will be any impact on the air release valve replacement with the transfer of funds. Mr. Sorrell replied there should not be any impact.

Motion and Vote:

Motion made by Mr. Perkins, seconded by Ms. Ritz, to approve the staff recommendation.

Motion carried 8-0.

ITEM G – Award of Bid 2019-25: Electric Motor and Submersible Pump Repair and Rewind Services

Recommendation:

That the Board award the annual contract for Electric Motor and Submersible Pump Repair and Rewind Services to Gulf Coast Electric Motor Services, Inc., Pensacola, Florida, the only responsive and best bidder, and approve the issuance of blanket purchase orders to Gulf Coast Electric Motor Services, Inc., in the total amount of \$675,000 (annually) to cover the cost of motor, pump, and equipment repair for the Maintenance & Construction Department and the Water Production Department, with funding from the appropriate budget line item or CIP

projects RS008X or RW522B. The term of this initial contract is for a period of two years, with two optional two-year extensions upon the mutual agreement of the parties with no change in unit-cost pricing.

Comments:

Mr. Sorrell stated that ECUA opened bids and Gulf Coast Electric Motor Services, Inc., was the only bidder to respond. He stated that this company has worked for ECUA for many years and they do a great job. Most times the work needing done is associated with an emergency, and they take these motors and pumps and repair them very quickly. Mr. Sorrell stated that he highly recommends Gulf Coast Electric Motor Services, Inc.

Dr. Walker added that ever since he has been on the ECUA Board, we have done business with Gulf Coast Electric Motor Services, Inc. They have provided over 25 years of good service.

Dr. Walker asked Mr. Sorrell if Gulf Coast Electric Motor Services, Inc., was the only bidder because they are the only company in town qualified to carry out this contract. Mr. Sorrell replied that there are other companies that can handle this kind of work. This project was bid on a regional basis. He stated that many of these pumps and motors are rather large. Other companies have trouble making the repairs in a short time frame. Whereas, Gulf Coast Electric Motor Services, Inc., keeps the needed materials available. They are able to meet our specifications.

Motion and Vote:

A motion was made by Ms. Benson, seconded by Ms. Booker, to approve the staff recommendation.

Motion carried 8-0.

ITEM H – Annual Purchase of Purafil Odor Control Filter Media

Recommendation:

That the Board waive the normal bidding process and approve the sole-source purchase of Purafil odor control media from Pump & Process Equipment Incorporated, Pensacola, Florida, at the unit-prices indicated in the item, due to the proprietary nature of this material, for use at various ECUA sites, with funding from the appropriate budget line item for scrubber media in the fiscal year 2020 Operating budget.

Comments:

Ms. Ritz stated that she appreciates all the charts that were listed with this purchase.

Motion and Vote:

A motion was made by Ms. Benn, seconded by Ms. Ritz, to approve the staff recommendation.

Motion carried 8-0.

ITEM I – Waiver of Bidding for Liquid Polymer

Recommendation:

That the Board waive the bidding process based on the prior trials and price quotes, and extend a contract for one year to Polydyne, Inc., Riceboro, Georgia, at the price of \$0.93 per pound for bulk deliveries and \$0.95 per pound for tote delivery, with funding from the appropriate budget line item.

Comments:

Mr. Sorrell stated that liquid polymer is a flocculant that we use at the wastewater treatment plant. We require suppliers to provide us with samples of their product. From that point, we rate which flocculant is good, bad, most expensive, and so forth. Liquid polymer is the one we have found to be most effective at the least cost.

Motion and Vote:

A motion was made by Mr. Perkins, seconded by Ms. Booker, to approve the staff recommendation.

Motion carried 8-0.

ITEM J – Air Curtain Incinerator Purchase

Recommendation:

That the Board approve the purchase of one 2019 Model S-119R Air Burner from Air Burners, Inc., of Palm City, Florida, the lowest bidder for a total price of \$125,584, with funding from CIP Project RT804.

Comments:

Mr. Rudd stated the Air Curtain Incinerator is a piece of equipment used in the land-clearing industry for disposal of large stumps and logs. ECUA's yard waste program generates a large number of stumps and logs at the Perdido Landfill and at our Compost Facility. We currently have two ECUA-owned grinders that we could use to grind these materials; however, it would be very difficult and also increase wear on the machines. Mr. Rudd explained that we would like to purchase the Air Curtain Incinerator, specifically for disposing of stumps and logs. We could also possibly use this piece of equipment in a few other ways: disposal of construction and building debris and disposal of mixed paper from the Materials Recycling Facility that is beyond the condition to where we can market it.

Mr. Perkins explained that the fuel for the incinerator is made from the product that is put in the piece of equipment, which means there is no fuel cost.

Mr. Perkins stated that this piece of equipment would be very helpful during a big storm. Mr. Rudd explained that this particular Air Curtain Incinerator is used extensively for storm cleanups.

Dr. Walker asked Mr. Rudd why this piece of equipment is called an Air Curtain Incinerator. Mr. Rudd expressed that it is a metal box that has blowers that blow a curtain of air across the top of the opening that restricts the amount of embers that will leave the box. Also, it will heat the air in the box so it burns faster.

Chairman Campbell asked where this piece of equipment will be housed. Mr. Rudd stated that it is a portable unit and can be moved around to different locations with one of our roll-off trucks. Dr. Walker asked if the primary location for this unit will be at the Central Water Reclamation Facility (CWRP). Mr. Rudd confirmed that is where it would be housed.

Ms. Ritz asked what type of maintenance will be anticipated with this unit. Mr. Rudd stated the maintenance will be very minimal. The only moving part on the unit is the blower.

Chairman Campbell expressed that, with the elimination of embers, we would not have to worry about our fields. Mr. Rudd stated that is correct and we have discussed utilizing the unit in the middle of one of our sprayfields. In the event we do experience a problem with embers, we can turn on the sprayers.

Motion and Vote:

A motion was made by Ms. Benson, seconded by Mr. Perkins, to approve the staff recommendation.

Motion carried 8-0.

ITEM K – Purchase of Dumpsters and Roll-off Containers for Commercial Service

Recommendation:

That the Board authorize staff to issue purchase orders for various sizes of dumpsters and roll-off containers to the low bidders, Wastequip, Inc., of Lakeland, Florida, in the amount of \$167,469 and Cascade Engineering, Inc., of Grand Rapids, Minnesota, in the amount of \$30,156, with funding from CIP Project CT503 within the Sanitation Capital Improvement Budget.

Comments:

Ms. Benson asked if we are out of our regular garbage and recycling cans for new customers and replacement cans. Mr. Rudd stated we have inventory due to the emergency purchase.

Dr. Walker asked if we are now handling the can replacement in-house or do we still have a contract. Mr. Rudd stated that we are still under contract with Otto Container Maintenance until the end of the calendar year.

Mr. Sorrell stated that we just bought more cans on an emergency purchase because we were out.

Motion and Vote:

A motion was made by Ms. Benn, seconded by Ms. Booker, to approve the staff recommendation.

Motion carried 8-0.

ITEM L – Contract Extension for Truck Tire Retread Services

Recommendation:

That the Board approve the first of two optional one-year extensions of the existing contract with Howell Truck and Giant Tire of Pensacola, Florida, for services related to the retreading of truck tires for the ECUA fleet with costs not to exceed \$250,000. Funding for these services will be provided from the appropriate line item within the Sanitation Operating Budget.

Comments:

None.

Motion and Vote:

A motion was made by Dr. Walker, seconded by Ms. Benn, to approve the staff recommendation.

Motion carried 8-0.

ITEM M – Purchase of New Tires for the ECUA Fleet

Recommendation:

That the Board authorize staff to issue a purchase order(s) to State of Florida and Florida Sheriffs Association-approved local vendor(s) at the current State of Florida and Florida Sheriffs Association contract pricing, through September 30, 2020, with estimated annual funding of \$450,000 from the appropriate line item of the Sanitation Operating Budget.

Comments:

Ms. Benson asked how the Geographic Information System (GIS) location device systems in the sanitation trucks are working. Mr. Rudd stated that we are approximately halfway through the (Routeware) pilot program and there are still some technical issues that need to be resolved. The good news is we appear to be resolving some of those issues.

Ms. Benson asked if we are able to adapt the software in-house. Mr. Rudd stated that we have to go through the company with whom we are already working.

Chairman Campbell asked if we can work with a software provider of our own if we are in favor of the system but cannot iron out the issues. Mr. Rudd stated the software company we are working with now is trying to help resolve the issues.

Dr. Walker stated that this location device system would be a great benefit to ECUA and our customers. He expressed that this is one of the many good ideas Mr. Rudd has brought to ECUA. Mr. Rudd added if this system works as advertised, it will be a huge benefit to all.

Mr. Hammer raised a question regarding the purchase price on the tires for ECUA fleet. He stated he understands there is a standard price through the Florida Sheriffs Association but how does ECUA determine what local vendors we will use. Mr. Rudd stated depending on the size of the tire, we will get quotes from vendors that are already on the contract and choose from the lowest quote. Mr. Hammer asked how the vendors get on that list. Mr. Rudd explained that it is a competitive bidding process. Mr. Perkins added that it is the Florida Sheriffs Association-approved local vendors and it is part of their contract. Chairman Campbell also added that they have to do a competitive bid process.

Motion and Vote:

A motion was made by Mr. Perkins, seconded by Mr. Hammer, to approve the staff recommendation.

Motion carried 8-0.

ITEM N – Commercial Sanitation Truck Purchase

Recommendation:

That the Board waive normal purchasing guidelines and approve the purchase of one 2020 Autocar chassis with a Galbreath 60,000-pound hook lift body from the Action Truck Center, Inc., of Dothan, Alabama, for a total price of \$274,040, with pricing based on the Sourcewell National Purchasing Contract number 081716, and funding from CIP Project RT803.

Comments:

Ms. Ritz asked how is the Sourcewell National Purchasing Contract number generated. Mr. Rudd explained that Sourcewell Contract is formerly called the National Joint Powers Association. It is a government entity that bids all types of equipment nationwide. They accept bids from large national vendors for trucks/rolling stock and all kinds of items that could be used in a government operation. The pricing is based on that nationally-bid contract. Ms. Ritz asked if there is any other group or is this the sole group. Mr. Rudd explained there are other groups as well. We look at different contracts and prices that best suit ECUA. Mr. Hammer asked if this is coming off a bid that is a government bid process. Mr. Rudd replied, yes. The federal government and state government all use this contract.

Dr. Walker stated that this price seems to be in line with the price we have been paying for sanitation trucks of all types.

Motion and Vote:

A motion was made by Ms. Ritz, seconded by Ms. Booker, to approve the staff recommendation.

Motion carried 8-0.

ITEM O – Residential Sanitation Truck Replacement Lease Program

Recommendation:

That the Board: (1) waive normal purchasing guidelines and approve the purchase of six Autocar chassis with New Way Rotopac automated side-loader bodies and two Dennis Eagle chassis with New Way rear-loader bodies from the Sansom Equipment Company of Mobile, Alabama, for a total price of \$2,863,864, with pricing based on the Sourcewell National Purchasing Contract Bid; and (2) authorize staff to develop and enter into a seven-year lease-purchase of these vehicles in the total amount of \$3,375,743, which includes \$511,879 for the previously approved purchase of the yard waste prototype collection truck, using CIP Project RT400- Annual Residential Vehicle Replacement Program as approved by the Board as part of the FY 2020 Sanitation CIP budget along with a transfer of \$75,750 from the Sanitation Transfer Station CIP project.

Comments:

Ms. Ritz asked what caused the fire referenced in the agenda item's Background section. Mr. Rudd stated we believe it was a lighting strike.

Motion and Vote:

A motion was made by Ms. Benson, seconded by Ms. Ritz, to approve the staff recommendation.

Motion carried 8-0.

ITEM P – Accidental Water Loss Adjustment

Recommendation:

That the Board retain the existing policy in place which provides customers two adjustments for accidental water loss.

Comments:

Mr. Sorrell stated that the Committee requested this item be brought back for consideration. Right now, we have water loss arrangements in place. Customers are allowed a one-time adjustment and write-off for a first-time water loss given the circumstances. If there is a second water loss, we will give them a fifty percent adjustment. Beyond that, we do not provide any further losses. Mr. Sorrell stated that some customers who do a lot of construction and rebuilding apartments have asked for additional write-offs. Our Director of Customer Service, Mr. Gabe Brown, does not recommend any additional write-offs.

Ms. Benson asked how much our currently policy costs ECUA a year. Mr. Brown stated \$405,000. Ms. Benson asked, when we adjust the bill, do we take off the excess water and sewer? Mr. Brown replied that is correct. Ms. Benson stated when there is an excessive leak like this, it is not going through the sewer system. Ms. Benson suggested we adjust the sewer part of the bill for subsequent leaks. Mr. Brown informed her that we already have that process in place.

Ms. Benn stated that this is an adjustment for the entire time he/she is a customer of ECUA. She stated, with that being said, it does not depend on if they move and have a different loss at a different location. Mr. Brown stated that is correct. Ms. Benn then stated that it is not limited to one address then. Mr. Brown explained that the policy states it is on the customer not on the property.

Dr. Walker expressed that the people pushing for a change are the owners of multiple rental units, primarily because they stand to experience a water loss in more than one location. He stated, when we created this policy, we were thinking of the one-place owner. So the multiple-unit owners have raised a new question. Mr. Brown stated that it could triple what we lose by allowing this change to the policy. He expressed that we could lose \$1.3 million a year. Mr. Brown stated that we have 103,000 renting tenants. As the policy currently stands, whenever there is a leak it is not the property owner asking for the one-time leak adjustment, it is the renting tenant. He stated the water bill is in the tenant's name.

Ms. Benson stated the policy suggests that the one-time leak adjustment should go with the property and not with the tenant. She stated if you have a leak at your property, you fix it and that is your one-time adjustment, as opposed to moving a lot and you receive an adjustment more than once. Mr. Brown stated that the majority of the owners do not want the water in their name. They want the water in the renting tenant's name. If a tenant has a leak and the owner does not fix it, the tenant is responsible. Mr. Brown explained if a customer lives at a location and received a one-time leak adjustment then moved a year later to another location, they can still receive a leak adjustment. The same customer could then receive two leak adjustments.

Ms. Ritz asked if the leak has to be on one side of the meter or the other to receive a one-time leak adjustment. Mr. Brown stated if it is on the customer side of the meter they are eligible to apply for the leak adjustment. If it is on the ECUA side, it does not go through the meter and is therefore, not subject to consideration of a leak adjustment.

Ms. Ritz asked if the billing system catches the leak. Mr. Brown explained that when a customer has a leak and the consumption is high, our billing department will catch it and send out a high consumption letter to the customer.

Mr. Perkins asked Mr. Brown if we adjust the customer's sewer portion, will that count against them? Mr. Brown stated that we can adjust the sewer portion because those types of leaks take place in the sewer line and are not treated. The customer must provide a bill and statement showing where the leak occurred.

Motion and Vote:

No action and no vote taken on this time.

ITEM Q – Security Deposits for Customer Classes Other than Single-Family Residential

Recommendation:

That the Board retain the existing policy pertaining to security deposits for customer classes other than Single-Family Residential.

Comments:

Mr. Brown stated that his recommendation is to keep the existing policy we have now in place. He explained that one of the large department stores here in Pensacola recently closed. This department store had a \$30,000 bill and we received \$3,000 from their security deposit. Mr. Brown went on to explain that businesses can file bankruptcy but the security deposit still stays on file. If a business goes out of business in nine years we will still have that security deposit on file to apply toward their final bill.

Dr. Walker said years ago the Driftwood Restaurant owed somewhere between \$12,000 and \$16,000 when they claimed bankruptcy. With that being said, Dr. Walker expressed that he is reluctant to give back the security deposits.

Ms. Benson expressed that there are many businesses in our community that have a deposit which sits there in perpetuity and that money could be used to invest in their business or even create jobs. She explained that five years is a pretty good amount of time to be in business and if the business was going to fail it would have done so before the five-year mark. Ms. Benson stated that she supports waiving the deposit after 60 months of good payment history.

Dr. Walker explained that he does not agree with a business going out of business and owing us \$30,000 but we only get back a \$3,000 security deposit. Mr. Brown stated that a lot of businesses are only paying the delinquent portion of their bill. Mr. Brown expressed that as long as they pay within 30 days, we will accept the payment and continue to provide their water service. Dr. Walker asked why the security deposit is not larger since they are capable of generating a total bill ten times larger than a security deposit. Mr. Brown explained that we do increase their deposit two and a-half times their highest bill. When businesses go out of business or file bankruptcy we have nothing else to fall back on. Mr. Brown stated he researched other utilities or municipalities similar to ours and found that most governmental entities require deposits to stay on file. Dr. Walker suggested that we keep the current policy in place and look at possibly making the security deposit a larger amount.

In response to a question from Ms. Booker, Mr. Brown said the policy has been in place for over 25 years and it has not been revised.

Mr. Perkins asked if we refund residential deposits. Mr. Brown stated yes. The deposit refund policy looks at the usage of our residential customers and there is a big difference between a residential meter usage and the large meter usage.

Mr. Perkins stated when the capital improvement fee was put into place, we were told that most of our people have a 5/8-inch meter and it would be about \$5 a month. Now we are told most of our people have a two-inch meter and runs about \$15 a month.

Mr. Perkins stated that he supports Ms. Benson's motion to refund security deposits to any business that has 60 months of good payment history and has had no late payments. Mr. Perkins expressed that this would give us the opportunity to encourage people to pay on time and positively impact our bottom line from a cash flow basis.

Ms. Ritz explained that if a customer is going to receive a refund they should be on a roster for automatic payment from their checking account. Mr. Perkins explained that he disagrees because we would probably do more refunds if we had customers on automatic payment.

Ms. Ritz offered an amendment to the proposal that the refund payment is geared to having automatic deduction from the customer's checking account. There was no second to the motion.

Mr. Hammer asked Mr. Brown if we know in the given year how many businesses are affected by this and Mr. Brown said he does not have an answer at this time.

Chairman Campbell stated that ECUA is a government municipality and bankruptcy should in no way hinder us from collection of our payments. Chairman Campbell stated that she would like to respectfully ask our attorney about this.

Chairman Campbell asked if we are able to put a lien against a property. Mr. Brown stated that normally we would file a lien on most property owners but some companies do not own their lease so we are unable to file a lien. Chairman Campbell explained as a municipality, if a customer owns the property we can place a lien on that property and we will not lose priority in a bankruptcy or foreclosure.

Mr. Hammer stated that if there is a business that we know leases then we should charge a higher deposit. Mr. Perkins explained that Mr. Hammer had a good comment; however, he would be worried that we would get into a legal challenge in regard to treating businesses differently. Without legal guidance, Mr. Perkins stated he would not be able to implement that idea. Chairman Campbell expressed that she agrees with Mr. Perkins. Ms. Benson stated that she feels like that would complicate things more. She suggested if we start to have problems with this policy we can always revisit the policy and make changes.

Motion and Vote:

A motion was made by Ms. Benson, seconded by Mr. Perkins, that ECUA refund security deposits to any business that has 60 months of good payment history and has had no late payments.

A motion was made by Ms. Ritz, to amend the main motion, to add that payments be made by automatic bank draft. Motion failed for lack of a second.

Main motion carried 7-1 with Dr. Walker voting against the motion.

ITEM R – Informational Reports

- (1) Water Reclamation Report – August 2019
- (2) Water Production Report – August 2019

No action required.

Comments:

Ms. Ritz asked how the dry weather is impacting the aquifer used by ECUA. Mr. Sorrell stated that the aquifer is so large and well supplied, so there has been very little impact.

Mr. Perkins stated that we have a very abundant aquifer. He expressed that people in south Florida would love to have the water we have.

ITEM S – UNFINISHED BUSINESS

None.

ITEM T – NEW BUSINESS

None.

ITEM U – OPEN FORUM

None.

ITEM V – ADJOURNMENT

There being no further business to come before the Board, Chairman Campbell adjourned the meeting at approximately 4:06 p.m.

Respectfully submitted,



Stephen E. Sorrell
Executive Director and Secretary

APPROVED BY THE ECUA CITIZENS' ADVISORY
COMMITTEE IN REGULAR SESSION ON _____

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