

**MINUTES OF THE EMERALD COAST UTILITIES AUTHORITY BOARD MEETING**

TUESDAY, SEPTEMBER 24, 2019, 3:00 P.M.

ECUA BOARD ROOM

9255 STURDEVANT STREET, ELLYSON INDUSTRIAL PARK

PENSACOLA, FLORIDA

Members present: Lois Benson, Chairman  
Dale Perkins, Vice Chairman  
Vicki Campbell  
Larry Walker

Members absent:

Counsel present Robert Beasley

Staff present: Stephen E. Sorrell, Executive Director

**ITEM 1 – CALL TO ORDER**

Chairman Benson called the regular meeting of the Emerald Coast Utilities Authority Board to order at approximately 3:00 p.m.

**ITEM 2 – INVOCATION AND PLEDGE OF ALLEGIANCE**

Ms. Campbell provided the invocation and led the Pledge of Allegiance.

**ITEM 3 - ADOPTION OF AGENDA**

Chairman Benson added Item 6(b) Executive Director Discussion under Presentations.

Mr. Sorrell added Handout Items 9(e) Notification of Emergency Purchase – Residential Collection Carts, and 9(f) Emergency Purchase Order Notification – Replacement of Manhole at the Intersection of Montclair Road and Marseille Drive under Operational Items.

Dr. Walker added Item 14(a) - Town of Century under New Business.

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

***Motion carried 4-0.***

**ITEM 4 – PUBLIC HEARINGS**

There were no public hearings.

## **ITEM 5 – OPEN FORUM**

**Ms. Pueschel Schneier**, 414 N Guillemard St, Pensacola, Florida, addressed the Board regarding the Executive Director appointment. She thanked the Board for the invitation to participate in the candidate interview process. She explained that all four applicants interviewed extremely well; however, there were two applicants that stood out to her that would best fit ECUA. The first candidate being Ms. Rebecca Shelton. Ms. Shelton stated that the number one job is to protect public health. Ms. Schneier stated that Ms. Shelton seems to have the experience to do the job well. Ms. Schneier's second choice is Mr. Bud McCrory. She stated he seemed to be very caring and understanding of the interaction between ECUA and the community.

Chairman Benson informed the public that to make this process as broad as possible, the applicants met with the ECUA staff and the members of the Citizens' Advisory Committee. This was a big decision and we aim to get input from as many people as possible.

Ms. Campbell thanked the Citizens' Advisory Committee members and the citizens who did show up.

**Mr. David Acuff**, 7830 Pine Forest Road, Pensacola, Florida, introduced himself as General Manager at Homestead Village in Pensacola, Florida. Mr. Acuff addressed the Board relative to the billing and water usage issues for Homestead Village. Mr. Sorrell stated the bill is strictly based on consumption, and there was a programming error on the meter causing the meter to read one digit off. Dr. Walker requested Mr. Sorrell and staff work to make sure this type of mistake does not happen in the future. He expressed that this type of mistake puts a customer in a difficult situation; however, Dr. Walker stated at this point we need to collect the money due. Mr. Sorrell explained that we are taking a proactive stance to resolve the issue by ensuring the field crews get a photograph and check with billing before the meter is installed to make sure the proper register is there. Our process we recently put in place will help find any errors, stop the errors, and correct the errors we have found. Mr. Perkins stated that the reason we cannot do a total forgiveness is because our bond covenants do not allow us to give away free services. He stated it is our responsibility to bill accurately, so Mr. Perkins requested that staff take a second look at this and be as aggressive as they legally can to try and lower the bill. Ms. Campbell and Dr. Walker are both in agreement with Mr. Perkins. Dr. Walker asked for staff to research if there is any legal reason we could not offer Mr. Acuff a 60-month payment plan rather than 36-month payment plan due to the large amount. Mr. Sorrell stated that we will consult with our attorney. The Board has authorized two new staff positions to work with meter reading and bill processing to help avoid these types of situations. Chairman Benson asked our attorney, Mr. Beasley if he could provide us with some advice. Mr. Beasley stated that the bond requirements state that ECUA cannot discount or give away services of any type. When we fall into a billing error where we have a consumer that has consumed some of our product but not the level of product they were billed for, it becomes more complicated. He stated if ECUA had a matrix to avoid giving away the free portion but reconciling the overbilling, then that would not run us afoul of the bonding requirements. Chairman Benson stated from all the discussion today we cannot forgive the bill; however, we will refer this to staff to possibly work out a payment plan.

## **ITEM 6 – PRESENTATIONS**

(a) **Recycle Star – Random Selection of Monthly Winner**

Mr. Perkins selected number ten, Mr. Arthur McAlexander and wife, for the Recycle Star Award.

(b) **Executive Director Selection**

Chairman Benson thanked Mr. Colin Baenziger, Baenziger and Associates, for all of the efforts on behalf of the ECUA for bringing us four good candidates for the Executive Director position. She stated that each Board member interviewed all the candidates individually and held a public meeting where the Board asked questions of each individual candidate.

Chairman Benson brought up the topic of Ms. Shelton having filed a personal bankruptcy. Discussion was held by the Board that the bankruptcy is not grounds for disqualification, but the Board does take this very seriously. Chairman Benson asked our attorney, Mr. Beasley, if Ms. Shelton's bankruptcy can affect our ability to float bonds or handle any of ECUA's normal public transactions. Mr. Beasley stated that Ms. Shelton's bankruptcy does not disqualify her for the position and will not affect our ability to handle financial operations.

After discussion, the Board agreed to select Ms. Rebecca Shelton as the first choice for the Executive Director position.

A motion was made by Mr. Perkins, and seconded by Ms. Campbell, to enter into negotiations with Ms. Rebecca Shelton and offer her the job as Executive Director at ECUA.

***Motion carried 4-0.***

A motion was made by Mr. Perkins, and seconded by Ms. Campbell, in the event that we cannot secure Ms. Rebecca Shelton as Executive Director, that we negotiate with Mr. Bud McCrory for the position.

Ms. Campbell made an amendment to the motion to add Mr. Bud McCrory for the position as a second choice and Mr. Bruce Woody as the third choice.

***Vote to accept the amended motion as the main motion carried 3-1 with Chairman Benson voting against the motion.***

***Vote to accept the main motion carried 3-1 with Chairman Benson voting against the motion.***

## **ITEM 7 – APPROVAL OF MINUTES**

A motion was made by Mr. Perkins, and seconded, to approve the minutes of the regular Board meeting of August 27, 2019, as presented.

***Motion carried 4-0.***

Mr. Perkins requested that, with regard to Item 13B of those minutes, the vote was 2-2 with Chairman Benson and Dr. Walker voting against the motion; however, he meant to vote against the motion which would have made the vote 1-3. This action would not have changed the outcome of the vote; therefore, he agreed to let the vote stand.

## **ITEM 8 – REPORT OF THE CITIZEN ADVISORY COMMITTEE OF SEPTEMBER 17, 2019**

### **Recommendations:**

#### **F. Award of Bid: Mackey Key Sewer Rehabilitation**

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.

#### **G. Award of Bid 2019-25: Electric Motor and Submersible Pump Repair and Rewind Services**

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.

#### **H. Annual Purchase of Purafil Odor Control Filter Media**

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.

#### **I. Waiver of Bidding for Liquid Polymer**

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.

**J. Air Curtain Incinerator Purchase**

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.

**K. Purchase of Dumpsters and Roll-off Containers for Commercial Service**

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.

**L. Contract Extension for Truck Tire Retread Services**

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.

**M. Purchase of New Tires for the ECUA Fleet**

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.

**N. Commercial Sanitation Truck Purchase**

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.

**O. Residential Sanitation Truck Replacement Lease Program**

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; (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.

**P. Accidental Water Loss Adjustment**

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

**Q. Security Deposits for Customer Classes Other than Single-Family Residential**

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.

**Motion:**

Motion made by Ms. Campbell, to approve the recommendations for Items F through O, and Item Q. There was no action taken on Item P.

**Comments:**

Dr. Walker requested that Item Q be separated from the other items.

**Motion and Vote:**

Motion was amended by Ms. Campbell, seconded by Mr. Perkins, to approve the recommendations for Items F through O.

***Motion carried 4-0.***

**Motion and Vote:**

Motion made by Mr. Perkins, seconded by Ms. Campbell, to approve the recommendation for Item Q.

***Motion carried 3-1 with Dr. Walker voting against the motion.***

**ITEM 9 – OPERATIONAL ITEMS**

**(a) Interlocal Agreements for Recyclables Processing**

**Recommendation:**

That the Board approve staff to enter into Interlocal Agreements with the cities of: Fairhope, Alabama; Mobile, Alabama; Daphne, Alabama; Foley, Alabama; Pensacola, Florida; and Ft. Walton Beach, Florida, along with Okaloosa County, Florida, and Santa Rosa County, Florida, to provide processing of recyclables at the ECUA MRF.

**Comments:**

Mr. Sorrell explained that we have renegotiated the recycling contracts, all of which are on a sliding scale. Okaloosa County Commissioners voted to not be part of this process due to the commodity values dropping, the high cost to transport the materials by a



private company, and the high inbound per-ton fee. At this point, all other contracts will be valid. Mr. Sorrell asked the Board to remove Okaloosa County and approve all other contracts.

Mr. Perkins commended the staff on all the hard work that went into this recommendation.

**Motion and Vote:**

Motion made by Mr. Perkins, seconded by Dr. Walker, that the Board approve staff recommendation with the exception of Okaloosa County.

***Motion carried 4-0.***

**(b) Award of Bid: Well Line Road Lift Station (No. 143) Replacement**

**Recommendation:**

That the Board:

- (1) Waive the math error in the bid as a minor informality, and award the contract for the Well Line Road Lift Station Replacement Project to Brown Construction of Northwest Florida, Inc., of Pensacola, Florida, the lowest bidder, in the amount of \$1,118,326.16;
- (2) Waive the normal purchasing procedure due to the nature and use of this equipment, and approve the direct procurement of new generator equipment as a sole-source equipment purchase at the price of \$152,795.95, from Cummins;
- (3) Waive the normal purchasing procedure due to the nature and use of this equipment, and approve the direct procurement of new pump, mixer, wet well, and associated components as a sole-source equipment purchase at the price of \$404,706, from Pump & Process Equipment, Inc; and
- (4) Approve funding for the above items from CIP Project RS122C – Well Line Road Station through a transfer of \$1,800,000 from CIP Project RS121 – Lift Station Replacement & Upgrade to CIP Project RS122C.

**Comments:**

Mr. Sorrell explained that the upgrades to this lift station are major. The upgrades include: replacement of the existing lift station, as well as the incoming gravity sewer and force main, demolition of the old lift station, and construction of the new lift station. This upgrade will allow us to minimize the amount of sanitary sewer overflows (SSOs).

Ms. Campbell inquired as to how long this project is expected to take. Mr. Sorrell stated about one year.

Chairman Benson asked Mr. Sorrell how much of this is responding to the existing infrastructure challenges and how much will create capacity for new growth. Mr. Sorrell explained that the major effort is to stop the problems we are having with the SSOs and with the fractured infrastructure. This will, however, provide additional capacity for future development and falls under the Inflow and Infiltration (I&I) program.

Dr. Walker added that there are two major developments to be in place immediately north of this lift station.

Motion and Vote:

Motion made by Dr. Walker, seconded by Ms. Campbell, that the Board approve staff recommendation.

***Motion carried 4-0***

**(c) Write-off of Uncollectible Balances**

Recommendation:

That the Board authorizes the Executive Director or his designee to write off as uncollectible accounts receivable in the total sum of \$1,204,590 and make appropriate entries in the financial records of ECUA to reflect the write-off of said uncollectible accounts.

These accounts are to be written off solely to enable the Executive Director to carry out his duties in accordance with generally accepted accounting principles, and ECUA does not waive any rights it may have to collect said accounts.

Comments:

None.

Motion and Vote:

Motion made by Ms. Campbell, seconded by Dr. Walker, that the Board approve staff recommendation.

***Motion carried 4-0.***

**(d) Award of Bid: Annual Contract for Small Scale Utility Projects 2019**

Recommendation:

That the Board award the Annual Contract for Small Scale Utility Projects 2019 to Warrington Utilities & Excavating, Inc., the lowest responsive bidder, and use the contract's hourly rates as needed on ECUA small-scale tasks.



**Comments:**

None.

**Motion and Vote:**

Motion made by Mr. Perkins, seconded by Ms. Campbell, that the Board approve staff recommendation.

***Motion carried 4-0.***

**(e) Notification of Emergency Purchase – Residential Collection Carts (*handout*)**

Information only, no action required.

**(f) Emergency Purchase Order Notification – Replacement of Manhole at the Intersection of Montclair Road and Marseille Drive (*handout*)**

Information only, no action required.

**ITEM 10 – BUDGET REPORT**

**(a) Preliminary Quarterly Financial Statement as of September 9, 2019**

Ms. Patty Sheldon explained that this report reflects the actual amounts posted through mid-August. She explained that the invoices for purchases that were made at the end of August will not be received until mid-September; therefore, the remaining expenses will go toward this fiscal year report. Ms. Sheldon further explained that Sanitation and the Materials Recycling Facility continue to be over budget, mainly due to repairs and maintenance on vehicles. As the trucks age, the more they cost to repair. We are trying to purchase new trucks each year on the leasing program.

Chairman Benson asked if we have anticipated this problem in next year's budget so we do not have this kind of overage. Ms. Sheldon explained that we have budgeted more for repair and maintenance. Hopefully, ten of the older vehicles will roll off the fleet.

Mr. Sorrell explained that three of the new trucks arrived this week, with additional trucks expected to arrive at any time, which should help tremendously. Ms. Sheldon stated that it takes about a year once the trucks are ordered to get them here. We ordered ten last October and they are just now arriving. Once we get the lease-financing in place for the 2020 purchase and Board approval, we will order eight more trucks.

## **ITEM 11 – EXECUTIVE DIRECTOR'S REPORT**

(a) Guillemard Tank

Mr. Sorrell reported that at our last Board meeting the Board rejected the bids on the Guillemard Tank property. He stated that we are in the process of amalgamating those two parcels and providing an easement. Mr. Sorrell informed the Board that we will put that out to bid and will bring this back to the Board. Our goal is to maximize the return that ECUA can get on the property.

(b) Compost Operation

Mr. Sorrell reported that the Compost Operation is doing great. He stated that we are selling all the material that we are making.

(c) Materials Recycling Facility (MRF)

Mr. Sorrell reported that the Materials Recycling Facility is doing great. We have slowed down the "picker" line to allow us to remove the materials that are not recyclable and make a better material. He stated that we are selling basically everything we make. Mr. Sorrell added that we produce about 100 bales of mixed paper each day. Between seven and eight of those bales go to the landfill, but we are selling the rest of the bales. The commodity values have dropped from \$49 per-ton to \$47 per-ton.

## **ITEM 12 – ATTORNEY'S REPORT**

(a) Zero Waste Energy

Mr. Beasley reported that we conducted a multiday arbitration in front of a three-person panel. All three arbitrators were attorneys: one from Pensacola, Florida, one from Louisiana, and one from Alabama. Mr. Beasley expressed that all three attorneys were very attentive and showed a clear understanding of the subject matter. There were some post-hearing briefings on certain legal issues and a decision is due on October 17. The claims and defenses of Zero Waste Energy were as we expected.

Mr. Perkins asked if it was a binding arbitration and Mr. Beasley confirmed that it is.

## **ITEM 13 – UNFINISHED BUSINESS**

(a) Town of Century

Dr. Walker informed the Board that the Town of Century is having some major financial troubles. He expressed to the Board that they may turn to ECUA in search of some type of aid or request for rescue. Chairman Benson stated that the State is in the process of trying to help the Town of Century get their finances in order.

## **ITEM 14 – NEW BUSINESS**

None.

**ITEM 15 – BOARD COMMUNICATIONS**

Mr. Perkins indicated that he appreciated communications from Ms. Shelton.

**ITEM 16 – OPEN FORUM**

None.

**ITEM 17 – ADJOURNMENT**

There being no further business to come before the Board, Chairman Benson adjourned the meeting at approximately 4:33 p.m.

Respectfully submitted,



Stephen E. Sorrell  
Executive Director

APPROVED BY THE ECUA BOARD  
IN REGULAR SESSION ON: October 22, 2019

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