

MINUTES OF THE EMERALD COAST UTILITIES AUTHORITY BOARD MEETING

TUESDAY, OCTOBER 22, 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

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

ITEM 3 - ADOPTION OF AGENDA

Chairman Benson requested to move Item 9(g) Settlement of Pending Litigation Administration, Operations and Maintenance Building at the Central Water Reclamation Facility – Construction and Design Defects to the beginning of Operational Items.

Chairman Benson also added Item 9(h) Executive Director Search, under Operational Items.

Dr. Walker added Item 14(a) CAC Appointment under New Business.

A motion was made by Mr. Perkins, 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. Ms. Schneier expressed her appreciation to the Board and Mr. Sorrell for all they do. She complimented the Board on the hard work put into the nationwide search for a new Executive Director, and the detailed interview process. She expressed her support of the Board's decision for appointing a new Executive Director.

ITEM 6 – PRESENTATIONS

Chairman Benson presented a letter received from Mr. Robert Olan. On September 19, 2019, Mr. Olan expressed that he received assistance from two of our ECUA employees, Mr. Jornal Miller and Mr. James Soderland. As Mr. Olan was driving down a busy road, two sheets of plywood fell off the back of his truck. The two ECUA employees stopped to help Mr. Olan retrieve the plywood and put it back on his truck. He stated these two men are exemplary ambassadors for the ECUA. Mr. Miller stated that he and Mr. Soderland wanted to help Mr. Olan before someone ran over his plywood. Their initial reaction was to stop and help. Mr. Miller and Mr. Soderland work in ECUA's Water Production Department.

Mr. Tom Dawson, Director of Water Production, expressed how proud he is of both employees. The Board members thanked the employees as well for helping Mr. Olan.

(a) Recycle Star – Random Selection of Monthly Winner

Dr. Walker selected number seventeen, Ms. Kathy Anderson, for the Recycle Star Award.

ITEM 7 – APPROVAL OF MINUTES

A motion was made by Mr. Perkins, and seconded by Dr. Walker, to approve the minutes of the Special Board meeting of September 19, 2019, and approve the minutes of the Regular Board meeting of September 24, 2019 as presented.

Motion carried 4-0.

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

Recommendations:

F. Customer Service Appreciation Video

Mr. Gabe Brown, Director of Customer Service, presented a short video relative to Customer Service Appreciation week. This video was for informational purposes only, no action was required.

G. Annual Renewal Maintenance Agreement SunGard Public Sector Software

That the Board waive the competitive bidding process for all of the above-stated reasons and authorize the Executive Director to renew the maintenance contract with Central Square, at an estimated cost of \$122,000, with funds allocated from the appropriate budget line item.

H. Award of Purchase: Robotic Sorter

That the Board approve waiving normal purchasing procedures due to sole-source availability, and purchase one tandem robotic sorter from AMP Robotics of Louisville, Colorado, at a cost of \$225,000, and the required associated air compressor from Blake & Pendleton, the lowest quote at a cost of \$58,845, with funding for the total cost of \$283,845 through a transfer from CIP Project CT804 to CIP Project CT0003.

I. Award of Purchase: New and Replacement Vehicles for FY 2020

That the Board: (1) approve the purchase of 18 vehicles for the FY 2020 Vehicle Replacement Project from various vendors with the lowest bid prices, for a total purchase price of \$1,551,157.58, with funding from CIP Project RA806; and (2) declare as surplus, the vehicles included in the attached listing and authorize their disposition in accordance with the ECUA Code after we receive the new replacement vehicles.

J. Contract Extension- Large-scale & Emergency Utility Construction

that the Board approve the first of two one-year contract extensions with Pensacola Concrete Construction Co., Inc., for large-scale and emergency utility construction, based upon the mutual agreement of both parties, with no increase in the prices in their original bid, with funding primarily from the operating budget of the Regional Services Department, and other budget line items as dictated by circumstances.

K. Contract Extension- Roadway Restoration & Debris Removal

That the Board approve the first of two one-year contract extensions with J. Miller Construction, Inc., for roadway restoration and debris removal, based upon the mutual agreement of both parties, with no increase in the prices in their original bid, with funding primarily from the Regional Services operating budget, and other budget line items as dictated by circumstances.

L. Extension of Chemical Contract-Bagged Hydrated Lime

That the Board approve the second of two one-year contract extensions with Lhoist North America of Calera, Alabama, for the supply of bagged hydrated lime at the terms and rates offered by the supplier in the existing contract, for an estimated annual cost of \$534,055, with funding from the appropriate budget line item.

M. Sanitation Collection Vehicle Routeware System

That the Board deem the Routeware pilot project unsuccessful and reallocate the \$300,000 in the Sanitation Department FY 2020 CIP Budget for the purchase of the Routeware system (CIP Project CT0002) to the Residential Container Replacement project (CIP Project RT902).

Comments:

Dr. Walker expressed his appreciation to the Sanitation Department and Mr. Randy Rudd, for the efforts of staff to evaluate the Routeware System even though the system was unsuccessful.

Motion and Vote:

Motion was made by Ms. Campbell, seconded by Mr. Perkins, to approve the recommendations for Items G through M. There was no action taken on Item F.

Motion carried 4-0.

ITEM 9 – OPERATIONAL ITEMS

(a) Emergency Purchase Notification- Water Meter Registers

Information only, no action required.

Comments:

None.

(b) Emergency Purchase Notification - East Romana Street Water Main Utility Relocation

Information only, no action required.

Comments:

Mr. Sorrell explained that a 12-inch water main, owned by the ECUA, had been constructed on private property. The water main was installed at the direction of a consulting engineering firm and a professional surveying firm. ECUA was not aware that the water main was placed in the wrong location until a development group discovered it in their pre-development investigation of the property. Mr. Sorrell stated that the ECUA has made arrangements to quickly move the water main, so this group can develop the property. As part of this, we have also filed a claim against the consulting engineering firm and the professional surveying firm to be remunerated for our cost.

Ms. Campbell asked, when we inherit mains, do we normally move the main or, if the main is not in the way of development, how do we handle it? Mr. Sorrell stated that if we

find that one of our mains is on private property, first we try to acquire the property or an easement and leave the main where it is. In this particular case, that was not possible. To move a 12-inch water main is not easy, so we had to plan a new route and make arrangements to quickly handle the matter so the property can be developed. Ms. Benson added that ECUA staff acted appropriately and swiftly to correct this error.

ECUA attorney, Mr. Robert Beasley, stated that we have timely tendered a claim to the surveyor, who then timely tendered it to the insurance company, whose adjustor immediately became involved. We notified them of the urgency and documented the location.

(c) Award of Bid: Wyndotte Road, Euclid Street, and Kersey Road Water Main Replacement (CIP Project RW406G)

Recommendation:

That the Board: (1) waive the minor informality involving the abbreviated company name and award a contract to Pensacola Concrete Construction Company, Inc., the low bidder, in the amount of \$380,062.12 for the Wyndotte Road, Euclid Street, and Kersey Road Water Main Replacement with funding from CIP Project RW406G; and (2) approve a transfer of \$418,000 (to cover the base bid as well as a 10% contingency) from CIP Project RW906 - Replacement of Antiquated Water Lines to CIP Project RW406G - Wyndotte Road, Euclid Street, and Kersey Road Water Main Replacement.

Comments:

Mr. Sorrell explained that this is part of our water line upgrade program. Our Regional Services staff evaluated some of the areas that we use for transmission and suggested these three areas be repaired as quickly as possible. Mr. Sorrell stated that these are primarily transite systems and we experience more than the normal amount of breaks in this particular area. We have competitively bid this project and are recommending that award of this project go to the low bidder, Pensacola Concrete Construction Company, Inc.

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: Cantonment Trunk Force Main – CIP Project CS129

Recommendation:

That the Board waive as minor informalities the correction of Utility Service Company, Inc.'s name on the Contractor's Proposal and the Drug Free Workplace Form/Exhibit C and the minor math/transcription errors, and award the contract for the Cantonment

Trunk Force Main, to Utility Service Company, Inc., Pensacola, Florida, the low bidder, in the total amount of \$874,835.99, with funding from CIP Project CS129.

Comments:

Mr. Sorrell explained that this is a very important upgrade project in the Cantonment area. We have had some concerns, such as sanitary sewer overflows (SSOs) at the Well Line Road Lift Station (LS 143). We plan to upgrade the lift station and also upgrade many of the associated force mains. We went out for competitive bids and received five contractors' bids for this work. We are recommending that we award this project to Utility Service Company, Inc., for the base bid only. The Additive Alternate includes a directional bore beneath the railway. Right now, we are involved in litigation with the railway and cannot do any work in that particular area until legal matters are resolved. We will consider this at a later date.

Chairman Benson asked if this is an Inflow and Infiltration (I&I) project. Mr. Sorrell stated it could be considered an I&I project because SSOs at lift stations are caused by I&I, and this is one of the projects. Ms. Benson requested that I&I projects be highlighted on the agenda to keep a running tally of those projects.

In response to Dr. Walker's question, Mr. Sorrell stated that Baskerville-Donovan is the consulting engineer. Dr. Walker expressed that they did a great job.

Motion and Vote:

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

Motion carried 4-0.

(e) Sole-source Procurements – Detroit Boulevard (No. 50) Replacement CIP Project RS121Y

Recommendation:

That the Board: (1)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 \$102,998.65, from Cummins, with funding from CIP Project RS121Y; (2)waive the normal purchasing procedure due to the nature and use of this equipment, and approve the direct procurement of new KSB pumps, mixer, wet well, and associated components as a sole-source equipment purchase at the price of \$373,877, from Pump & Process Equipment, Inc., with funding from CIP Project RS121Y; and (3)approve a transfer of \$500,000 from CIP Project RI700 – Inflow and Infiltration (I&I) to CIP Project RS121Y for funding the above purchases.

Comments:

Mr. Sorrell explained that our previous Director of Engineering, Mr. Bill Johnson, brought a proposal to the Board some time ago before he retired. The proposal recommended everyone share the cost but the Board did not pass it. We have since been trying to work with the individual developers to put this together. This area is developing at a fast rate

and this lift station is in the middle of all the development. We are working to upgrade this lift station. There are two parts to consider. Rather than purchasing pumps/panels and all other associated components from the contractor, we recommend purchasing the equipment directly. This will save us the 20% markup that all contractors add on, plus buying directly there are other savings that we can acquire. Essentially, it is cheaper this way and we can get the exact components we need, such as KSB pumps. Also, we have a Cummins emergency generator here and we are getting everything on time. Mr. Sorrell further explained that we preparing to bid the project for construction, upgrading, and moving of the lift station to another area. This will allow the lift station to serve some of the major developments. Our main focus is to offset SSOs in this area and provide additional capacity.

Dr. Walker mentioned that this lift station is called the Detroit Boulevard lift station; however, the lift station area extends all the way up to West Nine Mile Road, where the majority of development is taking place.

Motion and Vote:

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

Motion carried 4-0.

(f) Interlocal Agreement for Recyclables Processing

Recommendation:

That the Board approve staff to enter into an Interlocal Agreement with Okaloosa County, Florida, to provide processing of recyclables at the ECUA MRF.

Comments:

Mr. Sorrell stated that we have 12 agencies that bring recyclable materials to our Materials Recycling Facility (MRF). Last month we planned on bringing this item to the Board, along with the other agreements. Okaloosa County decided they did not want to pursue the agreement at that time. Subsequent to that, Okaloosa County received many complaints from their citizens and decided to move forward with the Interlocal Agreement for Recyclables Processing.

Mr. Perkins expressed that our agreement includes a sliding-scale and that the recyclables market is starting to recover. With this being the case, will the cost to these contracts, for example, Okaloosa County and all others, go down if the recyclable market goes up? Mr. Sorrell explained if the average material value (AMV) goes to a certain level, there will be no cost and if it goes above a certain level they will receive money back. It all depends on the sliding-scale. Right now, the AMV is low and is about \$49.99 per-ton. Mr. Sorrell stated that we are processing everything we take in at the MRF and we are selling almost all of the material.

Dr. Walker stated that the Okaloosa County Commissioners made a cost-benefit analysis on which they based their decision to not pursue the recycling agreement. The citizens then rose up and expressed that they want to recycle. Mr. Perkins added that he was very impressed with how rapidly the Okaloosa County Commissioners responded when the citizens expressed their desire to continue recycling.

Mr. Jason Autrey, Public Works Director, for Okaloosa County spoke on behalf of Okaloosa County. He stated that in the beginning they made the decision not to recycle based on a financial decision. He expressed that they received a very strong and passionate contingency of citizens who attended a workshop that the Okaloosa County Commissioners held, and expressed their desire for recycling. After much expression from the citizens we now come to say that we would like to be a long-term partner with ECUA. Mr. Autrey stated that one of the analyses they went through was evaluating the cost for recycling that was available to them. He explained that what ECUA has to offer is very favorable and has a tremendous service available. Mr. Autrey thanked the ECUA for allowing them to come back and they hope for a long and fruitful relationship.

Motion and Vote:

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

Motion carried 4-0.

(g) Settlement of Pending Litigation

Administration, Operations and Maintenance Building at the Central Water Reclamation Facility - Construction and Design Defects

Although reflected in order in these minutes, this Item was discussed prior to Item 9(a).

Recommendation:

That the ECUA Board approve the proposed settlement of the A.E. New, Jr., Inc., case against the various remaining construction and design defendants, and authorize the Executive Director to execute any and all documents necessary to fully and finally resolve all issues in that case in return for ECUA's receipt of \$881,000 from the remaining defendants.

Comments:

Mr. Sorrell explained that we had some concerns regarding the roofing structure when the Central Water Reclamation Facility (CWRF) was built. A.E. New filed suit against ECUA and then ECUA filed a counter-suit against them. Mr. Sorrell stated that this has been ongoing for years and finally, last week he was able to bring this issue to culmination and reach a settlement. Mr. Sorrell recommends the Board approve the proposed settlement.

Motion and Vote:

Motion made by Dr. Walker, seconded by Mr. Perkins, that the Board approve staff recommendation.

Motion carried 4-0.

(h) Executive Director Search

Comments:

Several comments were provided by the Board members and the ECUA Attorney, Mr. Beasley, on how to proceed with this process.

Motion and Vote:

A motion was made by Ms. Campbell, seconded by Mr. Perkins, to conduct another national search for the Executive Director position.

Motion carried 4-0.

Motion and Vote:

A motion was made by Ms. Campbell, to appoint Mr. Don Palmer as the Acting Executive Director, starting November 15, 2019, until we find a replacement for this position.

Motion failed for lack of second.

Motion and Vote:

A motion was made by Dr. Walker, seconded by Mr. Perkins, that ECUA express a preference to appoint Mr. Bill Johnson as our Acting Executive Director and designate the Chairman of the Board, with assistance from our attorney, to communicate with Mr. Johnson to reach an agreement.

Motion carried 4-0.

ITEM 10 – BUDGET REPORT

Ms. Patty Sheldon stated that she does not have a budget report to present at this time. She explained that she just received the accrual numbers for the revenue for FY2019. Ms. Sheldon will put together our budget true-up to present at the November meeting. The numbers will include accrued revenue and expenses.

ITEM 11 – EXECUTIVE DIRECTOR'S REPORT

(a) Materials Recycling Facility - Average Material Value (AMV)

Mr. Sorrell reported that the AMV is low and is \$49.99 per-ton. Mr. Sorrell stated that we are processing everything we take in at the MRF and selling almost all of the material.

(b) **Central Water Reclamation Facility (CWRF)**

In 2014, there was a large rain storm that caused a considerable amount of damage to the filters at the Central Water Reclamation Facility (CWRF) because of the inflow of debris. We then filed a claim with FEMA for \$1.5 million dollars. We developed a plan to do a bypass of the filter and chlorine contact chamber in order to avoid this in the event of another major storm. This would take the flows to the reject storage pond to process back through the plant after the storm had past. Mr. Sorrell reported that he received a phone call from the Florida Department of Emergency Management and it looks as if we are going to be able to get this project done. It is already designed and we have committed to having it completed within one year. The ECUA should be receiving the \$1.5 million grant in order to implement the bypass of the filters and chlorine contact chamber at the CWRF.

ITEM 12 - ATTORNEY'S REPORT

No report.

ITEM 13 - UNFINISHED BUSINESS

None.

ITEM 14 - NEW BUSINESS

(a) **CAC Appointment**

Dr. Walker stated that his appointee for the Citizens' Advisory Committee for the past 12 months was Mr. Kevin Hammer. Dr. Walker informed the Board that Mr. Hammer's 12-month appointment has ended. Dr. Walker expressed his appreciation to Mr. Hammer for all of his hard work. Ms. Campbell expressed her appreciation as well.

ITEM 15 - BOARD COMMUNICATIONS

- (a) Mr. Perkins stated that he noticed in a couple of reports that we are experiencing a great deal of growth in the Beulah and West Nine Mile Road area. There have been some situations where people are unable to proceed with projects because we do not have enough capacity. Mr. Perkins hopes if there are opportunities where we are upgrading, that we try and start oversizing some of these lift stations to accommodate the growth. Dr. Walker added that the Engineering staff, specifically Mr. Bill Johnson, attempted to come up with a plan for the Detroit Boulevard lift station area a couple of years ago; however, the Board did not pass it.

- (b) Ms. Campbell stated that she has been working with Mr. John Daane, Director of Information Technology, regarding the ECUA website. She stated when you enter a keyword in the search engine on our website an error message pops up. Mr. Daane is in the process of resolving this issue. Ms. Campbell also added that she would like for our ECUA policies to be added to the website.

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 4:27 p.m.

Respectfully submitted,



William E. Johnson, Jr.
Executive Director

APPROVED BY THE ECUA BOARD
IN REGULAR SESSION ON November 19, 2019.

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