

**MINUTES OF THE EMERALD COAST UTILITIES AUTHORITY
CITIZENS' ADVISORY COMMITTEE MEETING**

TUESDAY, JUNE 16, 2020, 3:00 P.M.

ECUA BOARD ROOM

9255 STURDEVANT STREET, ELLYSON INDUSTRIAL PARK
PENSACOLA, FLORIDA

Members present: Vicki Campbell, Chairman
Dale Perkins, Vice Chairman
Lois Benson
Larry Walker
Maurice J. Inkel, Jr.
Chuck Kimball
Randy Ponson
Brice Pelfrey
Louise Ritz
Clorissti Shoemo
Pueschel Schneier

Members absent: Cedric Alexander

Staff present: J. Bruce Woody, 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 3:02 p.m.

ITEM B – INVOCATION AND PLEDGE OF ALLEGIANCE

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

Chairman Campbell welcomed Mr. Brice Pelfrey to the Citizens' Advisory Committee.

ITEM C - ADOPTION OF AGENDA

Dr. Walker added the following items to the agenda under New Business: Item N(1) Recycling Dumpsters; Item N(2) Affordable Housing; and Item N(3) Cost Estimate of a Sewer Line.

Ms. Shoemo added the following item to the agenda under New Business: Item N(4) Protocol for Missed Pick-ups.

Ms. Benson added the following item to the agenda under New Business: Item N(5) ECUA's Policy for Working on Laterals.

A motion was made by Mr. Kimball, and seconded by Ms. Shoemo, to approve the agenda as presented and amended.

Motion carried 11-0.

ITEM D – OPEN FORUM

There were no requests to address the Committee.

ITEM E – APPROVAL OF MINUTES

A motion was made by Mr. Kimball, seconded by Ms. Ritz, to approve the minutes of the Citizens' Advisory Committee meeting of February 18, 2020, as presented.

Motion carried 10-1, with Mr. Pelfrey abstaining.

ITEM F – Professional Services for Development of an Electrical Master Plan for the Bayou Marcus Water Reclamation Facility (WRF)

Recommendation:

That the Board authorize the Executive Director to sign the contract with Mott MacDonald for professional services for the development of an Electrical Master Plan for the Bayou Marcus Water Reclamation Facility in the amount of \$84,490, with funding from CIP Project RS425.

Comments:

Mr. Woody explained to the Committee that this project allows the opportunity to provide a secondary power feed to the Bayou Marcus Water Reclamation Facility. The scope of the project is as follows: evaluation of the power supply we currently have, as well as our existing emergency power systems; evaluation and design of a secondary power distribution system; evaluation of current and future electrical loads; evaluation of the control system; and to provide a Master Electrical Plan Report.

Ms. Ritz asked if Gulf Power requires a fee during the process. Mr. Gerry Piscopo, Deputy Executive Director of Maintenance & Construction, explained to the Committee that there would be no fees or charges during the design and planning phase.

Motion and Vote:

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

Motion carried 11-0.

ITEM G – Renewal of Contract for Automated Payments

Recommendations:

That the Board: (1) authorize a waiver of the formal bidding process on the automated payment options contract; (2) approve an amendment to the current contract with Kubra EZPay extending it for two years, through July 31, 2022, thus allowing Kubra EZPay to continue to provide automated payment solutions with no change to the rates, terms, and conditions; and (3) authorize the Executive Director to sign the associated contract

amendment. Kubra has confirmed their willingness to amend our current contract extending another two years at the same price, terms, and conditions as the original contract.

Comments:

Mr. Woody explained to the Committee that the renewal of contract for automated payments applies to our existing payment system. The recommendation is to extend the current relationship and contract with Kubra.

Ms. Patty Sheldon, Director of Finance, added that the ECUA is in the process of changing software vendors through the implementation of a new Enterprise Resource Planning (ERP) system from Tyler Munis. The new software module for Utility Billing is scheduled to kick off in August of this year, with a planned "go-live" date of June 1, 2021. The process of going out for bid on a new automated payment contract and implementation is expected to take up to a year. Staff is recommending approval of an additional two-year contract extension to Kubra until such time as we can determine which vendor payment processor will work best with the new Tyler Munis Utility Billing module. Kubra is willing to extend the contract based on the original terms of the Request for Proposal (RFP).

Motion and Vote:

A motion was made by Mr. Kimball, seconded by Mr. Ponson, to approve the staff recommendation.

Motion carried 11-0.

ITEM H – Renewal of Annual Unit-Price Contract for Cleaning and Television Inspection of Sanitary Sewers (RI701)

Recommendation:

That the Board approve the first of two optional one-year extensions of the Cleaning and Television Inspection of Sanitary Sewers contract with Gulf Coast Underground, LLC, with funding from CIP Project RI701, supplemented by transfer from CIP Project RI700 – Infiltration and Inflow, as needed.

Comments:

Mr. Woody informed the Committee that a very important part of our Inflow and Infiltration (I&I) program is handling imperfections that naturally occur in pipes as they age and deteriorate. The scope of the project includes cleaning and video inspection services for areas of the ECUA sewer collection system that are possibly damaged or in poor condition. Staff is recommending that the Board approve continuing the contract with Gulf Coast Underground, LLC for the Cleaning and Television Inspection of Sanitary Sewers.

Ms. Ritz asked if weather conditions impact inspections. Mr. Stacy Hayden, Director of Engineering, informed the Committee that weather can have a potential impact on the speed of cleaning and televising the lines; however, the contract supplements our in-house resources and allows for a wide range of applications.

Ms. Schneier inquired about the pricing listed in the contract. Mr. Hayden explained that this contract is a unit-price contract and the price varies depending on the diameter of the pipe.

Motion and Vote:

A motion was made by Mr. Kimball, seconded by Ms. Schneier, to approve the staff recommendation.

Motion carried 11-0.

ITEM I – Renewal of Annual Unit-Price Contract for Cured-In-Place Pipeline Rehabilitation (RI705)

Recommendation:

That the Board approve the first of two optional one-year extensions of the Cured-In-Place Pipeline Rehabilitation contract with Hinterland Group, Inc., with funding from CIP Project RI705, supplemented by transfer from CIP Project RI700 – Infiltration and Inflow, as needed.

Comments:

Ms. Shoemo asked if staff currently has a schedule in place for the rehabilitation of the pipes. Mr. Hayden explained that there is a Corrective Action Plan that we have with the Florida Department of Environmental Protection for the Consent Order. In this plan, we have identified when to systematically rehabilitate the sewer mains throughout the system and address problem areas. Ms. Shoemo requested a copy of the Corrective Action Plan and Ms. Campbell requested for Mr. Hayden to present his Inflow and Infiltration (I&I) slideshow to the Citizens' Advisory Committee at the next meeting to further educate the new members on the Committee.

Mr. Perkins requested an explanation of the term cured-in-place. Mr. Hayden described the process as a pipe within a pipe. There is a felt liner that is dragged into the existing pipe and is then cured with hot water.

Motion and Vote:

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

Motion carried 11-0.

ITEM J – Group Benefits – Fiscal Year 2021

Recommendation:

That the Board approve the benefits package for FY 2021 with the following plan components, with funding from the appropriate Operating Budget line item:

- 1) Renew with FMIT as the medical insurer, and
 - a. offer two plan designs, one High Deductible Health Plan (HDHP) and one Preferred Provider Organization plan (PPO), and
 - b. provide a portion of the employee-only premium for the two plans, and

Plan	Tier	ECUA Monthly Contribution
Plan 5 – HDHP	Employee Only	\$748.59
Plan 14 – PPO	Employee Only	\$769.07

- c. provide a portion of the dependent premium for the two plans, and

Plan	Tier	ECUA Monthly Contribution
Plan 5 – HDHP	Spouse	\$590.70
Plan 5 – HDHP	Child(ren)	\$457.08
Plan 5 – HDHP	Family	\$1,172.89
Plan 14 – PPO	Spouse	\$557.20
Plan 14 – PPO	Child(ren)	\$437.37
Plan 14 – PPO	Family	\$1,128.09

- d. contribute \$950 of the employee deductible and \$1,375 of the family deductible into an health savings account (HSA) for each employee enrolled in the HDHP;

- 2) renew with Aetna as the dental plan insurer, and
 - a. increase ECUA's contribution toward the premiums for dental to \$23.64 per month;
- 3) renew with MetLife as the vision plan insurer;
- 4) renew with WageWorks without a cost increase as the flexible benefits administrator; and
- 5) approve funding for the proposed benefits package that includes group medical, dental, life, and long-term disability insurance.

Comments:

Mr. Woody informed the Committee that our current medical insurer proposes an increase of 3.9% to renew the current medical plans for FY 2021 and staff is very pleased with the proposal. Our current dental provider proposes an increase of 9.9% to renew the existing dental plans for FY 2021. All other providers are projected to remain unchanged and continue with the existing plans in place. Ms. Kimberly Scruggs, Director of Human Resources and Administrative Services, explained to the Committee that our loss ratio is trending at 88% and the majority of that is due to higher utilization, which is a good indication that people are using their benefits.

Ms. Shoemo asked if staff completed an assessment that determined the proposed rates are the best. Ms. Scruggs explained that the ECUA obtained renewals with current insurance carriers to ensure ECUA continues to provide competitive and cost-effective benefits to our employees. A Request for Proposal (RFP) was not issued this year because we typically work with an RFP for two to three years. Mr. Kimball supported Ms. Scruggs' explanation that organizations fare better when they do not go out for bid every year.

Ms. Schneier asked if dental and vision are optional for those who have medical coverage. Ms. Scruggs explained that medical, dental, and vision are independent options.

Motion and Vote:

A motion was made by Mr. Kimball, seconded by Ms. Schneier, to approve the staff recommendation.

Motion carried 10-1, with Ms. Shoemo abstaining.

Ms. Benson requested that our Executive Director and the Board members review the rules and requirements regarding abstentions. Chairman Campbell informed Ms. Shoemo that normally a committee member cannot abstain unless there is a conflict; therefore, a vote is required.

Chairman Campbell called for a re-vote of this item.

Motion carried 10-1, with Ms. Shoemo voting against the motion.

Ms. Shoemo requested to have our Citizens' Advisory Committee meeting agenda delivered a few days earlier than currently scheduled. Mr. Bruce Woody, stated that in an effort to

accommodate this request, he will confer with staff and provide an adjusted item deadline and Citizens' Advisory Committee agenda delivery schedule.

ITEM K – FY2021 Proposed Budget

Comments:

Mr. Woody stated that in response to the COVID-19 pandemic, the ECUA Board took action to help commercial customers reduce their bill by crediting their deposits back to their account in April 2020. For residential customers, the Board also took action to suspend fines, penalties, and disconnections for a period of 120 days for customers experiencing financial hardships.

Mr. Woody explained that looking ahead to Fiscal Year (FY) 2021, we are pleased to present a budget that does not include a rate increase for water or wastewater services. For sanitation services, a modest increase of 2% is planned to cover increases in operating expenses due to significant growth. The projected carryforward from FY 2020, the capital improvement fee, impact fees, and the net revenues are projected to be adequate to provide the necessary sources for capital. We are not proposing the issuance of any new debt for FY 2021 at this point.

Mr. Woody stated that looking forward, the goal is to grow the unrestricted reserves to \$4.5 million versus \$3.5 million to better prepare for emergencies. The department budget request for this year is approximately 4.5%. We have included a 2.5% increase recommended for performance-based merit increases for the employees. While our health claims rate was favorable for FY 2020, there is an estimated 3.9% increase going into next year. He also provided information related to additional positions requested in the Water/Wastewater budget: (1) the Information Technology Department adding two positions to support technology growth. The positions are an Information Technology Technician and a Computing Infrastructure Support Manager; (2) the Water Reclamation Department is requesting a new position for a Pretreatment Technician; (3) Engineering is requesting one new position for a Utility Construction Inspector; and (4) the Water Production Department is requesting a new position for a Regulatory Compliance Coordinator. These additions will add approximately \$387,500. We have also maintained \$200,000 in the Public Information division and are asking for a continued provision of a \$1.5 million operating contingency for FY 2021.

Mr. Woody stated that the proposed budget will fund the Capital Improvement Program (CIP) from a combination of prior year carryforward, current year net operating revenue, capital improvement fees collected and impact fees. This is the ninth year of the original 16-year program for our Consent Order (CO) and we are making great progress. Also, under this budget proposal, the debt service coverage requirement remains acceptable, at 1.31% for next year.

Mr. Woody explained that the Sanitation budget presented is showing projected revenues that include a 2.0% rate increase. Even though operating costs for Escambia County are increasing by 5.09%, we anticipate that the 2.0% rate increase, with a reduce need for capital, will cover the cost. The rate increase is projected to cover operating costs and capital needs, as well as help fund reserves of the construction of the proposed transfer station in the following year, if supported. Staff requests five new positions for Escambia County due to new routes in the area where we are experiencing growth.

Ms. Benson commented that the budget is the most important policy document at the ECUA. Ms. Benson congratulated Mr. Woody and the staff for preparing a budget that does not

contemplate a rate increase for next year and she was impressed with the emphasis on reserves. Also, Ms. Benson thanked the FDEP for approving the extension of our Consent Order (CO) for our inflow and infiltration (I&I) program. Additionally, Ms. Benson requested that E.W. Bullock provide the Board with an outline of their public education campaign goals and metrics for those goals.

Dr. Walker asked for clarification regarding the decision from FDEP to grant the time extension of ten years on our I&I mitigation requirements. Mr. Stacy Hayden explained that it is not an extension of ten years. The original program was for five years to evaluate the collection system, an additional five years for the construction of priority projects, and another five years to construct secondary projects. Mr. Woody reiterated that a request was made for the staff to provide a presentation at the July CAC meeting on Inflow and Infiltration (I&I). This presentation will provide a great opportunity for further discussion on time, scope and any other questions. Ms. Patty Sheldon informed the Board that she will correct the budget message to reflect the above clarification regarding the extension.

Dr. Walker stated that we are eliminating all positions for the Santa Rosa County Sanitation System and creating five positions for the Escambia County Sanitation System, and asked Mr. Rudd what the net difference is. Mr. Rudd explained that the Santa Rosa County employees will fill the vacancies at the Sanitation Department, vacancies at our Compost Facility and the Materials Recycling Facility.

Mr. Ponson requested a brief explanation on the Santa Rosa County Sanitation System (SRCS). Mr. Woody explained that the SRCS is a break-even operation. Non-renewal of the contract will allow the ECUA to dedicate all of our resources to the Escambia County Sanitation System (ECSS).

Chairman Campbell and Ms. Benson requested that in order to review the budget thoroughly, a breakdown of the departmental budgets should be presented and discussed over a course of meetings. Ms. Benson asked that all department heads come prepared to discuss and address their goals and accomplishments.

Mr. Perkins recognized Mr. Tim Haag for his 35 years of exceptional service to the Emerald Coast Utilities Authority and requested that Mr. Haag join us at the June Board meeting to allow the Board members to formally express their appreciation and best wishes.

ITEM L – Informational Reports

(1) Water Production Report – February 2020

No action required.

(2) Water Production Report – March 2020

No action required.

(3) Water Production Report – April 2020

No action required.

(4) Water Production Report – May 2020

No action required.

(5) Water Reclamation Report – February 2020

No action required.

(6) Water Reclamation Report – March 2020

No action required.

(7) Water Reclamation Report – April 2020

No action required.

(8) Water Reclamation Report – May 2020

No action required.

ITEM M – UNFINISHED BUSINESS

None.

ITEM N – NEW BUSINESS

(1) Recycling Dumpsters

Dr. Walker expressed his concerns regarding the conditions around the County sites where our ECUA recycle dumpsters are housed for the public to use. In 2017, the ECUA negotiated an Interlocal Agreement with the County. The ECUA requested additional language to be added to the agreement stating the County is responsible for cleaning the premises. Under the Interlocal Agreement, ECUA's responsibility is to provide and maintain the dumpsters, and empty and haul the material no more than twice a week. Dr. Walker suggested that the Committee recommend that the Board seek to renegotiate the Interlocal Agreement in order to resolve the issue. Mr. Perkins suggested that Mr. Woody communicate with the County regarding the issues and work together to find a helpful solution.

(2) Affordable Housing

Dr. Walker explained that one way the ECUA can help with the affordable housing concept is to have progressive impact fees on water and wastewater for new construction of residential properties. Dr. Walker suggested that the Committee recommend to the Board to review a financial analysis on progressive impact fees rather than a flat rate. Mr. Hayden stated that there is a contract to review our impact fees and miscellaneous fees. Mr. Hayden expects to bring this to the August Citizens' Advisory Committee meeting.

(3) Cost Estimate of a Sewer Line

Dr. Walker requested that staff provide the Committee with an estimate for running a sewer line to the Molino area. Currently, the most northern sewer line we have is on Quintette Road. Ms. Shoemo also added that this is an issue in District Three as well,

specifically in the Ensley area. Ms. Shoemo asked if there is a plan in place for sewer expansion. Mr. Hayden explained that there are a few key factors that staff review regarding sewer expansion, such as environmental impact, history of failing septic tanks, and cost per connection. Mr. Hayden stated that there is a huge demand for sewer expansion and staff has a prioritized list of these projects, which includes the Ensley area. Mr. Hayden suggested providing a presentation to the Citizens' Advisory Committee on sewer expansion.

(4) Protocol for Missed Pick-ups

Ms. Shoemo asked for clarification on the process for missed sanitation pick-ups and how these are resolved. Mr. Rudd explained the process and how COVID-19 has impacted the volume and pick-ups.

(5) ECUA's Policy for Working on Laterals

Ms. Benson informed the Committee that in March, a contractor broke a sewer lateral to a residential home. The ECUA investigated the break and determined it was the homeowner's responsibility. The homeowner then involved the County regarding the issue. Ms. Benson requested that staff provide an outline of our ECUA policy at a future Citizens' Advisory Committee meeting to discuss how one knows if the homeowner is responsible or if ECUA is responsible.

ITEM O – OPEN FORUM

There were no requests to address the Committee.

ITEM P – ADJOURNMENT

There being no further business to come before the Committee, Chairman Campbell adjourned the meeting at approximately 5:30 p.m.

Respectfully submitted,

J. Bruce Woody, P.E.
Executive Director

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

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