

MINUTES
CITY COMMISSION MEETING

April 16, 2012

The City Commission met this date in special session in the Commission Chambers. A quorum being present, the meeting was called to order at 6:00 PM with the following in attendance.

Mayor	:	John B. Arnold, Jr.
Commissioners	:	Heyward H Strong, Jr.
	:	Joe Morgan
	:	Diane Kelley
	:	Kay Hamilton
Deputy City Clerk	:	Della Rhodes
City Administrator	:	Carl Scott
Police Chief	:	Joe Hart
Interim City Attorney	:	Hayward Dykes
Fire Chief	:	Mark Norris
City Engineer	:	Roy Petrey
Recorder	:	Lois Davis

Others in attendance: (Not inclusive) James Butler (Cameraman), Clark Browning, Don Amunds, Jeff Littrell, Randall P. Roberts, Nina Trawick,

Mayor Arnold stated that the two items on the agenda were the NVOC Regional Sewer and the executive session.

Mr. Petrey stated that they had been working in haste to try to get something together, which would include something from the Mayor and Commissioners. He stated that nothing has really changed, only trying to clean up the agreement a little bit. Mr. Petrey stated that they have also added some language to the Memo of Understanding.

NVOC
Regional
Sewer

In reference to Item Numbers 7 and 8, Mr. Petrey stated that because there is an agreement proposed by Okaloosa County to convey to the City of Niceville their capacity, some of the costs will go up because of Niceville's benefits from this capacity. Mr. Petrey stated that they understand that Valparaiso should not bear this expense. The agreement that has been ratified by Okaloosa County and Niceville, and at a later date, Fort Walton Beach will take over their flow to the plant at Fort Walton Beach. They will still treat the waste water, but they will not be a part of the system.

Nothing has changed in the "Whereas" paragraphs. Mr. Petrey stated that they further defined the project and went into a little more detail.

In item #5, the three entities of the NVOC Regional Sewer approved the budget, and depending on the cost, they are distributed on a pro rata basis. Mr. Petrey stated that in the original agreement, they have proposed that the County's share be the same as Valparaiso would pay. He stated that it may take upwards of two years for the County to withdraw the flow, so there will be a period of time they will sharing their pro rata share of cost.

In Item Number 6 is where Niceville is standing up to the plate once the County withdraws its flow, Niceville agrees that total cost of treatment for Valparaiso stays the same as if the County was still there.

The language in Item Number 7 states that Niceville will continue to assume Valparaiso's share of this cost until such time that their flow is the same as their flow plus the county flow. The new language states that Niceville should not bear that cost forever.

Mr. Petrey stated that Item Number 8 is something that Comm. Strong and the Mayor mentioned. They wanted it clear that Valparaiso would retain the right to reclaim water until such time they had the funds, etc. He stated that Mr. Corbin had indicated that this was his position all along.

The flow contributions were composed by Mr. Littrell and you can see the average flow by percentage for each month. Mr. Petrey stated that Valparaiso's contribution, discounting Okaloosa County, is 16.2%.

Mr. Petrey stated that the next page is taken straight from the NVOC Regional Sewer Budget. Based on historical flow, as each entity contributes, it will determine their pro rata share. Mr. Petrey stated that the next page is pertinent because they wanted to make sure that everyone knows that due to this expansion, there will be more expenses. He stated that it costs more to run the plant, and now they will have the expense of lease payments for the spray field. Mr. Petrey stated that these numbers are new pursuant to a meeting held this past Thursday. He stated that they are budgeting \$55,000 for this, and that he will explain what he is talking about. Mr. Petrey stated that they know that chemicals, electricity, and etc. will increase in 2013. He stated that they are looking at \$37,675 as an increase in expenses for 2013, but it will be adjusted based on the actual cost. In response to Comm. Morgan's inquiry concerning whether these were increases in expenses of non flow items, Mr. Petrey stated that it was all items; however, certain costs will decrease, i.e., utilities, watering, oxide, and other chemicals. As indicated on Page 1 of the worksheet, Valparaiso's flow percentage, comparing Niceville and Valparaiso for a period January 09 through September 2011 is 16.42%. Again, using the budget as the basis, the flow proportion costs would be \$115,000. Mr. Petrey stated that the non flow (soft costs)

include salaries, etc.). He stated that there will no question about what kind of cost it is, and if in the future someone tried to come back and figure out what they were doing, he hopes that this would help them. Mr. Petrey reiterated that using the 2012 Budget as a basis, they can look to see what those costs are.

Mr. Petrey stated that in the end, they defined the total O&M expense as \$237,000, because Niceville is now picking up the soft costs. He stated that he felt that Item Number 3 of the notes at the end relates to Item #2, and that you can always go back and determine their non flow costs. Mr. Petrey stated that instead of it being distributed by flow, it should be distributed by ownership, indicating that Valparaiso owns a capacity of 20%, with 80 % being distributed to Niceville. Mayor Arnold stated that the only comment he has is that IFAST should be included. Mr. Petrey stated that he will add the meaning of IFAST in Item Number 3.

Mr. Petrey stated that Comm. Morgan has pointed out in Item #6 that it would help to clarify the second line to add that non flow related expenses of Valparaiso will remain the same.

Mr. Petrey stated that they have sent the Memorandum of Understanding between the City of Niceville and the City of Valparaiso to Niceville; however, there is really nothing different than what was presented to the council. He reiterated that nothing has changed from Mr. Corbin's position. Mr. Petrey stated that his recommendation is to make a motion to accept, contingent upon Niceville signing an agreement; therefore, Valparaiso would not sign the other agreement until they have the Memorandum of Understanding. He stated that here is a meeting scheduled within the next week or so. Mr. Petrey stated that he will contact Mr. Corbin tomorrow morning to see if he can sign it, and then they can get it executed.

The Mayor thinks they should ratify and correct tonight and sign on the second page with names and titles, then they will formally transmit to the City of Niceville and let them do what they will normally do. COMM. STRONG MADE A MOTION THAT THE CITY RATIFY THE AGREEMENT AS PRESENT, AND AUTHORIZE THE MAYOR TO SIGN WHEN BOTH SIGNATURES ARE ON THE PAGE. COMM. MORGAN SECONDED THE MOTION, WHICH PASSED UNANIMOUSLY WITH A 5 - 0 VOTE OF THE COMMISSION.

Mayor Arnold stated that he wanted to change the signatures on the last page and then they will transmit to Niceville tomorrow or the next day. Mr. Petrey stated that pursuant to the Memorandum of Understanding, the Commission can ratify the other agreement. COMM. HAMILTON MADE A MOTION TO CHANGE THE SIGNATURES ON THE LAST PAGE, TRANSMIT TO NICEVILLE TOMORROW OR THE NEXT DAY, AND PURSUANT TO THE MEMORANDUM OF UNDESTANDING, THE COMMISSION CAN RATIFY THE OTHER AGREEMENT. COMM. MORGAN SECONDED THE MOTION, WHICH PASSED UNANIMOUSLY WITH A 5 - 0 VOTE OF THE COMMISSION.

TEMPORARY ADJOURNMENT

There being no further business to be brought before the Commission in the special session, the meeting temporarily adjourned at 6:30 PM. The Executive Session to begin at 6:45 PM.

After the executive session was conducted, the special meeting reconvened at 7: 30 PM.

ADJOURN

There being no further business to be brought before the Commission, the special session adjourned at 7:30 PM.

John B. Arnold, Jr.
Mayor

Heyward H. Strong, Jr.
Chair, VCA

ATTEST:

Tammy Johnson, CMC
City Clerk

April 16, 2012

The DVD labeled April 16, 2012 contains the audio and video of this meeting and will be kept as a permanent part of these minutes.