

**FOR IMMEDIATE RELEASE**

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## City files for a Declaratory Judgement

As the owner of Pensacola International Airport, the City of Pensacola has filed for a Declaratory Judgement in Federal Court to obtain answers to legal questions between the City of Pensacola, Emerald Coast Utilities Authority (ECUA), and the Federal Aviation Administration (FAA).

The questions stem from FAA regulations requiring all entities using airport property to pay for the use of the property. Should an airport fail to enforce or comply with FAA regulations, the FAA has the authority to levy penalties against that airport that could result in the withholding of grants necessary to maintain and upgrade facilities, the repayment of previous grants, and the assessment of civil penalties.

ECUA operates three water production wells located on Pensacola International Airport property. These wells produce water that is supplied to Escambia County customers for a fee. Given its regulations and actions taken at other airports, the FAA has communicated to Pensacola International Airport that ECUA must pay Pensacola International Airport for the use of the airport property where the three water producing wells are located. In addition, the FAA has communicated to Pensacola International Airport that ECUA also must pay Pensacola International Airport some unspecified percentage of the revenues ECUA derives from the sale of the water being produced from airport property and supplied to ECUA customers.

While the property in question was acquired for the Pensacola International Airport and the FAA did not release the property from FAA property transfer restrictions, ECUA contends that it owns or should own the land surrounding two of the three wells located on Pensacola International Airport property and is not required to pay Pensacola International Airport for either the use of the property or the water extracted from the three wells.

The City of Pensacola and ECUA have been working to resolve this issue for some time, but have been unsuccessful in finding a solution. The FAA's ongoing inquiries regarding the status of the matter and the need to timely resolve the issues now require the City of Pensacola to file for a Declaratory Judgement asking the Federal Court to answer the legal questions pertaining to

property ownership and provide guidance to the City on its compliance with Federal law and FAA regulations. According to Mayor Hayward:

"We haven't been able to come to an agreement with ECUA on what the City's obligations are. ECUA believes that it should own the property surrounding the wells and that it is not required to pay for the use of the property or for the fair market value of water extracted. The FAA tells us that, if ECUA doesn't pay a concession fee, the City could be penalized for revenue diversion. We just want the court to resolve the legal issues and to tell us what our obligations are."

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