HANCOCK COUNTY UTILITY AUTHORITY

401 Gulfside Street • Waveland, MS 39576
Telephone 228-467-3702 • Fax 228-467-6206 • E-mail: hcua@bellsouth.net

Monthly Board Meeting
April 9, 2013

Call to Order - The meeting was called to order by Chairman Bill Johnson at 10:07 AM.

Attendees:

Mr. Bill Johnson	Mrs. Lili Stahler
Mr. Mike Collard	Mr. Les Fillingame
Mr. Jimmy Lamy	Mr. David Yarborough

Not In Attendance: Mr. Al Smith

Motion was made by Director Yarborough to excuse the absence of Mr. Al Smith, Director Fillingame seconded the motion; it was voted on and it carried with a majority vote, with Director Collard abstaining from the vote.

Pledge of Allegiance and Silent Prayer – lead by Director David Yarborough

Request to Address the Board

Attorney J. P. Compretta

Board Action Items

Motion was made by Director Yarborough to approve the minutes of March 12, 2013 Monthly Board Meeting, Director Fillingame seconded the motion; it was voted on and carried with a majority vote, with Director Collard abstaining from the vote.

Motion was made by Director Fillingame to approve the March 2013 Check Summaries as presented, Director Stahler seconded the motion; it was voted on and it carried with a majority vote, with Director Collard abstaining from the vote.

	Expenses	Monthly Budget	Revenues	Difference
O & MWastewater	$ 169,533.93	$ 139,946.08	$ 56,093.39	$ -83,852.69
O & M Water	$ 9,433.63	$ 29,315.00	$ 7,433.08	$ -21,881.92

Land Acquisition	$ 77,997.77
CDBG Projects	$1,213,428.63
CIAP – Kiln	$ 542.40

Motion was made by Director Yarborough to approve the CDBG Request for Cash in the amount of $246,919.36 as presented, Director Fillingame seconded the motion; it was voted on and it carried with a majority vote, with Director Collard abstaining from the vote.

Motion was made by Director Fillingame to approve the Consent Agenda consisting of 9 items, Director Yarborough seconded the motion; it was voted on and it carried with a majority vote with Director Collard abstaining from the vote.

- Approval of priority street listing from Bayside Park for the Phase II water service, as discussed in March 26, 2013 Special Workshop
- Approval of allowing ±4600 linear feet of 8" water main to be installed on Texas Flat Road from Fred and Al Key Road west to the existing 8" water main (approximately at the entrance of McLeod Park). This main will service the Northern Regional Wastewater Treatment Plant which, because of inadequate pressure and volume is having difficulties operating the sludge belt press.
- Approval of Certificate of Substantial Completion for Work Order 2011-14/S6-03 for the service connections associated with the S6-Kiln Wastewater Collection System as of 12-31-2012 contingent on final approval of MDEQ, MS Department of Marine Resources and Board Attorney Artigues. This date will begin the one year warranty period.
- Approval of Contract Modification 2008-02/42 (W5E) to the Term Bid 2008-02 construction contract with Jay Bearden/G&C Construction, Joint Venture for the Kiln Regional Water Supply System in the additive amount of $5,494.03 contingent on final approval of MDEQ and Board Attorney Artigues. This change provides the final summary required to close this portion of the contract. There is sufficient funding for this change.
- Approval of Contract Modification 2008-02/43 (W6) to the Term Bid 2008-02 construction contract with Jay Bearden/G&C Construction, Joint Venture for the Kiln Water Distribution System in the deductive amount of $89,662.32 contingent on final approval of MDEQ and Board Attorney Artigues. This change provides the final adjustment of quantities required to close this portion of the contract.
- Approval of Certificate of Substantial Completion for Work Order 2008-04/W8-01 for the service connections associated with the W8- Bayside Park Water Distribution System as of March 1, 2013 contingent on final approval of MDEQ and Board Attorney Artigues. This date will begin the one year warranty period.
- Approval of Revision 4 to Work Order 2011-15/S6-01 as part of the Term Bid 2011-15 construction contract with Plaas, Inc., for the Kiln Wastewater Collection System in the additive amount of $58,581.00 and 39 calendar days contingent on final approval of MDEQ and Board Attorney Artigues. This revision adds existing work from the term bid contract to the existing work order as well as adds 39 days to complete the increase in work and for days lost due to wet conditions. No additional funding is required for this change.
- Approval of Amendment No. 4 to the engineering agreement with Neel-Schaffer, Inc. for continued construction engineering for the W8 Bayside Park Water Distribution System part of the Term Bid 2008-04 construction contract, contingent on the approval of MDEQ, Board Attorney Artigues and the appropriate budget amendment. This amendment is for the additive amount of $10,627.00, and is a result of the extra time granted the contractor to connect additional lo-mod customers to the system.
- Approval of Payment Request No. 16, S6 CIAP Kiln Sewer Connection Project, MSCIAP Project No. MS.R.771-2, in the amount of $60,131.87, contingent on approval by the

Mississippi Department of Marine Resources and Board Attorney Artigues. This pay request includes invoices from A. Garner Russell & Assoc. in the amount of $11,927.38, Brown, Mitchell & Alexander, Inc. in the amount of $9,647.20 and an invoice from Jay Bearden Construction in the total amount of $37,557.29.

- *This ends the consent agenda item(s).*

Motion was made by Director Yarborough to approve Revision 1 to Work Order 2008-04/W8-01 for the service connections associated with the W8- Bayside Park Water Distribution in the additive amount of $140,682.03 and 60 additional calendar days contingent on final approval of MDEQ and Board Attorney Artigues. This work order revision moves quantities from the Term Bid contract into the work order to adjust quantizes to the as constructed in the field amounts and allows additional days to the contractor to complete the increase in work originally issued in the work order. No additional funding is required, Director Fillingame seconded the motion; it was voted on and it carried with a majority vote, with Director Collard abstaining from the vote.

Motion was made by Director Fillingame to approve Contract Modification 2011-14/09 (S6) to the Term Bid 2011-14 construction contract with Jay Bearden Construction for the Kiln Wastewater Collection System, Phase 2 (CDBG & CIAP) in the additive amount of $15,745.55 ($6,878.82 CDBG and $8,866.73 CIAP) contingent on final approval of MDEQ, MS Department of Marine Resources and Board Attorney Artigues. This change provides the required fuel and material adjustment per the contract documents, Director Stahler seconded to vote; it was voted on and it carried with a majority vote, with Director Collard abstaining from the vote.

Motion was made by Director Yarborough to approve revision of the previous motion, on January 17, 2013, of approval to advertise for construction of the Jordan River Shores lift station and master meter to include the reversal of the Central Avenue lift station in the advertisement, Director Fillingame seconded the vote; it was voted on and it carried with a majority vote, with Director Collard abstaining from the vote.

Added to Agenda during meeting Motion was made by Director Fillingame to approve Amendment No. 4 to the engineering agreement with A. Garner Russell & Associates for the design and construction engineering for the water main extension to the Northern Regional WWTP facility as part of the W6 Kiln Water Distribution system, contingent on approval of board Attorney Artigues, MDEQ and the appropriate budget amendment. This amendment is for the additive amount of $63,000.00, Director Yarborough seconded the motion; it was voted on and it carried with a majority vote, with Director Collard abstaining from the vote.

Executive Director

Verification of utility authority owned fire hydrants in TESI certificated area – Executive Director Pitalo made the Board aware of seventeen fire hydrants that are located with a TESI certificated area. These hydrants will be owned and maintained by Hancock County Utility Authority.

- Six hydrants on South Street
- One hydrant on North Street
- Seven hydrants on Clermont Harbor Road
- Three hydrants on Lower Bay Road

Tops of all Utility Authority owned hydrants have been painted white

Discussion on use of R&R for all entities – Executive Director Pitalo reminded the Board of the three year Repair and Replacement contract between the Authority and J. Levens Builders, this is a contract that is used when repairs/replacement of equipment is necessary, but is no longer within the warranty period. He also informed each entity that these services are available to them should the need arise. A copy of the agreement will be sent to each Board member.

Also, Director Yarborough informed the Board that the county will be putting out street markers for all the hydrants located within the county and there will be extra markers should either of the cities need them, but the cities will be required to put them down within their area.

Attorney Artigues will prepare a Memorandum of Understanding for any entity that wishes to utilize the R & R services.

South Beach Hotel and Casino – Ronnie Artigues – Moved to Executive Session – No Action Taken

Master Plan update/discussion – Mr. Kevin Mullen of Brown Mitchell and Alexander gave each Board member a packet of information from the Workshop of March 26, 3013. He gave each member a ranking sheet for the water and sewer projects, and he asked that each member rank the projects by priority and they will compile all the information and present the results at the next meeting.

***Added to Agenda during meeting** CDBG Projects Update from Brown Mitchell and Alexander* – Executive Director Pitalo informed the Board that the CDBG projects are almost complete, with approximately three projects outstanding. Brown Mitchell Alexander gave each Board member and update report.

New Business

Scott Burge – A. Garner Russell – Informed the Board of two easements that will need to be transferred from the KUFD the HCUA before the Jordan River Shores lift station work can begin. This will be presented to the KUFD Board at their next meeting, Wednesday April 10, 2013.
Motion was made by Director Yarborough to offer initial consent to the acceptance of the easements as proposed by Mr. Burge, contingent upon approval final approval by Kiln Utility and Fire District Board and Board Attorney Artigues once the appropriate paperwork is complete and presented, Director Fillingame seconded the motion; it was voted on and it carried with a majority vote, with Director Collard abstaining from the vote.

Director Lamy requested copies of maps that have all the water line layouts in the Pearlington area. Mr. Bill Mitchell explained that they can provide Pearlington with some PDF files that can be viewed from any computer.

Attorney J. P. Compretta – HCWSD Attorney – Attorney Compretta informed the Board concerning the SRF loan that with the proposals that are coming from Jackson, about i.e. restricting at a thirty-year amortization schedule, it would potentially increase the monthly payment for the HCWSD by $6,000+, from the monthly amount being paid prior to Hurricane Katrina. He stated that the District will not be able to pay their portion of the debt.

Attorney Artigues explained that Mr. Tommy Cardin has requested another meeting with Ms. Trudy Fisher to discuss this plan.

Director Fillingame informed the Board that he has a meeting with Ms. Fisher to discuss the solution to the SRF loan, that the current repayment proposals aren't realistic for the entities.

The Board asked Executive Director Pitalo to compile an accounting of all the debt owed by each entity and present it at the next Board meeting.

Old Business

(1) Director Pitalo explained that excess dirt, rubble and debris have been placed around the north perimeter of the equalization lagoon. In discussion with management personnel of the Bay St. Louis Department of Public Works months ago, it was stated this material would be removed. This has not been accomplished.

- Executive Director Pitalo met with Mayor Fillingame and BSL Public Works Director and notified them of contractors to take to take most of the excess dirt. Executive Director was informed by public works director of their plans on clearing a wooded area on the east side of the power substation to use as a lay down yard for dirt, gravel, sand, etc. There is a concern for liability issues.
- Director Pitalo explained he had met with a contractor during the week of May 7, 2012 and the contractor would begin hauling debris the week of May 14, 2012. Director Pitalo and Board Attorney Artigues advised the board that the Old Spanish Trail entry to the Lagoon site is not to be used due to liability issues.
- Director Fillingame recommended that the locks on the gates to be changed and only key people from HCUA and the City of Bay St. Louis have keys.

Motion was made by Director Ladner to issue a letter to the City of Bay St. Louis requesting the removal of the dirt, rubble and debris for the lagoon site, Director Johnson seconded the motion; it was voted on and carried by majority vote, with Director Fillingame voting NO.

(2) Director Smith asked that if there are monies left to be used in Bayside Park after all the project are complete, that when the work starts, that it start in the front of Bayside and work to the back.

Executive Director Pitalo asked that the HCWSD issue a letter of request for the work as Director Smith explained to the board.

Mrs. Nancy Depreo of HCWSD informed the Board that by decision of the HCWSD Board, when Phase II of the Bayside Park Water project begins they prefer to connect all streets with the most houses on them, rather than their original request of the houses which are delinquent on their sewer bills.

03/14/2013 - *Ms. Depreo* of HCWSD asked that a correction be made to Item #2, explaining the above was the original motion by their Board, but was later changed to say "as funds are available for Phase II, when the work begins, they will connect the streets with the most houses as opposed to the "front to back" approach."

Executive Director Pitalo requested a list of the streets the HCWSD would like to begin the work with. Ms. Depreo explained that she had provided Digital Engineering with the list and they have already begun estimating cost per street.

Motion was made by Director Yarborough to approve the change as requested by Ms. Depreo, Director Fillingame seconded the motion; it was voted on and it carried with a majority vote, with Director Collard abstaining from the vote.
04/09/2013 – Motion was made by Director Yarborough to consider this item complete and remove it from the agenda, as it was approved as Bullet #1 under the Consent Agenda items at this meeting, Director Fillingame seconded the motion; it was voted on and it carried with a majority vote, with Director Collard abstaining from the vote.

(3) Discussion and developing a more accurate description of the area the City of Bay St. Louis is requesting to use as a lay down yard.
02/14/2013 - Director Fillingame pointed out for the record that there is not an actual transfer of ownership of the lagoon from the City of Bay St. Louis to Hancock County Utility Authority, but indefinite continuous use of the property for a one-time payment of $1.00. Also, he presented the Board with a diagram of the area the City of Bay St. Louis will be using as a lay down yard. Also, the area will be fenced and with maintain a green buffer for the benefit of residents in the area.
Motion was made by Director Yarborough to approve the parcel as described in the diagram presented to the Board for the lay down yard, Director Fillingame seconded the motion; it was voted on and it carried with a majority vote, with Director Collard and Director Pro Tempe Baxter abstaining from the vote.

03/14/2013 - Motion was made by Director Fillingame to remove *Item #3 Finalize transfer of ownership of Webb Street lagoon*, Director Yarborough seconded the motion; it was voted on and it carried by majority vote, with Director Collard abstaining from the vote.

Executive Session
Motion was made by Director Yarborough to consider entering into Executive Session for the purpose of discussing property acquisition and negotiation as well as legal issues, Director Lamy seconded the motion; it was voted on and it carried with a majority vote, with Director Collard abstaining from the vote.

Motion was made by Director Fillingame to enter into Executive Session for the purpose of discussion property acquisition and negotiation as well as legal issues, Director Yarborough seconded the motion; it was voted on and it carried with a majority vote, with Director Collard abstaining from the vote.

Motion was made by Director Fillingame to leave Executive Session with no action taken at 11:16AM, Director Stahler seconded the vote; it was voted on and carried with a majority vote, with Director Collard abstaining from the vote.

Butler Snow
During executive session Attorney Ronnie Artigues presented the Board with an opportunity to review, on a per parcel basis, a total of seven waiver valuations for Project S6-Kiln Wastewater Collection System, for the purpose of establishing a basis for making a fair market value offer pursuant to the waiver valuation procedure.

After leaving the executive session and a full discussion, a motion was made by Director Fillingame to authorize Attorney Ronnie Artigues to proceed with the fair market value offers, based on said information, in the amounts indicated in each file on the parcels shown on the ***attached one page(s)***, and to allow Attorneys Ronnie Artigues and Jack Pittman and Executive Director Pitalo to review, recommend and proceed with FMVOs as needed to avoid delays in the project, Director Lamy seconded the motion; it was voted on an it carried with a majority vote, with Director Collard abstaining from the vote.

Pittman Law Firm

During executive session Attorney Don Henton presented the Board with an opportunity to review, on a per parcel basis, a total of one appraisals/review appraisals(s) for Project W7-Eastern Hancock County Regional Water Supply, for the purpose of establishing a basis for making a fair market value offer.

After leaving the executive session and a full discussion, a motion was made by Director Fillingame to authorize Attorney Jack Pittman to proceed with the fair market value offers, based on said information, in the amounts indicated in each file on the parcels shown on the ***attached one page(s)*** and to allow Attorneys Ronnie Artigues and Jack Pittman and Executive Director Pitalo to review, recommend and proceed with FMVOs as needed to avoid delays in the project, Director Stahler seconded the motion; it was voted on an it carried with a majority vote, with Director Collard abstaining from the vote.

Adjourn or Recess

Motion was made by Director Yarborough to adjourn the meeting, Director Fillingame seconded the motion; it was voted on and carried with a majority vote with Director Collard abstaining from the vote.

HCUA Chairman/Vice Chairman

HCUA Executive Director