



HANCOCK COUNTY UTILITY AUTHORITY

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Monthly Board Meeting

February 09, 2010

The meeting was called to order by Director Pullman at 2:03 P.M.

Director Les Fillingame led the attendees in the Pledge of Allegiance and a moment of silent prayer.

Attendees:

Mr. Al Smith
Mr. Jack Cleveland
Mr. Rocky Pullman
Mayor Tommy Longo

Mr. Larry Ladner
Mr. Kevin Hill
Mayor Les Fillingame
Mr. Bryon Griffith – EPA Consultant

Approval of Minutes

Motion was made by Director Ladner to approve the minutes from the January 12, 2010 Monthly Board Meeting, Director Smith seconded the motion; it was voted on and it carried unanimously.

Approval of Claims Docket w/ Additions

Motion was made by Director Ladner to approve the January 2010 docket w/additions as presented to the Board, Director Pullman seconded the motion; it was voted on and it carried unanimously.

Request to Address the Board

None

Board Action Items

Request for Cash - \$4,707,810.87

Motion was made by Director Longo to approve the Request for Cash in the amount of \$4,707,810.87, Director Fillingame seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Smith to approve Contract Modification 2008-07/05(W7) to the Term Bid 2008-07 construction contract, including the corresponding revision to Work Order W7-02, in the additive amount of \$118,703.36, contingent on final approval of MDEQ and Board Attorney Artigues. This change provides the required fuel and material price adjustment for Work Order 2008-07/W7-02 for the Eastern Hancock County Regional Water System. Current Budget Modification No. 12 indicates that available construction contingency funds are sufficient for this change, Director Hill seconded the motion; it was voted on and it carried unanimously.

This item was tabled to a later date – No action taken - Motion to rescind the approval to the City of Waveland and Pearlington Water & Sewer District to match the Corps 592 projects.

Motion was made by Director Hill to approve and spread on the minutes the Substantial Completion Certificate for Work Order No. 1 for the S7 Bay St. Louis Wastewater Improvements project, Term Bid 2008-03, as of 01-27-10. This begins the one-year warranty period for the section of the force main south of US Hwy 90, Director Longo seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Ladner to accept the \$800.00 bid from Lazy Magnolia Brewing Company, LLC to purchase four 2,500 gallon fiberglass tanks, which were deemed to be surplus from previous meeting, Director Smith seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Ladner to approve the submitted list of subcontractors to be used by for P.F. Moon for construction of the S5 Northern Regional Wastewater Treatment Facility, Director Smith seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Hill to approve the Contract Modification S3-07 to the S3 (Pearlington Wastewater Treatment Facility) construction contract in the additive amount of \$170,563.00, contingent on final approval of MDEQ and Board Attorney Artigues. This change adds a post-aeration system (\$143,338.00), required to meet the plant permit discharge limits, and incorporates other minor changes. The current budget modification #7 indicates that S3 project contingency funds are sufficient to fund this change. This change also extends the contract time due to weather and other excusable delays, establishing a new overall project completion date of July 2, 2010, Director Longo seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Cleveland to approve the list of CIAP projects as presented, and to authorize Executive Director Pitalo to meet with the Hancock County Board of Supervisors to request their cooperation with informing the Authority of any future developments that would affect the treatment plants, Director Smith seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Hill to approve the Contract Modification 2008-04/02(S4) to the Term Bid 2008-04 construction contract for no change in contract price, contingent on final approval of MDEQ and Board Attorney Artigues. This change is necessary to separate the non-CDBG-eligible sewer connection items from the CDBG-eligible items for the Pearlington sewer system. No additional funding is required for this change, Director Smith seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Cleveland to approve the Contract Modification 2009-10/03(W5) to the Term Bid 2009-10 (North Kiln Regional Water Main) construction contract in the deductive amount of \$30,051.00, contingent on final approval of MDEQ and Board Attorney Artigues. This change reconciles final bid item quantities as actually constructed for the system. No additional funding is required for this change, Director Ladner seconded the motion; it was voted on and it carried unanimously.

After discussion during Executive Session - Motion was made by Director Longo to approve Amendment No. 5 to the S4 (Pearlington Sewer Collection System) Engineering Agreement with Compton Engineers in the additive amount of \$270,000.00, contingent on final approval of MDEQ and Board Attorney Artigues. This change increases the not-to-exceed limit for Resident Project Representative Services, billed on an hourly basis as costs are incurred. Compton Engineering is experiencing a substantial overrun in their construction inspection costs for this project as explained in more detail in the February 5 letter sent with this amendment. The current budget modification #7 indicates that S4 project contingency funds are sufficient to fund this change, Director Hill seconded the motion; it was voted on and it carried unanimously.

Let the record show that Director Jack Cleveland abstained from the vote.

Discussion Prior to Executive Session:

Director Cleveland expressed concern that the Engineering firm was not utilizing the inspection team efficiently and this was causing an overrun and possibly inadequate inspections.

Mr. Bill Powell explained the overruns are mainly caused by the accelerated construction schedules, that in "normal" situations the inspections are done in phases, usually in the order of low need to high need and back to low need as construction progresses, in our situation, the schedule is so rushed, the need for inspections are greater, he also assured the Board that the inspections that are being completed are to code. Also, he explained that the delays in the land acquisition process is causing the project to take longer than anticipated, which will cause the inspections to slow and take longer.

Mr. Nick Mignone of Compton explained, that in the beginning of the project, there were a total of four inspectors, now there are only two, and as construction goes on, there will probably be a need for an additional inspector for a total of three.

Motion was made by Director Ladner to spread on the minutes the memo from Board of Health allowing water to be sold on wholesale basis to Kiln Water and Fire Protection District (North Kiln Tank W5), at the agreed rate of \$.70 per 1000 gallons, Director Hill seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Ladner to approve the Pay Application #2 from The Creel Company, for the Dewatering System at the WWTP, in the amount of \$122,963.25 and approval to authorize Executive Director Pitalo to request a third advance from the MS Development Bank loan in the amount of \$351,000.00, bringing the total of the loan including this request to \$851,000.00, Director Fillingame seconded the motion; it was voted on and it carried unanimously.

Executive Director

Decision of ownership on the well and tank in Pearlington –

Motion was made by Director Cleveland for the Hancock County Utility Authority to retain ownership of all the new wells and water towers, and the two new treatment plants will belong to the Hancock County Utility Authority, Director Longo seconded the motion; it was voted on with the vote results as follows:

Director Jack Cleveland – Yes

Director Al Smith – Yes

Director Larry Ladner – Yes

Director Tommy Longo - Yes

Director Les Fillingame - Yes

Director Kevin Hill - Yes

Director Rocky Pullman - Yes

Discussion: Director Hill said he understood that if a well/tank was not considered a regional project that it would become the property of the district in which it was located. As he feels that each district should own the water wells and tanks in their individual district.

Executive Director Pitalo explained that according to MDEQ that the Authority had the option of turning over ownership of such sites to a particular district, but wasn't obligated by law to do so.

Director Cleveland stated that he feels all water systems should be operated under the ownership of the Authority and not the individual districts. He feels the water systems should be operated as an income to the Authority.

Director Smith explained that the HCWSD board feels it is a win-win situation for the Authority to own, operate, and maintain the wells and tanks and for them to buy and sell the water.

Director Pullman expressed concern that if Pearlington took ownership of the well and there should be some type of repairs required that the PWSD would not have the funds to do the required repairs. He also wanted the Board to consider the Authority to take ownership of the HCWSD existing well and tank.

Executive Director Pitalo requested the Board to consider scheduling a work shop to discuss the original wastewater treatment service agreements and possibly amending revamping them, and the current billing formula including debt service vs. billing using actual flow numbers.

A tentative date of February 23, 2010 @ 2:00 p.m. was set.

2008 Annual Financial Audit

Motion was made by Director Fillingame to accept the 2008 Annual Financial Audit as presented for filing purposes and to spread on the minutes, Director Ladner seconded the motion; it was voted on and carried unanimously.

Priority of projects to be completed – discussion – Information only – No Action Taken

New Business

Director Hill inquired if someone had completed a low/mod survey, and they amend their answers, Attorney Artigues agreed that amendments were allowed, but they would have to directly contact Attorney Artigues or Attorney Jim Farrell to make any changes.

Executive Session

Butler Snow – Project S6 Waiver Valuations and Appraisals

Pittman Howdeshell & Hinton – Project #W7 Waiver Valuations and Appraisals

Discussion with G & C and their attorneys

Motion was made by Director Ladner to consider going into executive session to discuss land acquisition and personnel issues, Director Smith seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Cleveland to go into executive session at 2:30 p.m., to discuss land acquisition and personnel issues, Director Smith seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Pullman to leave executive session at 3:40 p.m., with no action taken, Director Longo seconded the motion; it was voted on and it carried unanimously.

(Pittman, Howdeshell & Hinton)

During executive session Attorney Jack Pittman gave the Board the opportunity to review, on a per parcel basis, a total of two waiver valuations for Project W7 – Eastern Hancock County Regional Water Supply for the purpose of establishing a basis for making a fair market value offer pursuant to the waiver valuation procedure.

After a full discussion, a motion was made by Director Longo 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 two pages**, and to allow Attorneys Ronnie Artigues and Jack Pittman and Executive Director David Pitalo to review, recommend and proceed with FMVOs as needed to avoid delays in the project, Director Fillingame seconded the motion; it was voted on and it carried unanimously.

(Butler Snow)

Attorney Ronnie Artigues presented to the Board a total of fifty parcels for Project S6 that may be subject to possible litigation because of inability to contact and other reasons, and asked the Board to approve the list for purposes of filing litigation and/of Orders of Condemnation, see **attached three pages**, motion was made by Director Pullman to authorize Attorney Artigues to move forward with the litigation process, Director Smith seconded the motion; it was voted on and it carried unanimously.

Let the record show that Director Larry Ladner voted NO on parcels CE5253, CE5257, CE5261, CE5322 and CE5325 and YES on all others.

Also, Attorney Artigues gave the Board the opportunity to review, on a per parcel basis, a total of one appraisal/review appraisal for Project S7 – BSL Cedar Point and I10 Wastewater System Improvement and a total of nine 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 a full discussion, a motion was made by Director Pullman to authorize Attorney 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 – Project S7 and attached two pages – Project S6**, and to allow Attorneys Ronnie Artigues and Jack Pittman and Executive Director David Pitalo to review, recommend and proceed with FMVOs as needed to avoid delays in the project, Director Smith seconded the motion; it was voted on and it carried unanimously.

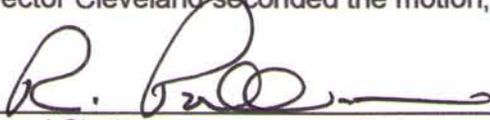
Also, Attorney Artigues presented to the Board an appraisal for Project S5 that may be subject to litigation because of inability to contact and other reasons, and asked the Board to approve the appraisal for purposes of filing litigation and for an Order of Condemnation, see **attached one page**, motion was made by Director Fillingame to authorize Attorney Artigues to move forward with the litigation process, Director Smith seconded the motion; it was voted on and it carried unanimously.

Old Business

New Business

Adjourn or Recess

Motion was made by Director Fillingame to recess the meeting until 2:00 p.m. February 23, 2010, Director Cleveland seconded the motion; it was voted on and it carried unanimously.



HCUA Board Chairman



HCUA Executive Director