

HANCOCK COUNTY UTILITY AUTHORITY

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Monthly Board Meeting Minutes

April 13, 2010

The meeting was called to order by Director Rocky Pullman at 2:00 P.M.

Attendees:

Mr. Al Smith

Mr. Larry Ladner

Mr. Jack Cleveland

Mr. Kevin Hill

Mr. Rocky Pullman

Mayor Les Fillingame

Mayor Tommy Longo

Pledge of Allegiance and silent Prayer – Lead by Director Longo

Approval of Minutes

Motion was made by Director Ladner to approve the minutes from the March 18, 2010 Recess Board Meeting, Director Hill seconded the motion; it was voted on and it carried unanimously.

Approval of Claims Docket w/Additions

Motion was made by Director Fillingame to approve the March 2010 Docket w/additions as presented to the Board, Director Hill seconded the motion; it was voted on and it carried unanimously.

Request to Address the Board

Mrs. Betty Baxter – Pearlinton Water and Sewer District

Mrs. Baxter informed the Board that the PWSD is not eligible for any grant funds under the RUS program for the second well, due to the stipulation that government grants can not exceed the 75% grant value and the Corps grant is 75%.

Executive Director Pitalo had suggested to Mrs. Baxter to explore ways in which to reduce the over all cost of the well, perhaps by building a smaller well, as the well is intended to supplement the primary well, and may be used as a backup in case of emergency.

Mr. Bill Mitchell suggested that a 400gpm well could serve successfully as a backup and recommended that the PWSD approach the Corps with the suggestion.

Director Pullman inquired of the one million dollars, seven hundred fifty thousand from the Corps and two hundred fifty thousand from the CDBG funds, what size well could be constructed. Mr. Mitchell agreed to discuss with Compton Engineers what size well can be constructed for one million dollars.

Board Action Items

Motion was made by Director Fillingame to approve the Request for Cash in the amount of \$4,018,017.11 as presented to the Board, Director Longo seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Ladner to send a letter to Senator Roger Wicker concerning forgiveness of SRF loans, Director Smith seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Cleveland to approve the implementation of a "Request for Disclosure of Public Records" procedure and charges to be:

Photocopying: 25 cents per page (\$1.00 minimum per search)

Recording on Disk or CD: \$15.00 per disk

Searching & Reviewing: \$12 per hour for clerical assistance

Postage: Actual cost of postage shall be assessed for all records mailed

Director Ladner seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Ladner to approve Amendment No. 7 to the engineering agreement with Neel-Schaffer Engineers for Project W7 in the additive amount of \$11,400.00, contingent on approval of Board Attorney Artigues and MDEQ. These services are needed to provide surveys for the acquisition of eleven (11) easements for the W7 pipeline work, Director Hill seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Hill to approve the Ratification of corrected Amendment No. 5 to the engineering agreement with Compton/Digital Engineers for Project W9 in the amount of \$10,750.00, contingent on approval of Board Attorney Artigues and MDEQ. This amendment was originally approved by the Board on 11-17-09 for the identical amount of \$10,750.00. Required changes to the contractual format of the amendment indicate that ratification

by the Board would be prudent. The current budget modification indicates that funds are available for this change, Director Fillingame seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Hill to approve the by P. F. Moon and Company, Inc., to utilize the subcontractor services of:

- All American Floors – Gulfport, MS

Director Ladner seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Hill to approve the request by The Creel Company, Inc., to utilize the subcontractor's services of the attached list consisting of nineteen total subcontractors, Director Fillingame seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Hill to approve the request by Hemphill Construction Company to utilize the subcontractor services of the following for project HANCUA 2008-03, S7 & W8:

- W8 - Alabama Hot Mix – Somerdale, AL
- S7 - Ivy Testing Service, Inc. – Morton, MS
- S7- Warren Paving, Inc. – Gulfport, MS
- W8 - W. R. Mitchell Contractors, Inc. – Eight Mile, AL
- W8 - John's Trucking, Inc. – Cedar Hill, TN

Director Pullman seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Longo to approve the purchase of mitigation credits, from Wetlands Solutions Mitigation Bank, for the Crump Road well and tank site in the amounts of 2.58 acres at a total cost of \$28,380.00. No other banks at this time have credits, Director Ladner seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Longo to approve the purchase of mitigation credits, from Wetland Solutions Mitigation Bank, for the Harbour Drive well and tank site in the amounts of 3.0 acres at a total cost of \$33,000.00. No other mitigation banks servicing this area have adequate credits, Director Smith seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Ladner to approve the signing of the four following gasline crossing for the following sites:

- Tri-States Gasline Crossing Agreement for Camelia Street, contingent on approval of Board Attorney Artigues.
- Tri-States Gasline Crossing Agreement for Bobinger Road, contingent on approval of Board Attorney Artigues.
- Tri-States Gasline Crossing Agreement for SR 603 near Cuevas, contingent on approval of Board Attorney Artigues.
- Tri-States Gasline Crossing Agreement for Joe Moran Road, contingent on approval of Board Attorney Artigues.

Each agreement contains a potential not-to-exceed cost of \$500.00. The current budget modification indicates that funds are available for these agreements, if necessary.

Director Smith seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Ladner to approve the Substantial Completion Certificate for Work Order 2008-02/W6-01 for the Kiln Water Distribution System, as of 02-10-10. This begins the one-year warranty period for this project, Director Fillingame seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Fillingame to approve Amendment 2 to the consultant agreement with Krebs-LaSalle-Lemieux in the additive amount of \$29,000.00, contingent on approval of Board Attorney Artigues and MDEQ. The current budget amendment indicates that contingency funds are sufficient for this change, Director Hill seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Hill to approve Amendment No.2 to the engineering agreement with Compton/Digital Engineers for Project W4 in the additive amount of \$321,365.00, contingent on approval of Board Attorney Artigues and MDEQ. This amendment provides for construction administration and resident project representative services beyond the time originally estimated for this project. The current budget modification indicates that funds are available for this change, Director Longo seconded the motion; it was voted on and it carried unanimously.

Discussion: Director Fillingame inquired as to why the amount was so high. Mr. Bruce Newton of Digital Engineering explained that the construction time could well be one and a half years longer than originally anticipated, and that the

amount would be invoiced at an hourly rate rather than lump sum, so if the project finishes earlier, then the cost would be reduced.

Motion was made by Director Ladner to approve the following nine amendment changes as presented to the Board:

- Engineering Amendment No. 3 to the construction management agreement with Brown & Mitchell, Inc. for Project S3 in the additive amount of \$4,330.00 to provide GPS AS-BUILTS of facilities to be maintained by the Utility Authority, contingent on approval of Board Attorney Artigues and MDEQ. The current budget modification indicates that funds are available for this change.
- Approval of Engineering Amendment No. 3 to the construction management agreement with Brown & Mitchell, Inc. for Project S4 in the additive amount of \$8,030.00 to provide GPS AS-BUILTS of facilities to be maintained by the Utility Authority, contingent on approval of Board Attorney Artigues and MDEQ. The current budget modification indicates that funds are available for this change.
- Approval of Engineering Amendment No. 3 to the construction management agreement with Brown & Mitchell, Inc. for Project S5 in the additive amount of \$8,202.00 to provide GPS AS-BUILTS of facilities to be maintained by the Utility Authority, contingent on approval of Board Attorney Artigues and MDEQ. The current budget modification indicates that funds are available for this change.
- Approval of Engineering Amendment No. 3 to the construction management agreement with Brown & Mitchell, Inc. for Project S6 in the additive amount of \$12,623.00 to provide GPS AS-BUILTS of facilities to be maintained by the Utility Authority, contingent on approval of Board Attorney Artigues and MDEQ. The current budget modification indicates that funds are available for this change.
- Engineering Amendment No. 3 to the construction management agreement with Brown & Mitchell, Inc. for Project W3 in the additive amount of \$6,700.00 to provide GPS AS-BUILTS of facilities to be maintained by the Utility Authority, contingent on approval of Board Attorney Artigues and MDEQ. The current budget modification indicates that funds are available for this change.
- Approval of Engineering Amendment No. 3 to the construction management agreement with Brown & Mitchell, Inc. for Project W5 in the additive amount of \$8,058.00 to provide GPS AS-BUILTS of facilities to be maintained by the Utility Authority, contingent on approval of Board

Attorney Artigues and MDEQ. The current budget modification indicates that funds are available for this change.

- Approval of Engineering Amendment No. 3 to the construction management agreement with Brown & Mitchell, Inc. for Project W5E in the additive amount of \$8,058.00 to provide GPS AS-BUILTS of facilities to be maintained by the Utility Authority, contingent on approval of Board Attorney Artigues and MDEQ. The current budget modification indicates that funds are available for this change.
- Approval of Engineering Amendment No. 3 to the construction management agreement with Brown & Mitchell, Inc. for Project W6 in the additive amount of \$6,322.00 to provide GPS AS-BUILTS of facilities to be maintained by the Utility Authority, contingent on approval of Board Attorney Artigues and MDEQ. The current budget modification indicates that funds are available for this change.
- Approval of Engineering Amendment No. 3 to the construction management agreement with Brown & Mitchell, Inc. for Project W7 in the additive amount of \$31,424.00 to provide GPS AS-BUILTS of facilities to be maintained by the Utility Authority, contingent on approval of Board Attorney Artigues and MDEQ. The current budget modification indicates that funds are available for this change.

Director Cleveland seconded the motion; it was voted on and it carried unanimously.

Discussion: Director Cleveland suggested that all the information be entered and maintained in a GIS data base. Mr. Mitchell agreed that it would be a good idea to do this, and he will contact NVision to discuss the possibilities.

Motion was made by Director Cleveland to approve Engineering Amendment No. 4 to the construction management agreement with Brown & Mitchell, Inc. for Project S3 in the additive amount of \$40,485.00, contingent on approval of Board Attorney Artigues and MDEQ. This amendment provides for construction management services beyond the time originally estimated for this project. The current budget modification indicates that funds are available for this change, Director Hill seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Cleveland to approve Engineering Amendment No. 4 to the construction management agreement with Brown & Mitchell, Inc. for Project W3 in the additive amount of \$10,000.00, contingent on approval of Board Attorney Artigues and MDEQ. This amendment provides for

construction management services beyond the time originally estimated for this project. The current budget modification indicates that funds are available for this change, Director Hill seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Ladner to approve the **decrease** of the not-to-exceed amount in the letter agreement between Brown & Mitchell, Inc and the Hancock County Utility Authority to investigate the facilities at the Stennis Tech Park from \$20,000.00 as approved on March 18, 2010 to current amount of \$8,000.00, contingent on Approval of Board Attorney Artigues, Director Smith seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Cleveland to revise date on minutes from the October 2009 Monthly Board Meeting, date originally stated on minutes was October 17, 2009, but should have been October 16, 2009, all else remains as previously stated on the minutes, Director Longo seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Fillingame to approve the Ratification and the results of telephone poll reinstating the previously deleted "test well" bid item for the McLaurin Street well, on the recommendation of the MSEG consultant, at the bid price of \$35,000.00. Contingency funds for the W7 project are available for this change. This was originally in the bid, but deleted because it was thought it would not be necessary, Director Smith seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Smith to approve Contract Modification No. 2008-09/02(W7) to the Term Bid 2008-09 construction contract with Layne Central in the additive amount of \$106,600.00, contingent on approval of Board Attorney Artigues and MDEQ. This modification provides for additional well depth at the McLaurin Street well to obtain a viable water supply, reinstatement of test wells previously deleted for the W7 sites, deletion of the epoxy coating on the well casing, and other necessary changes. The current budget modification indicates that funds are available for this change, Director Hill seconded the motion; it was voted on and it carried unanimously.

This item was tabled until a letter could be sent to MDEQ/MSEG to get a clearer interpretation of the Construction Change Order Policy Approval to send response letter to MDEQ concerning MDEQ construction Change Order Policy

Discussion Item

This item was tabled until clarification of the Construction Change Order Policy is received from MDEQ/MSEG Approval of Contract Modification No. 2008-07/06(W7) to the Term Bid 2008-07 construction contract with Necaise Brothers Construction in the additive amount of \$904,549.00, contingent on approval of Board Attorney Artigues and MDEQ. This modification provides for necessary asphalt and concrete driveway restoration, including storm drainage restoration, and additional restrained-joint piping and air release valves not included in the conceptual design plans. The current budget modification indicates that funds are available for this change.

No Action On this Item – Information Only – Possible discussion at the next meeting - Water and sewer facilities proposed to be maintained by the Hancock County Utility Authority (maps and handouts). This information is being presented for further review by each entity, and possible adoption in May or June meeting.

Executive Director

Motion was made by Director Hill to authorize the hiring of an independent insurance consultant to perform reviews and recommendations for all the insurance policies currently held by the Authority, and allow the Authority to use the same company that the Hancock County Board of Supervisors has used for the same purpose, and the cost should not exceed \$5,000.00, Director Fillingame seconded the motion; it was voted on and it carried by a majority vote, with Director Cleveland abstaining from the vote.

No Action Required – Reminder to the Board - Recess Board Meeting April 29, 2010, 2:00 p.m.; all board members should have their Comptroller/Financial person attend the meeting. This meeting is for a discussion on the questions that will be sent to each entity for information necessary to complete a thorough study on consolidation.

No Action Required - Project Updates (PowerPoint Presentation) – Kevin Mullen presented the Board with a PowerPoint presentation as to the progress of all the projects.

No Action Required – Information Only - Removal of excess funds from project budgets – letter from Governor Barbour

Discussion: Director Hill inquired if a situation arises that a project falls short of funds after the Governor has removed funds – what would happen? Executive Director Pitalo explained that it was his understanding the retrieved funds would be put in a standby account and should a project fall short, requests could be submitted and would be funded from that fund.

Not on the Agenda – Mr. Bill Mitchell of Brown and Mitchell, Inc., made the Board aware that he nor Brown and Mitchell, Inc. has any type connection with the subcontractor "W. R. Mitchell Contractors, Inc." which was approved in list of subcontractors for Hemphill Construction Company.

Motion was made by Director Ladner to spread this information on the minutes, Director Hill seconded the motion; it was voted on and it carried unanimously.

New Business

None

Old Business

None

Executive Session

Motion was made by Director Cleveland to consider going into Executive Session to discuss land acquisition issues and legal issues concerning Project W7, Director Longo seconded the motion; it was voted on and it carried unanimously.

Motion was made Director Cleveland to enter into Executive Session to discuss land acquisition issues and legal issues concerning Project W7, Director Smith seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Cleveland to leave Executive Session with no action taken, Director Smith seconded the motion; it was voted on and it carried unanimously.

(Pittman, Howdeshell & Hinton)

During executive session, Attorney Jack Pittman presented the Board an opportunity to review, on a per parcel basis, a total of eighteen waiver valuations for Project S4 – Pearlington 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 Fillingame to authorize David Pitalo and 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 David Pitalo to review, recommend and proceed with FMVOs as needed to avoid delays in the project, Director Longo seconded the motion; it was voted on and it carried by majority vote, with Director Cleveland abstaining from the vote. Let the record show that Director Rocky Pullman voted NO on parcel S4-CE361 and YES on all others, also that Director Kevin Hill voted NO on parcels S4-CE159 and CE419 and YES on all others.

Also, Attorney Jack Pittman informed the Board of correction on Project S4, Parcel CE392, it was presented and approved at \$.60 per sq. ft., but in fact the amount should have been \$.40 per sq. ft., Motion was made by Director Pullman to approve the correction and authorize Attorney Pittman to proceed with the offer, Director Longo seconded the motion; it was voted on and it carried unanimously.

And, Attorney Pittman asked the Board to authorize the withdrawal all offers and send letters of withdrawal notification for Project S4 Hwy 604 to the property owners who have not responded.

Motion was made by Director Ladner to approve the withdrawal of the offers as requested and authorize Attorney Pittman to make the necessary contacts, Director Hill seconded the motion; it was voted on and it carried by majority vote, with Director Jack Cleveland abstaining from the vote.

(Butler Snow)

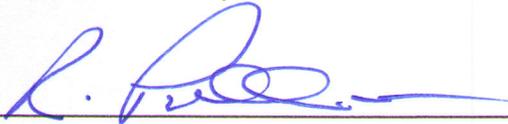
During executive session, Attorney Artigues presented the Board with an opportunity to review, on a per parcel basis, a total of twenty-six waiver valuations for Project S6 – Kiln Wastewater Collection System for the purpose of establishing a basis for making a fair market value offer pursuant to the waiver valuation procedure and 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 I-10 Water System Improvements for the purpose of establishing a basis for making a fair market value offer pursuant to the waiver valuation procedure.

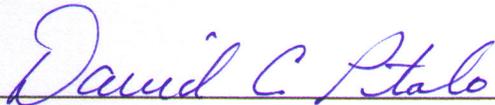
After a full discussion, a motion was made by Director Hill to authorize Attorney Ronnie Artigues to proceed with the fair market value offers, based on said information, in the amounts indicated in each file on the parcels shown on the **attached four page(s)**, and to allow Attorneys Ronnie Artigues 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. Let the record show that Director Larry Ladner voted NO on parcel S6-CE5245 and CE5327 and YES on all others.

Adjourn or Recess

Motion was made by Director Smith to recess the meeting, until April 29, 2010 @ 2:00 p.m., Director Cleveland seconded the motion; it was voted on and it carried unanimously.



HCUA Board Chairman



HCUA Executive Director