HANCOCK COUNTY UTILITY AUTHORITY

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Monthly Board Meeting
June 8, 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

Pledge of Allegiance and silent Prayer – Lead by Director Kevin Hill

Motion was made by Director Ladner to show on the record that Director Tommy Longo was absent, Director Fillingame seconded the motion; it was voted on and it carried unanimously.

Approval of Minutes
Motion was made by Director Hill to approve the minutes from the May 26, Special Board Meeting, Director Ladner 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 May 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
None

Board Action Items
Motion was made by Director Fillingame to approve the Request for Cash in the amount of $3,635,194.70 as presented to the Board, Director Hill seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Ladner to award Repair and Replacement Unit Price Project-2010, for a one year period, to Necaise Brothers Construction, bid amount $1,292,129.70, Director Fillingame seconded the motion; it was voted on and it carried unanimously.

Discussion: Director Ladner requested an explanation of this item; Executive Director Pitalo explained that the contractor will be used on an as needed basis if the infrastructure needs repairs and that the bid was bid by line items, such as the cost to repair/replace a fire extinguisher, or repair piping, etc., and cost would be incurred only if repairs are needed.
Director Pullman stated a concern about a subcontractor working for Necaise Brothers Construction; the subcontractor appears to be unconcerned about the repairs that are required to a property in the Pearlington area. He requested that the complaint be followed up on.

Motion was made by Director Ladner to approve the Substantial Completion Certificate for contract W5E-B, Kiln Regional Elevated Water Tank, as of 04-23-10. This begins the one-year warranty period for this project, Director Pullman seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Hill to approve the request by Griner Drilling Service, Inc. to utilize for Project W3, the subcontractor services of:

- Rich Contracting, LLC – Citronelle, AL

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

Motion was made by Director Hill to approve the request by Necaise Brothers Construction, Inc., to utilize for Project S4, the subcontractor services of:

- H.A.S. Electric, Inc. – Long Beach, MS

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

Motion was made by Director Hill to approve Contract Modification 2008-04/03(S4) to the Term Bid 2008-04 construction contract with Hudson Contracting, in the additive amount of $359,413.00, contingent on final approval of MDEQ and Board Attorney Artigues, and the appropriate budget amendment. This change addresses differing site conditions encountered for the installation of the STEP systems in Pearlington. The change order amount of $359,413.00 represents an increase of 4.97% to the original contract amount of $7,236,350.00, Director Fillingame seconded the motion; it was voted on and it carried unanimously.
Discussion: Director Hill inquired if the $359,413.00 would cover the balance of the STEP tank installation for the entire project, Executive Director Pitalo explained that the amount probably would not cover the entire project, that this amount covers what we know is out there, but Director Pullman explained that he knows of several homes that will be built in the next several months, and that the "Buy Out Program" homes will have to be taken into consideration, so there will probably be other change orders.

Motion was made by Director Fillingame to approve Contract Modification 2008-03/13(S7) to the Term Bid 2008-03 construction contract with Hemphill Construction, in the additive amount of $41,874.51, contingent on final approval of MDEQ and Board Attorney Artigues. This change provides for the required fuel and material adjustment

for Work Order #2. The current budget modification No. 13 indicates that funds are available for this change, Director Ladner seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Fillingame to approve Contract Modification 2008-01/14(S4) to the Term Bid 2008-01 construction contract with Necaise brothers, in the additive amount of $527,452.94, contingent on final approval of MDEQ and Board Attorney Artigues, and the appropriate budget amendment. This change addresses overruns in several restoration items and directional boring quantities, adds odor control for the sewage lift station and provides for pipe bollard protection for the air release valves located in the US Hwy 90 right-of-way. The change order amount of $527,452.94 represents an increase of 4.83% to the current contract amount of $10,929,515.34. All of these changes represent adds from, or deducts to, existing contract bid items, except for the 3 items changing the pump station and adding the pipe bollards. The total value of the 3 new bid items is $14,513.00, Director Hill seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Fillingame to approve Contract Modification 2008-02/09(W6) to the Term Bid 2008-02 construction contract with Jay Bearden/G&C Construction, in the deductive amount of $93,627.75, contingent on final approval of MDEQ and Board Attorney Artigues. This change reduces quantities of contract bid items found not to be required for Work Orders 1 and 2 under the Kiln Water Distribution System project, Director Ladner seconded the motion; it was voted on and it carried unanimously.

Executive Director

PERS increases effective July 1, 2010 – Motion was made by Director Hill to spread on the minutes that the employee portion of PERS will increase from 7.25% to 9.0% effective July 1, 2010, Director Fillingame seconded the motion; it was voted on and it carried unanimously.

Letter from Brown and Mitchell, Inc., concerning the 16-Inch Water Main – Lower Bay Road - information only – no action required

Discussion on billing changes for entities - Executive Director Pitalo explained to the Board that the City of Waveland has requested an additional year before implementing the new billing changes, due to budget issues.
Discussion: Director Cleveland asked if the Board could authorize the change on a majority vote, Attorney Artigues explained that it would involve contract amendments and those can't be done unilaterally without a unanimous vote, but that the Board could send a letter to the City of Waveland explaining that the Board feels the change should begin October 1, 2010, as initially agreed upon.

Director Pullman recommended that all the Board members should select a replacement representative to attend the meetings in the event that they are unable to attend and that the representative should have complete voting authority.

Motion was made by Director Pullman to authorize Attorney Artigues to issue the letter on the Board's behalf requesting all the entities represented on the Board to select a replacement representative, with complete voting authority, to attend the meeting in the event that a particular Board member is unable to attend the meeting, Director Smith seconded the motion; it was voted with a roll call vote and the results are as follows:

- Rocky Pullman - YEA
- Larry Ladner - YEA
- Kevin Hill - YEA

Jack Cleveland - YEA
Al Smith - YEA
Less Fillingame - YEA

The motion carried by majority vote.
Discussion: *Director Ladner* asked that the record show that the Kiln Water and Fire Protection District has a similar policy in place.

Not on the Agenda – Executive Director Pitalo reminded the Board that the advertisement for the SCADA project will be going out this month and open the bids on July 21, 2010.

Discussion: Director Pullman inquired if the Western Regional Wastewater Treatment plant was back under construction. Executive Director Pitalo explained that the project was in fact back under construction, Director Pullman also asked if there were any liquidated damages that we should be concerned about, Attorney Artigues explained that no demands have been made, but that we would pursue them when and if they arise.

New Business

Executive Session
Motion was made by Director Lander to consider going into Executive Session to discuss land acquisition issues and legal issues concerning Projects S4, Director Smith seconded the motion; it was voted on and it carried unanimously.

Motion was made Director Fillingame to enter into Executive Session to discuss land acquisition issues and legal issues concerning Projects S4, Director Ladner seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Ladner to leave Executive Session with no action taken at 3:12pm, Director Cleveland seconded the motion; it was voted on and it carried unanimously.

Let the record show the Director Fillingame had to leave the meeting during Executive Session due to a prior commitment.

(Pittman, Howdeshell & Hinton)
During executive session, Attorney Jack Pittman presented the Board an opportunity to review, on a per parcel basis, a total of seven 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 Ladner 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 Hill seconded the motion; it was voted on an it carried by majority vote, *with Director Cleveland abstaining from the vote.*

Motion was made by Director Ladner to authorize Mr. Steve Pittman of Government Consultants and Mr. Lucien Bourgeois of Butler Snow, to go forward with financial possibilities to combine the Katrina Relief loan and the MS Bank Pool loan, Director Smith seconded the motion; it was voted on and it carried by a majority vote, *with Director Cleveland abstaining from the vote.*

Old Business

Adjourn or Recess
Motion was made by Director Cleveland to recess the meeting, Director Smith seconded the motion; it was voted on and it carried unanimously.

Jack Cleveland
HCUA Board Chairman/Vice Chairman

David C Pitalo
HCUA Executive Director