



# HANCOCK COUNTY UTILITY AUTHORITY

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## Monthly Board Meeting

March 10, 2011

The meeting was called to order by Chairman Les Fillingame at 2:00 P.M.

### **Pledge of Allegiance and Silent Prayer – Lead by Director Stahler**

Attendees:

Mr. Al Smith

Mr. Rocky Pullman

Ms. Lillian Stahler

Mr. Bill Johnson

Mayor Les Fillingame

Kevin Hill

*Let the record show that Director Cleveland was unable to attend the meeting, due to conflicting meeting schedules between the HCUA and Diamondhead Water & Sewer District Board meetings.*

### **Request to Address the Board**

Mr. Cameron Kershaw with Stribling Equipment wanted to introduce himself and his company to the Board.

### **Board Action Items**

Motion was made by Director Stahler to approve the Consent Agenda, as presented to each Board member via email on Monday March 7, 2011 with a total of fifteen items, Director Pullman seconded the motion; it was voted on and it carried unanimously

- Minutes from Monthly Board Meeting February 8, 2011
- February 2011 Docket w/Additions – Total Docket \$164,752.04
- Approval of Request for Cash – CDBG projects in the amount of \$2,420,328.26
- Approval the following CDBG Budget Modifications:
  - a. HANCUA-02 Budget Modification #22
  - b. HANCUA-03 Budget Modification #17
- Ratify minutes of January 11, 2011 Board meeting – the minutes indicated that Director Pullman was in attendance, but he was unable to attend the meeting.
- Ratify minutes of December 11, 2010 to clarify the Attorney General's opinion concerning the extension of CDBG construction projects.
- Approval of the replacement of previously approved Contract Modification 2008-04/09(W4), approved at the 12-14-10 Board meeting, with revised Contract Modification 2008-04/09R(W4) to the Term Bid 2008-04 contract with Hudson Contracting, contingent on final approval of MDEQ and Board

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Attorney Artigues. The additive amount to the contract of \$8,144.45 is the same in both modifications. The revised modification contains additional explanation of the changes to the contract documents, as requested by MDEQ. Existing contingency funds are sufficient for this modification.

- Award of Construction Contract Term Bid HANCUA 2011-13, W7 Phase 2 and W8 Phase 2, to S.H. Anthony, Inc. for the low bid amount of \$1,605,285.56, in accordance with the recommendations of the Brown and Mitchell letter dated 02-22-11, and contingent on final approval of MDEQ and Board Attorney Artigues.
- Approval of Amendment No. 8 to the engineering agreement with Carollo Engineers for project S5, in the additive not-to-exceed amount of \$35,360.00 for additional geotechnical investigation at the secondary clarifiers and additional surveying services in support of the acquisition of the Stennis Tech Park pump station and force main, contingent on final approval of Board Attorney Artigues and MDEQ. The current budget modification indicates that there are sufficient S5 contingency funds for this amendment.
- Approval to authorize Caldwell Tanks to utilize the subcontractor services of the following for Project 2008-08 W7 McLaurin:
  - Caton Central Painting – Harrodsburg, KY
- Approval of Contract Mod 2008-07/12 (W7) to the Term Bid 2008-07 with Necaise Bros. Construction, in the additive amount of \$717,812.49, contingent on final approval of Board Attorney Artigues and MDEQ. This change order adds back in to the Term Bid contract quantities needed to construct the Harbor Drive and McLaurin Street 16-inch connector lines as well as rectifies quantity overruns on the existing work orders. The current budget modification indicates that there are sufficient W7 construction funds for this change order.
- Approval of Contract Mod 2008-07/13 (W7) to the Term Bid 2008-07 with Necaise Bros. Construction, in the additive amount of \$43,086.73 contingent on final approval of Board Attorney Artigues and MDEQ. This change order provides the required fuel & material adjustment for work order 2008-07/W7-05. The current budget modification indicates that there are sufficient W7 construction funds for this change order.
- Approval of Contract Mod 2008-02/22 (W5E) to the Term Bid 2008-02 with Jay Bearden/G&C Construction JV, in the deductive amount of \$5,976.12, contingent on final approval of Board Attorney Artigues and MDEQ. This change order adjusts quantities to conform with field conditions.
- Approval of Contract Mod 2008-02/23 (W6) to the Term Bid 2008-02 with Jay Bearden/G&C Construction JV, in the deductive amount of \$24,481.04, contingent on final approval of Board Attorney Artigues and MDEQ. This change order adjusts quantities to conform to field measured quantities.
- Approval of Septage Receiving Ordinance.

*Ends Consent Agenda Items*

Motion was made by Director Pullman to approve the request by Watertech Corporation to utilize the subcontractor services for Projects HANCUA-01-W5E; HANCUA-02-S5, S6, W5, W7; and HANCUA-03-S3, S4, and W3:

- Rohn Products, LLC – Peoria, IL
- Data flow Systems, Inc. – Melbourne, FL
- Triad IS LLC – Flynt, TX
- Arthur Cunningham Electric, LLC – Picayune, MS

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

Motion was made by Director Johnson to approve the Consulting Engineering agreement with A. Garner Russell and Associates for project S7 Phase 2, in the not-to-exceed amount of \$57,000.00 for design of security fencing and other site improvements at the existing HANCUA flow equalization lagoon, in support of public health and safety needs at this facility, contingent on final approval of Board Attorney Artigues and MDEQ. The agreement includes basic design services, both topographic and property boundary surveys, and wetlands permitting and mitigation assistance. The budget modification on this agenda provides sufficient S7 project funds for this project, Director Smith seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Stahler to approve Revision 3 to work order 2008-02/W6-03 from the Term Bid 2008-02 contract with G&C/Jay Bearden Construction Joint Venture, in the additive amount of \$20,665.15 and add 59 calendar days time, contingent on final approval of MDEQ and Board Attorney Artigues. This revision to the work order moves quantities from the existing Term Bid Contract into work order W6-03 to adjust quantities as constructed in the field as well as extends the construction time do to delays that were no fault of the contractor. No additional funding is required for this change, Director Pullman seconded the motion; it was voted on it carried unanimously.

Motion was made by Director Pullman to approve Revision 5 to work order 2008-02/W5E-02 from the Term Bid 2008-02 contract with G&C/Jay Bearden Construction Joint Venture, in the additive amount of \$26,986.63 and add 190 calendar days time, contingent on final approval of MDEQ and Board Attorney Artigues. This revision to the work order moves quantities from the existing Term Bid Contract into work order W5E-02 to adjust quantities as constructed in the field as well as extends the construction time for items that were added in previous revisions and delays in completion of Master Meter No.2 that were no fault of the contractor. No additional funding is required for this change, Director Johnson seconded the motion; it was voted on and it carried unanimously.

## **Executive Director**

Mixing Zone Study Information – Information only – No action required

Pearlington Second Well Project – requested by PWSD Board:

Ms. Betty Baxter of the PWSD presented the Board with a written request (see Attached) to ask the Board to reconsider absorbing the cost of connecting the new Pearlington backup well to the new community water system. Ms. Baxter indicated that the estimated cost of the connection would be \$8,000 to \$10,000.

Director Fillingame asked if the cost was something that the CDBG funds could fund and if the PWSD intended turning over the ownership of the well to the Authority once it is completed and up and running. Ms Baxter explained that the PWSD did not intend to relinquish ownership of the well, but would like to get a proposal from the Authority for the Authority to operate and maintain the well.

Mr. Bill Mitchell recommended that the Authority operate and maintain the well since there would be already be a water operator in that area daily doing work at the Authority well site.

Director Hill inquired what residents of the Pearlington area do in the event that Authority's well fail. Mr. Bill Mitchell explained that the well has a two hundred and fifty thousand gallon capacity and that would supply water to the area for approximately three days and that should give the Authority adequate time to get the well up and running.

Director Fillingame inquired if the funds for the well construction had been totally exhausted. Ms Baxter explained that the funds will be exhausted by the time the well is complete. Also, Ms. Corinne Graham of Gouras and Associates explained that the budget is going to have to go through reconstruction as there are line items that the Corps now refuses to pay and that CDBG funds (\$250,000) may have to be used to cover the cost.

Director Johnson inquired of Attorney Artigues if the Authority was to enter in to an agreement with PWSD to operate and maintain the well, could part of the contract included the connection cost. Attorney Artigues explained that if the Authority was to absorb the cost to tie into the existing Authority system then the well would become property of the Authority. He also explained that MDEQ would probably have to approve the connection and any cost related to it. Director Fillingame wanted clarification from Ms. Baxter as to why the PWSD is so adamant about retaining ownership of the well. Ms. Baxter explained that the proposed consolidation study has not been done and until it is done and the study shows it is beneficial for the Authority to have ownership of all the wells, etc., she has an issue with transferring ownership of the well. Director Pullman explained that the Gulf of Mexico Program was supposed to do the study, but due to the oil spill it has been put on the hold. Director Fillingame explained that it appears the consensus of the Board is that the Authority is willing to do the work if we can legally do it, but it seems the only legal way the Authority can do it is if there is ownership of the well by the Authority is involved. Attorney Artigues

recommended that the first step should be is to approach MDEQ to see if they will even approve the use of surplus funds, and then proceed from there.

Director Smith explained that the HCWSD has the exact same situation. Attorney Artigues explained that this was how the discussion on this topic ended the last time, that if it is done for one entity then this sets a standard and should be handled the same way for all entities. Ms. Graham explained that even though PBS&J has provided Ms. Baxter with a estimate, MDEQ would request a quote from Compton Engineering, Inc. and it could very well be much greater than the estimated \$10,000 that Ms. Baxter spoke of, due to engineering, labor and materials cost.

Motion was made by Director Johnson for the Authority to submit a quote to the PWSD concerning the operation and maintenance of the new back up well, Director Pullman seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Pullman to issue a formal request to the Gulf of Mexico Program to conduct a consolidation study of the existing participants on the feasibility of complete consolidation, Director Johnson seconded the motion; it was voted on and it carried unanimously.

Water and Wastewater certifications – 3 employees -Job reclassifications:

Motion was made by Director Johnson to approve the reclassification and pay increases for the two newly certified water operators, Doyle Ladner and Duane Wray, upon receipt of their certificate and of the wastewater operator, Eddie Lambert, upon receipt of his certificate, each increase will be \$1.00 per hour, and to approve the reclassification of Sean Henton to Water Supply Manager and implement a ten percent pay increase, Director Smith seconded the motion; it was voted on and it carried unanimously.

New Jail Startup:

Executive Director Pitalo assured the Board that construction is continuing to move forward with an estimated completion date of September 2011.

Director Pullman wanted to emphasize the importance of the completion of the new jail, due in part to the costs of housing prisoners is at this time being absorbed by FEMA, but at some point FEMA may take those funds away and then the cost will fall to the county and cities. He also asked that the Board get assurance from all the contractors, attorneys for land acquisition that things are continuing on schedule. Mr. Bill Mitchell explained that a meeting is scheduled for Tuesday March 22, to discuss all these concerns.

Results of insurance bids for Commercial Property and General Liability Insurance:

Executive Director Pitalo explained to the Board that the Authority had requested bids on the Commercial Property and General Liability insurance. There were two bids received, one from Treutel Insurance Company and one from Stewart Sneed Hewes

and after careful consideration of the submitted bids, Stewart Sneed Hewes was the successful bidder for both the policies.

Motion was made by Director Johnson to accept the recommendation of the Elam Consulting, Inc., to award the policies to Stewart Sneed Hewes, Director Pullman seconded the motion; it was voted on and it carried unanimously.

2010 Over/Under – See attachment:

Executive Director Pitalo presented the Board with the estimated Over/Under numbers for the 2010 Audit, and again expressed the need to change from the formula billing systems to an actual flow billing system and these O/U numbers are prime indicator of how the formula is not advantageous to all the entities involved. Also, he asked for guidance on how to handle collecting the under payment for HCWSD for the 2010 audit.

It was decided to table this item until the next meeting in April 2011.

HCUA ownership of force mains and outfalls

Executive Director Pitalo explained that there was a major line break in the twenty-four inch line coming into the Waveland WWTP from the City of Bay St. Louis, and he requested clarification as to which entity is the actual owner of the line. His understanding is that the Authority owns only what in within the fenced-in area of the property on Gulfside, the outfall lines, and a bypass line at lagoon that pertains to the City of Bay St. Louis. He also explained that at this point the Authority is absorbing the cost to have the line repaired, but wants to know who should reimburse the Authority.

Director Fillingame expressed concern about the fact that no one is sure who the contractor called to locate the line and that if contact was not made with One Call then the contractor should be responsible. Mr. Bill Mitchell explained the general understanding of the One Call and he has someone he can contact and see if we can get additional information on this situation. Director Fillingame suggestion is to first complete the repair and then find out who is negligent.

Execute Director Pitalo wanted to express his appreciation to the HCWSD employees who helped with the repair.

It was decided to table this item until the next meeting in April 2011.

#### **Old Business**

None

#### **New Business**

None

#### **Executive Session**

Attorney Jack Pittman

Butler Snow

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

Motion was made Director Pullman to enter into Executive Session to discuss land acquisition and legal issues, Director Stahler seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Johnson to leave Executive Session with no action taken at 3:32 PM, Director Pullman seconded the motion; it was voted on and it carried unanimously.

### Pittman

During executive session, Attorney Jack Pittman presented the Board an opportunity to review, on a per parcel basis, a total of five 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 leaving executive session and a full discussion, a motion was made by Director Pullman to authorize Executive Director 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 Johnson seconded the motion; it was voted on and it carried by unanimously.

And during executive session, Attorney Pittman presented the Board information concerning the changes to easement needs on Parcel CE581.3 Project S4 and asked for authorization to make said change and issue a new FMVO in the amounts as discussed.

After leaving executive session, a motion was made by Director Pullman to authorize the change as presented during executive session, Director Stahler seconded the motion; it was voted on and it carried unanimously.

Also, during executive session, Attorney Jack Pittman presented the Board an opportunity to review a total of one appraisal(s) for Project W7-Kiln Water Distribution System, for the property owned by Jourdan River Estates, LLC, Parcel #069-0-39-009.01, as the property will have a well and tank site and an access road, he asked that the Board approve a change in the offer amount due to the fact that the legal descriptions have been changed and a mathematical error was noted.

After leaving executive session and a full discussion a motion was made by Director Pullman to authorize Attorney Pittman to issue the revised FMVO in the amount

discussed during executive session, Director Fillingame seconded the motion; it was voted on and it carried unanimously.

Also, during executive session, Attorney Pitman presented the Board an opportunity to review, a total of four appraisals in Project W7–Eastern Hancock County Regional Water supply, which will be used for master meter sites, for the purpose of establishing a basis for making a fair market value offer pursuant to the waiver valuation procedure. After leaving executive session and a full discussion, a motion was made by Director Pullman to authorize David Pitalo and Attorney Pittman to proceed with the fair market value offer(s), based on said information, in the amount(s) indicated in the file on the parcel shown 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.

#### **Butler Snow**

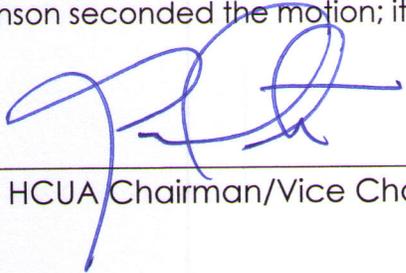
During executive session Attorney Artigues presented the Board with an opportunity to review, on a per parcel basis, a total of approximately sixty-four waiver valuations for Project S6 – Kiln Wastewater Collection System for the purpose of establishing a basis for making a fair market value offer pursuant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

After leaving executive session and a full discussion, a motion was made by Director Pullman 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 two 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 and it carried unanimously.

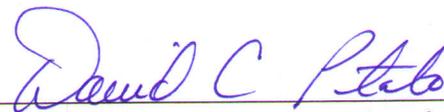
Mr. Bill Mitchell informed the Board that the Harrison County Board of Supervisors has asked him to help with the projects in that county, but wanted to assure the Board that this project, if they decide to accept it, will not in any way decrease the time he will be spending on our projects.

#### **Adjourn**

Motion was made by Director Pullman to adjourn the meeting at 4:00 PM, Director Johnson seconded the motion; it was voted on and it carried unanimously.



HCUA Chairman/Vice Chairman



HCUA Executive Director