



# HANCOCK COUNTY UTILITY AUTHORITY

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## Monthly Board Meeting

July 10, 2012

The meeting was called to order by Chairman Les Fillingame at 2:02 P.M.

**Pledge of Allegiance and Silent Prayer** – Lead by Director Smith

### **Attendees:**

Mr. Tom Busenlener	Mr. Tony W. Ladner
Mr. Mike Collard	Mr. Al Smith
Mr. Les Fillingame	Mr. Bill Johnson
Mrs. Lili Stahler	

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

None

### **Board Action Items**

Motion was made by Director Stahler to approve the minutes of the June 12, 2012 Monthly Board Meeting, Director Smith seconded the motion; it was voted on and it carried unanimously

Motion was made by Director Ladner to approve the June 2012 Dockets in the amounts as shown below, Director Stahler seconded the motion; it was voted on and it carried unanimously.

• O & M	\$ 162,154.16
• 2004 Bond-Capital	\$ 40,725.00
• CIAP-Pearlington	\$ 7,081.63
• Land Acquisition	\$ 28,445.54
• CDBG Projects	\$ 996,064.30
• O & M Water	\$ 5,465.32

Motion was made by Director Ladner to approve the CDBG Request for Cash in the amount of \$ 352,778.06, Director Fillingame seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Johnson to approve the Consent Agenda containing 14 items, Director Busenlener seconded the motion; it was voted on and it carried unanimously.

- Approval of Amendment No. 4 to the engineering agreement with Krebs-LaSalle-Lemieux (now G.E.C., Inc.) for implementation of the SCADA system for the Gulf Region projects, contingent on the approval of MDEQ and Board Attorney Artigues, and the appropriate budget amendment. This Amendment No. 4 provides for a not-to-exceed \$13,000.00 increase in the construction engineering amount, estimated to carry the construction phase services through May 2013, the projected end of the SCADA project.
- MDEQ is instructing that the engineering for the new master water meter station to serve Jourdan River Shores be contracted by an amendment to the existing W6 engineering agreement, rather than by a new consultant agreement, as previously recommended to and approved by the Board on May 8, 2012. MDEQ has no problem with the price or scope-of-work, only the form of procurement. The following Board actions are recommended:
  - (1) Rescind approval of the consultant agreement with A. Garner Russell & Associates for the engineering for the Jourdan River Shores master water meter station, as previously approved by the Board on May 8, 2012 (Item 12 of the 14-item Consent Agenda, Board Action Item No. 5), since the agreement did not meet the contingent condition of MDEQ approval.
  - (2) Approve Amendment No. 3 to the engineering agreement with A. Garner Russell & Associates for Project W6, Kiln Water Distribution System, in the not-to-exceed amount of \$33,000.00 for design and construction administration services for the Jourdan River Shores master water meter station project, contingent on final approval of MDEQ and Board Attorney Artigues, and the final purchase of the water franchise certificate from TESI by the Kiln Utility and Fire District. Price and scope-of-work for Amendment No. 3 are identical to the terms of the consultant agreement previously approved on May 8, 2012.
- Approval of request by Plaas Incorporated to utilize the subcontractor services of HAS Electric of Long Beach, MS on Project HANCUA-02-2011-15 S6 Kiln Long Service Grinder Pump Phase III

- Approval of request by Plaas Incorporated to utilize the subcontractor services of Cherokee Directional Drilling, Inc. of Longview, TX on Project HANCUA-02-2011-15 S6 Kiln Long Service Grinder Pump Phase III.
- Approval to pay quarterly premium for commercial property and automobile insurance – total amount is \$29,432.92.
- Resolved: Requests for new sewer connections to the S6 Kiln Sewer Collection System will not be accepted for funding under the Gulf Region CDBG or CIAP programs after August 15, 2012.
- Approval of Certificate of Substantial Completion for Work Order 2008-07/S5-01, as of 08-05-10, for the Northern Regional Wastewater Treatment Facility project. This certificate covers the construction of the 18-inch force mains leading in and out of the Treatment Facility. An explanation from the project engineer addressing the delay in receiving this certificate is attached.
- Approval of Work Order Revision 6 to Work Order 2008-02/W6-02 to the Term Bid 2008-02 construction contract with G&C/Jay Bearden Construction for the Kiln Regional Water Distribution System, contingent on final approval of MDEQ and Board Attorney Artigues. This change adds 365 calendar days time to move a previously completed and accepted work order into last fiscal year so final payment can be made.
- Approval of Work Order Revision 7 to Work Order 2008-02/W6-01 to the Term Bid 2008-02 construction contract with G&C/Jay Bearden Construction for the Kiln Regional Water Distribution System, contingent on final approval of MDEQ and Board Attorney Artigues. This change adds 365 calendar days time to move a previously completed and accepted work order into last fiscal year so final payment can be made.
- Approval of Work Order Revision 6 to Work Order 2008-02/W5E-01 to the Term Bid 2008-02 construction contract with G&C/Jay Bearden Construction for the Kiln Regional Water Supply System, contingent on final approval of MDEQ and Board Attorney Artigues. This change adds 365 calendar days time to move a previously completed and accepted work order into last fiscal year so final payment can be made.
- Approval of Work Order Revision 2 to Work Order 2011-14/S6-03 to the Term Bid 2011-14 construction contract with Jay Bearden Construction for the Kiln Wastewater Collection System, Phase 2, in the additive amount of \$33,492 (\$16,142.00 CDBG and \$17,350.00 CIAP),

contingent on final approval of MDEQ, Dept. of Marine Resources and Board Attorney Artigues. This change adds the new line items from Contract Modification 2011-14/03 (S6) to the existing 2011-14/S6-03 work order, and adds 22 calendar days time to account for installation of the in-line valves and the additional work required at the East Hancock Elementary School. This change utilizes funds already allocated to the Term Bid 14 contract; therefore no additional funds are required for this work order revision.

- Approval of Contract Modification 2011-14/03(S6) to the Term Bid 2011-14 construction contract with Jay Bearden Construction for the Kiln Wastewater Collection System, in the additive amount of \$33,492.00 (\$16,142.00 CDBG and \$17,350.00 CIAP), contingent on final approval of MDEQ, Dept. of Marine Resources and Board Attorney Artigues, and the appropriate budget amendment. This change addresses the installation of additional in-line valves needed in the sewer system and the required additional work to connect the East Hancock Elementary School. The current fund balances indicate that existing construction contingency funds are sufficient for this change.
- Approval of Amendments No. 7 to the Construction Management agreements with Brown, Mitchell & Alexander, Inc. to increase the not-to-exceed amounts for the projects listed below, contingent on final approval of MDEQ, Board Attorney Artigues and the appropriate budget modification. The individual projects and amounts are as follows:

S5 - Kiln Northern Regional Waste Water Treatment Facility	\$39,630.00
S6 - Kiln Sewer Collection System	\$92,469.00
W7 - Eastern Hancock County Regional Water Supply System	\$66,050.00
W8 - Hancock County Water & Sewer District Water Distribution System	\$66,049.00
<b>Total</b>	<b>\$264,198.00</b>

These amendments are needed to provide Construction Management services through the projected completion of these projects in June 2013.

- Approval of Amendment No. 12 to the engineering agreement with Carollo Engineers for Project S5, Northern Regional Waste Water Treatment Facility, increasing the not-to-exceed amount for construction administration services by \$23,798.00, contingent on final approval of MDEQ and Board Attorney Artigues. This amendment provides engineering services until the termination of the S5 project and removes work, at the request of the engineer, associated with the reversal of flow from Central Pump Station.

Motion was made by Director Smith to approve the Cross Connection Control Ordinance as presented, Director Ladner seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Stahler to approve of the Policy for Non-Payment or Partial Payment for Wholesale Water Supply Invoices by Member Entities as presented, Director Ladner seconded the motion; it was voted on and it carried unanimously.

Motion was made Director Ladner to approve the Policy for Potential Contamination and Customer Notification as presented, Director Smith seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Stahler to approve Policy for Water Supply Flushing Program as presented, Director Johnson seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Ladner to approve the Policy for Wholesale Water Supply Rate Review as presented, Director Smith seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Stahler to approve the Policy for Work Obligation in Return for Funding Employee Training as presented, Director Ladner seconded the motion; it was voted on and it carried unanimously.

*Discussion: Executive Director explained to the Board that he felt some type of policy was needed to try to reduce the loss of investments in personnel training. He explained that in the past few months the Authority has spent a significant amount of money to get wastewater/water operators certified, and two of those employees have left shortly after getting their certificate. One left for employment in the same occupation field and the other in a different occupation.*

*Director Pro Tempe Collard asked when would the time start for the obligated time to work. Executive Director Pitolo explained that it would begin at the receipt of the certificate.*

Motion was made by Director Johnson to approve the Payment Request No. 8, S6 CIAP Kiln Sewer Connection Project, MSCIAAP Project No. MS.R.771-2, in the amount of \$84,695.69, 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 total amount of \$12,070.88, Brown, Mitchell & Alexander in the total amount of \$876.00 and an invoice from Jay Bearden Construction in the amount of \$71,748.81, Director Busenlener seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Stahler to approve the Payment Application No. 14 (Final), S4 CIAP project, in the amount of \$46,744.71, to be paid by the Hancock County Board of Supervisors under the Pearlington CIAP grant program, Director Busenlener seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Johnson to approve the Contract Modification 2008-04/32(S4) to the Term Bid 2008-04 contract with Hudson Contracting, Inc., in the deductive amount of \$17,436.49 (\$-5,534.45 CDBG and \$-11,902.04 CIAP), contingent on final approval of MDEQ and Board Attorney Artigues. This change order to the term bid adjust quantities to those constructed in the field, Director Busenlener seconded the motion; it was voted on and it carried unanimously.

### **Attorney's Discussion**

#### ***Pittman Law Firm***

Attorney Jack Pittman informed the Board that projects S4 and W4 had approximately 14 parcels left to acquire. There are approximately 6 suits that are either filed or will be shortly. On the parcels that have suits, the earliest court date will be October. He also spoke of 3 others that the property owners have indicated that they will sign the FMVO in the very near future. Also, he felt there adequate funds left in the Legal funds to cover these issues.

Motion was made by Director Johnson authorizing Executive Director Pitalo to sign the Order to Condemn on the parcels as discussed by Attorney Pittman, Director Ladner seconded the motion; it was voted on and it carried unanimously.

Attorney Pittman explained that on parcel CE735 there was a need to change the FMVO due the amount of easement that is now needed.

Motion was made by Director Ladner approving the reduction in the amount of the FMVO for parcel CE735, Director Smith seconded the motion; it was voted on and it carried unanimously.

On project W7 is the Kiln and Crump road area and there are 30 parcels that are still needed, the majority are Cinque Bambini properties, and the biggest

obstacle is the Jordan River Resort Estates, and suit has been filed and this will be a full scale three day trial.

#### **Butler Snow**

Attorney Jeff Holliman informed the Board that project S6 that there are approximately 30 to 36 outstanding parcels and there are 4 parcels awaiting appraisals. Of 564 parcels, 527 parcels have been acquired. No outstanding eminent domain parcels.

Also, he informed the Board that there is not adequate money left in the Legal funds to finish the project that the money will run out within two months.

#### **Executive Director**

*Amendments to Wastewater Treatment Agreement* – Executive Director Pitalo informed the Board that the City of Bay St. Louis and Hancock County Water & Sewer District has signed the amendment and that the Kiln will be signing theirs after their Board meeting on Thursday 7/12/2012. The City of Waveland tabled the decision at their last meeting, Director Stahler had no explanation as to why, other than the Attorney Yarbrough thought that the agreement should be a Master Agreement containing everyone's signatures, but he would discuss this with Attorney Artigues. Pearlinton is still awaiting approval from RUS' attorneys.

*SRF Update* - Executive Director Pitalo informed the Board that there is no real change in the status of the SRF loan and is agreeable to requesting another year of forbearance if the Board is agreeable.

Motion was made by Director Johnson for Attorney Artigues issue a letter to MDEQ requesting another one year of forbearance for the SRF loan, Director Smith seconded the motion, it was voted on and it carried unanimously.

*2012/2013 Proposed Wastewater and Water Budget* – Executive Director Pitalo gave a copy of the proposed budget for 2012-2013. Also, Jody Fountain, CPA explained to the Board that approximately \$134,000+ has been used from the wastewater budget to support the water ramp up cost. A workshop is scheduled for Tuesday July 17, 2012 to discuss this budget.

#### **New Business**

None

#### **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 it carried by majority vote, with Director Fillingame voting NO.

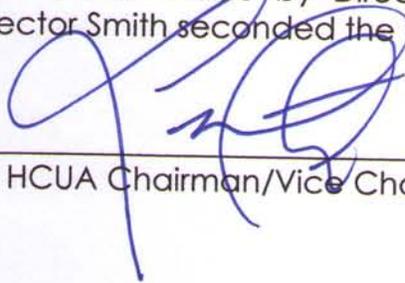
At this point in the meeting Directors Fillingame, Ladner and Johnson had to leave the meeting due to prior commitments.

#### **Executive Session**

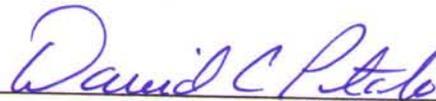
None

#### **Adjourn**

Motion was made by Director Ladner to adjourn the meeting at 3:20 PM, Director Smith seconded the motion; it was voted on and it carried unanimously.



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HCUA Chairman/Vice Chairman



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HCUA Executive Director