



HANCOCK COUNTY UTILITY AUTHORITY

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Monthly Board Meeting *August 14, 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 Bill Johnson

Attendees:

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

Request to Address the Board

Mr. G. W. Graham – HCWSD – Mr. Graham presented the Board with a letter and diagram concerning the water distribution project in Bayside Park. The letter stated the Hancock County Water and Sewer District would not accept the water system until they were guaranteed, in writing, that every street will be supplied with water by the Hancock County Utility Authority. He explained they do not have the funds to install water in the areas that currently are not being supplied by the CDBG funds and felt if they accepted the system at this time, then they would be responsible for the other areas. Also, he asked if the HCUA has a legal obligation to guarantee installation of water to 100% of Bayside Park. Attorney Artigues explained the Utility Authority does not have a legal obligation to provide water, but in his opinion, the HCWSD does have a legal obligation to provide water, within a reasonable amount of time, because they are the operating utility district.

Director Fillingame assured Mr. Graham that their request would be entered into the minutes, and also, explained that the Bayside Park project was not the only one that will not be complete at the end of the projects, but that all districts have gotten a very good start as a result of the CDBG funding.

Mr. John Harris – MDEQ – Explained to the Board that the master plan for the CDBG projects was not written just by Jackson/MSEG, it included information

requested from and provided by the Hancock County Board of Supervisors and the Southern Regional WW Board, the request as prioritized by the HCUA board and the funds were allocated accordingly.

Mrs. Betty Baxter of the PWSD expressed concern about the three year period, after the projects closes, in which they are responsible for providing free connection, she explained the financial strain this requirement puts on the PWSD. Attorney Artigues explained that MDEQ, MSEG approached the Washington officials to try to get this requirement rescinded, but was unsuccessful.

Director Al Smith asked if the water line project from the Kiln south to the cities of Waveland and Bay St. Louis could be stopped and the funds used to provide water and sewer to other areas, Mr. Harris explained that Jackson would not consider cancelling the project that this option was discussed at the beginning of the projects.

Board Action Items

Motion was made by Director Ladner to approve the minutes of the July 10, 2012 Monthly Board Meeting, Director Busenlener seconded the motion; it was voted on and it carried unanimously

Motion was made by Director Ladner to approve the July 2012 Dockets in the amounts as shown below, Director Johnson seconded the motion; it was voted on and it carried with a majority vote with Director Mike Collard abstaining from the vote.

- O & M \$ 222,768.08
- 2004 Bond-Capital \$ 53,375.77
- CIAP-Kiln \$ 104,986.58
- Land Acquisition \$ 32,978.33
- CDBG Projects \$ 1,819,555.71
- O & M Water \$ 5,355.08

Motion was made by Director Ladner to approve the CDBG Request for Cash in the amount of \$ 1,338,325.62, Director Smith seconded the motion; it was voted on and it carried with a majority vote with Director Mike Collard abstaining from the vote.

Motion was made by Director Johnson to approve the Consent Agenda containing 8 items, Director Busenlener seconded the motion; it was voted on and it carried with a majority vote, with Director Mike Collard abstaining from the vote.

- Approval of Amendment No. 5 to the engineering agreement with Krebs-LaSalle-Lemieux (now G.E.C., Inc.) for implementation of the SCADA system for the Gulf Region projects. This amendment does not change the contract price, but simply reallocates the contract funds by project, based on actual needs.
- MDEQ is instructing that the engineering to provide flow to the new HANCUA pump station #6 on Hwy 603 be contracted for by an amendment to the existing S6 Phase 4 engineering agreement for the Jordan River Shores Pump Station. The following Board action is therefore recommended:
Approve Amendment No. 1 to the engineering agreement with A. Garner Russell & Associates for Project S6 Phase 4, Jordan River Shores Pump Station and Force Main, in the not-to-exceed amount of \$48,500.00 for design and construction administration services for the rerouting of flow from the Hancock County Water and Sewer District Central Avenue Pump Station to the new HANCUA pump station #6 on Hwy 603, contingent on final approval of MDEQ and Board Attorney Artigues. The current budget amendment indicates that S6 contingency funds are available for this amendment.
- Approval of Payment Request No. 9, S6 CIAP Kiln Sewer Connection Project, MSCIAP Project No. MS.R.771-2, in the amount of \$20,196.58, 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 \$9,717.31 and an invoice from Jay Bearden Construction in the amount of \$10,479.27.
- Approval of Contract Modification 2011-13/02 (W7) to the Term Bid 2011-13 contract with S.H. Anthony, in the deductive amount of \$154,922.65, contingent on final approval of MDEQ and Board Attorney Artigues. This change order to the term bid adjust quantities in the term bid as well as removes the associated paving items for Crump Rd.
- Approval of Work Order Revision 2 to Work Order 2011-13/W7-01 to the Term Bid 2011-13 construction contract with S.H. Anthony for the Eastern Hancock County Regional Water Supply System, contingent on final approval of MDEQ and Board Attorney Artigues. This change deducts \$119,458.17 of unused quantities from the approved work order and adds 96 calendar days' time to due to delays in receiving materials and days the contractor was not able to work on Crump Rd.

- Approval of Certificate of Substantial Completion for Work Order 2008-04/S4-04, as of 07-21-2012, for the Pearlington Wastewater Collection project. This certificate covers the locations completed under this work order. The one year warranty period for each location is attached.
- Approval of Contract Modification 2008-04/33 (S4) to the Term Bid 2008-04 contract with Hudson Contracting, Inc., in the additive amount of \$16,631.43, contingent on final approval of MDEQ and Board Attorney Artigues. This change order to the term bid completes the fuel and material adjustment for work order 2008-04/S4-04 per the construction contract.
- Approval of Contract Modification 2011-15/01 (S6) to the Term Bid 2011-15 contract with Plaas, Inc., in the additive amount of \$30,970.00, contingent on final approval of MDEQ, Board Attorney Artigues and the appropriate Budget Modification. This change order to the term bid adds new line items that were made necessary by differing conditions encountered in the field.

Motion was made by Director Ladner to approve Contract Modification SCADA-03 to the construction contract with Water Tech Corporation, in the additive amount of \$166,824.00, contingent on final approval of MDEQ, Board Attorney Artigues and the appropriate Budget Modification. This change order provides panel upgrades to existing facilities, electrical power to all the ten original W7 master meter sites along with adding SCADA equipment to the Stennis Tech Park Lift Station and McLaurin Master Meter, Director Smith seconded the motion; it was voted on and carried with a majority vote with Director Mike Collard abstaining from the vote.

Motion was made by Director Johnson to approve of 2012-2013 Wastewater Budget, with the two modifications (1) purchasing the new truck in the current FY budget and (2) beginning with flow billing on the October 1, 2012 invoice cycle, with the new wastewater budget total to be \$1,843,353.00 as operation and maintenance and \$2,263,481.00 including debt service, Director Ladner seconded the motion; it was voted on and it carried with a majority vote with Director Mike Collard abstaining from the vote.

Discussion: Executive Director Pitalo informed the Board of a recent FEMA reimbursement check that was received, and with this check it has brought the O & M account up to the level in which he feels comfortable. Also, he requested the Board to allow him to purchase the extra pickup truck, cost is

approximately \$25,000 that was requested in the 2012/2013 budget, and removes this item from the budget. He also informed the Board that all entities have signed the amendment to the Wastewater Treatment Service contract and would like to start billing on actual flow with the October 1, 2012 billing, and he could remove \$23,400 for testing and approximately \$40,000 from the electrical expense for disinfectant/discharge cost from the 2012/2013 Budget.

Motion was made by Director Johnson to approve the Water Service budget in the amount of \$351,780.00 as presented to the Board, Director Ladner seconded the motion; it was voted on and it carried with a majority vote with Director Mike Collard abstaining from the vote.

Executive Director

Over/Under – Executive Director Pitalo gave each entity a copy of the most current over/under numbers as of 9/30/2011 – Information Only No Action Taken

Discussion: Mrs. Nancy Depreo informed the board that the HCWSDs' budget has been adopted and it doesn't include O/U payment. No discussion on this at this time.

SRF Loan Information – Executive Director Pitalo gave the Board a copy of the most current SRF amortization schedule – Attorney Artigues informed the Board that Ms. Trudy Fisher-MDEQ has assigned a new staff attorney and have worked through all the legislation that can be work through, Senator Moran is also trying to help with the process, but to date, no decisions have been made concerning forgiveness of all or a part of the SRF debt.

Approval Letter to MSDH for water well by the Pearlington Water & Sewer District – the Board was informed that the MSDOH has requested a letter of no objection be sent from HCUA to MSDOH concerning the new well in Pearlington, Executive Director Pitalo has reservations on writing this letter because there is not a tank in the plans and the amount of chlorine that would need to be put directly into the distribution lines would adversely affect the closest homes to the well. He doesn't recommend writing this letter until a solution to this problem has been found.

Yanmar Wheel Loader Repairs – Executive Director Pitalo informed the Board that the repairs are needed to the Yanmar tractor and the approximate cost will be \$6,100.00 not including shipping.

Purchase of truck for FY 2012/2013 – Taken care of in the Board Action Items concerning the 2012/2013 Budget.

Solar Power Expo – September 10 -13, 2012 – No Action needed at this time

Charging E911 for renting space on water tower – Executive Director asked the Board if HCUA should charge E911, it was the consensus of the board not to charge a fee for the space.

Master plan update – Mr. Kevin Mullen of BMA, Inc. updated the Board on the master plan it is approximately 25 percent complete.

New Business

Mr. Davis of Bayside Park explained to the Board that he had a verbal agreement with S H Anthony, Inc., the contractor, has not compensated him for the use of his property to store equipment or supplies.

Director Ladner requested a time change for the board meetings – Motion was made by Director Ladner to change the time for the meeting to 10:00 A.M. on the same day beginning with the September 2012 meeting, Director Smith seconded the motion; it was voted on and it carried with a majority vote, with Director Mike Collard abstaining from the vote.

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.

Executive Session

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

Motion was made Director Smith to enter into Executive Session to discuss land acquisition and litigation issues, Director Johnson 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 4:15 P.M., Director Smith seconded the motion; it was voted on and it carried unanimously.

Butler Snow

During executive session Attorney Ronnie Artigues presented the Board with an opportunity to review, on a per parcel basis, 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 leaving the executive session and a full discussion, a motion was made by Director Ladner 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 one 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 Smith seconded the motion; it was voted on and it carried with a majority vote, with Director Mike Collard abstaining from the vote.

Pittman

During executive session, Attorney Jack Pittman presented the Board with an opportunity to review the appraisal amounts on three parcels being condemned as part of Project S4 Pearlinton Wastewater Collection System. The amounts are the same as the Fair Market Value Offers previously made to the landowners.

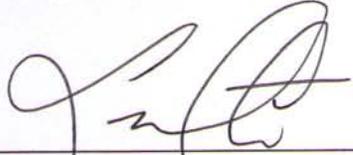
After leaving executive session and a full discussion, motion was made by Director Smith to approve the request concerning the amounts for the three parcel(s), which will be the basis of the Statement of Values to be filed. Director Ladner seconded the motion; it was voted on and it carried with a majority vote, with Director Mike Collard abstaining from the vote.

Also, during executive session Attorney Pittman presented the Board with an opportunity to review, on a per parcel basis, a total of three appraisal/review appraisal(s) and a total of six 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. Also, the Board was advised about 4 eminent domain suits being filed on 5 W7 parcels, and the need for Orders to Condemn being signed and attached to the pleadings.

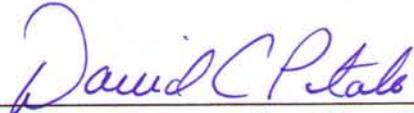
After leaving the executive session and a full discussion, a motion was made by Director Johnson to authorize Attorney Pittman to proceed with the fair market value offer(s), based on said information, in the amounts indicated in each file on the parcel(s) and to allow Attorneys Ronnie Artigues and Jack Pittman and Executive Director Pitalo to review, recommend and proceed with FMVOs as needed to avoid delays in the project, Director Ladner seconded the motion; it was voted on and it carried with a majority vote, with Director Mike Collard abstaining from the vote. As part of said motion Executive Pitalo was authorized to sign the Orders to Condemn.

Adjourn

Motion was made by Director Ladner to adjourn the meeting at 4:30 P.M., Director Smith seconded the motion; it was voted on and it carried unanimously.



HCUA Chairman/Vice Chairman



HCUA Executive Director