



HANCOCK COUNTY UTILITY AUTHORITY

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Monthly Board Meeting

December 14, 2010

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

Attendees:

Mr. Al Smith
Mr. Jack Cleveland
Mr. Rocky Pullman
Mayor David Garcia

Mr. Bill Johnson
Mrs. Betty Baxter-Director Pro Temp
Mayor Les Fillingame

Pledge of Allegiance and Silent Prayer – Lead by Director David Garcia

Chairman Pullman introduced the new board member, Mayor David Garcia of the City of Waveland and Mr. Bill Johnson of the Kiln Utility and Fire Protection District. Also, Mrs. Betty Baxter is representing the Pearlinton Water and Sewer District for today's meeting.

Approval of Minutes

Motion was made by Director Smith to approve the minutes from the November 9, 2010 Monthly Board Meeting, Director Pullman seconded the motion; it was voted on and it carried by majority vote, with Director Johnson and Director Garcia abstaining from the vote.

Approval of Claims Docket w/Additions

Motion was made by Director Pullman to approve the November 2010 Docket w/additions as presented to the Board, Director Smith seconded the motion; it was voted on and it carried majority vote, with Director Johnson and Director Garcia abstaining from the vote.

Executive Session

Motion was made by Director Cleveland to consider going into Executive Session to discuss land acquisition issues, Director Smith 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, 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 at 2:20 P.M., Director Fillingame 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 twenty one waiver valuations for Project S4 – Pearlinton Wastewater Collection System for the purpose of establishing a basis for making a fair market value offer pursuant to the waiver valuation procedure. Also, he explained that parcel CE734-1 is a part of parcels CE033 and CE052, in that in order access the property it is necessary to cross parcel CE033 and CE052, which were approved during the November 9, 2010 Monthly Board Meeting and that the parcel CE734-1 was recorded and paid on December 7, 2010. After a full discussion, a motion was made by Director Fillingame 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 two 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 Johnson abstained from voting on Parcel CE762, but voted yes on all other, and Director Cleveland abstained from the vote.

Also, during executive session Attorney Pittman explained to the Board that at the July 13, 2010 Monthly Board Meeting the summary of FMVO recommendation, some of the names listed on the summary were incorrect, even though the offer amounts and square footage amounts were correct, and he asked the Board to accept the corrected summary to be spread on the minutes. Motion was made by Director Fillingame to approve this request, Director Johnson seconded the motion; it was voted on and it carried by majority vote. Let the record show that Director Cleveland abstained from the vote.

Request to Address the Board

Captain Martin Luther Bowman, III asked the board for clarification on the "Special Court of Eminent Domain".

Attorney Jack Pittman explained that the Statutes of the State of Mississippi say that you shall acquire a right-of-way for public projects by filing a suit in a "Special Court of Eminent Domain" which creates the court by filing the suit. The MDOT and Hancock County Parks and Playgrounds, uses this process to obtain rights-of-way, usually County Judge sits, if there is not a County Judge to sit, then the Circuit Judge sits, court is created on the first day the suit is filed and ended ten days after the judgment is let.

Director Pullman also explained that the County Buyout Program is not progressing as hoped and that initially the HCUA was directed not to acquire any easement from property owners listed in the buy-out program, but because of constant delays with the

program, the HCUA has now been directed to proceed with the acquisition of necessary easements from all the property owners in the CDBG project areas in Pearlinton as needed.

Board Action Items

Motion was made by Director Cleveland to approve the Request for Cash in the amount of \$3,744,317.03 as presented to the Board, Director Smith seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Cleveland to approve adding the "Modified Exhibit A" to the Water Service contracts for the City of Waveland, the City of Bay St. Louis, the Hancock County Water Sewer District, the Pearlinton Water and Sewer District and the Kiln Utility and Fire Protection District, this modification is to record the rate of \$0.70 per thousand gallons for invoicing purposes, Director Smith seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Johnson to approve Contract Modification No. 4 to the W5-A construction contract with Griner Drilling, in the additive amount of \$6,821.87, contingent on final approval of MDEQ and Board Attorney Artigues. This change provides for enhanced erosion protection at the water tank overflow discharge for the Rocky Hill and Kiln-DeLisle tanks. The current budget modification indicates that there are sufficient contingency funds for this change, Director Cleveland seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Cleveland to approve Contract Modification 2008-04/07(S4) to the Term Bid 2008-04 construction contract with Hudson Contracting, in the additive amount of \$27,484.80, contingent on final approval of MDEQ and Board Attorney Artigues. This change provides the required fuel and material adjustment for Work Order S4-02. The current budget modification indicates that there are sufficient contingency funds for this change, Director Fillingame seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Johnson to approve Contract Modification 2008-07/10(W7, S5) to the Term Bid 2008-07 construction contract with Necaise Brothers Construction, increasing the term bid contract time by 182 days, contingent on final approval of MDEQ and Board Attorney Artigues. This change extends the bid item pricing and all other provisions of the current term bid contract in order to allow additional time for the acquisition of property rights essential to project completion. This is a time-only change, Director Cleveland seconded the motion; it was voted on and it carried unanimously.

Discussion: Mr. Bill Mitchell of Brown and Mitchell, Inc., explained to the Board that in the beginning of the projects all contracts were due to expire on December 31, 2010, but due to the process of getting all the contracts let there wasn't sufficient time to complete the contracts by the December 31, 2010 deadline, therefore, a request was

made to MDEQ to allow the Authority to extend the contracts with the same Terms and Conditions. A meeting was held with all the current contractors and offered them an extension with all terms and conditions remaining as currently stated and just get more time, and all six of the contractors accepted the offer to extend the time of their respective contracts, and by extending the contracts as is, it will eliminate additional expense of rebidding the remainder of the project work.

Director Cleveland asked if MDEQ was going to pay for the time extension, and it was explained that they are allowing the projects to be completed with the existing funds.

Motion was made by Director Cleveland to approve Contract Modification 2008-09/04(W7) to the Term Bid 2008-09 construction contract with Layne Central, increasing the term bid contract time by 365 days, contingent on final approval of MDEQ and Board Attorney Artigues. This change extends the bid item pricing and all other provisions of the current term bid contract in order to allow additional time for the acquisition of property rights essential to project completion. This is a time-only change, Director Fillingame seconded the motion; it was voted on and it carried unanimously.

Discussion: Director Garcia inquired if this was all based on the issue that land acquisition is slowing down, Executive Director explained that the project proceeds as the easements are acquired.

Motion was made by Director Cleveland to approve Contract Modification 2008-03/19(W8, W9, and S7) to the Term Bid 2008-03 construction contract with Hemphill Construction, increasing the term bid contract time by 182 days, contingent on final approval of MDEQ and Board Attorney Artigues. This change extends the bid item pricing and all other provisions of the current term bid contract in order to allow additional time for the acquisition of property rights essential to project completion. This is a time-only change, Director Fillingame seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Cleveland to approve Contract Modification 2008-02/17(W5E, W6, and S6) to the Term Bid 2008-02 construction contract with Jay Bearden/G&C Joint Venture, increasing the term bid contract time by 731 days, contingent on final approval of MDEQ and Board Attorney Artigues. This change extends the bid item pricing and all other provisions of the current term bid contract in order to allow additional time for the acquisition of property rights essential to project completion. This is a time-only change, Director Fillingame seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Cleveland to approve Amendment No. 1 to the Agreement with Professional Service Industries, Inc. for Material Testing Services decreasing the not-to-exceed contract amount by \$142,621.40, contingent on final approval of MDEQ and Board Attorney Artigues. This change is necessary for the transfer of surplus material testing funds from the W3, W4, S3 and S4 projects to the S3

construction account. A budget amendment transferring these funds is required, Director Johnson seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Fillingame to approve the request by Necaise Brothers Construction to utilize the subcontractor services for Projects HANCUA-02 – S5 and W7:

- J. Levens Builders – Long Beach, MS

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

Motion was made by Director Fillingame to approve the Substantial Completion Certificate for Work Order No. W3-03 for the Pearlinton Water Supply System project, Term Bid 2008-01, as of 08-24-10. This begins the one-year warranty period for the final pressure testing and chlorination performed on the W3 water supply main, Director Pro Temp Baxter seconded the motion; it was voted on and it carried unanimously.

Discussion: Director Pullman informed the Board of the need on clarification on who is responsible for connecting the water to the homes that do not qualify for the low to moderate income program. He requested that the contractors be well aware of who is responsible for the connection, and if they tell someone that they will make the connection then they must make the connection regardless of income status.

Motion was made by Director Cleveland to approve Revision 2 to Work Order 2008-02/S6-02 for the Term Bid 2008-02 contract with Jay Bearden/G&C, contingent on final approval of MDEQ and Board Attorney Artigues. This change moves \$16,463.92 in existing bid items from the construction contract into Work Order 2008-02/S6-02, and adds 91 calendar days time for delays beyond the control of the contractor. A budget amendment is not required for this change, Director Fillingame seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Cleveland to approve the Substantial Completion Certificate for Work Order No. 2008-02/S6-01 for the Kiln Sewer Collection System project, Term Bid 2008-02, as of 11-05-10. This begins the one-year warranty period for the sewer transmission piping and other improvements installed under this work order, Director Pullman seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Fillingame to approve the Amendment No. 10 to the engineering agreement with Neel-Schaffer for project W7, in the additive not-to-exceed amount of \$306,378.00 for construction phase services beyond the original accelerated schedule dates, contingent on final approval of Board Attorney Artigues and MDEQ. This work will provide for continuing resident project representative and construction administration services for the W7 Water Supply Main project. The current budget modification indicates that there are sufficient W7 contingency funds for this amendment, Director Pullman seconded the motion; it was voted on and it carried unanimously.

Discussion: Director Cleveland asked Mr. Michael Moore to explain the need for this increase; Mr. Moore explained that the expense covers some of the cost for the line,

but also the project representation and construction administrative services for the W7 project, including the well and tank. Also, Director Cleveland asked if there were any changes to the preliminary plans, and Mr. Moore explained that all that was taken care of in previous changes.

Motion was made by Director Fillingame to approve Revision 4 to Work Order 2008-01/S4-03 for the Term Bid 2008-01 contract with Necaise Brothers Construction, contingent on final approval of MDEQ and Board Attorney Artigues. This change adds 42 calendar days time for delays beyond the control of the contractor. A budget amendment is not required for this change, Director Johnson seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Fillingame to approve Contract Modification 2008-04/09(W4) to the Term Bid 2008-04 construction contract with Hudson Contracting, in the additive amount of \$8,144.45, contingent on final approval of MDEQ and Board Attorney Artigues. This change provides the required fuel and material adjustment for Work Order W4-01. The current budget modification indicates that there are sufficient contingency funds for this change, Director Cleveland seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Johnson to authorize Executive Director Pitalo to proceed with agreement with Department of Marine Resources to establish a weather station at the Waveland WWTP, Director Cleveland seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Fillingame to approve Contract Modification 2008-08/01(W7) to the Term Bid 2008-08 construction contract with Caldwell Tanks, increasing the term bid contract time by 365 days, contingent on final approval of MDEQ and Board Attorney Artigues. This change extends the bid item pricing and all other provisions of the current term bid contract in order to allow additional time for the acquisition of property rights essential to project completion. This is a time-only change, Director Cleveland seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Fillingame to approve Contract Modification 2008-04/08(W4, S4, W8, and S6) to the Term Bid 2008-04 construction contract with Hudson Contracting, increasing the term bid contract time by 548 days, contingent on final approval of MDEQ and Board Attorney Artigues. This change extends the bid item pricing and all other provisions of the current term bid contract in order to allow additional time for the acquisition of property rights essential to project completion. This is a time-only change, Director Johnson seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Fillingame to approve Contract Modification 2008-03/20 (S7) to the Term Bid 2008-03 contract with Hemphill Construction, in the additive amount

of \$29,269.82, contingent on final approval of MDEQ and Board Attorney Artigues. This change order to the term bid provides for adjustment of final quantities as constructed for Work Order No. 1 under the S7 Bay St. Louis Wastewater System Improvements project, Director Pullman seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Fillingame to approve Contract Modification 2008-02/16(W6) to the Term Bid 2008-02 contract with Jay Bearden/G&C JV, in the additive amount of \$34,285.40, contingent on final approval of MDEQ and Board Attorney Artigues. This change order to the term bid provides for HDPE bores conforming to State Aid regulations and fire hydrant extensions made necessary by conflicts with existing utilities. The current budget amendment indicates that project contingency funds are available for this change, Director Smith seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Johnson to approve Contract Modification No. 5 to the W5-A contract with Griner Drilling, in the additive amount of \$13,975.06, contingent on final approval of MDEQ and Board Attorney Artigues. This change order provides for electrical grounding grids at the 2 new Kiln water tanks in order to minimize damage from lightning strikes. The current budget amendment indicates that project contingency funds are available for this change, Director Cleveland seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Fillingame to approve Contract Modification 2008-03/22 (S7) to the Term Bid 2008-03 contract with Hemphill Construction, in the additive amount of \$11,750.00, contingent on final approval of MDEQ and Board Attorney Artigues. This change order to the term bid provides for an on-site security light, as well as a 4-foot diameter manhole for influent force main connections, under the S7 Bay St. Louis Wastewater System Improvements project, Director Cleveland seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Smith to approve Contract Modification 2008-06/04(W3) to the Term Bid 2008-06 contract with Griner Drilling, in the deductive amount of \$39,542.00, contingent on final approval of MDEQ and Board Attorney Artigues. This change order to the term bid provides for adjustment of actual quantities as constructed, Director Johnson seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Fillingame to approve the following budget modifications:

- o HANCUA-02 #20
- o HANCUA-03 #15

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

Motion was made by Director Fillingame to approve Contract Modification 2008-02/18(S6) to the Term Bid 2008-02 contract with Jay Bearden/G&C JV, in the additive amount of \$166,143.56, contingent on final approval of MDEQ and Board Attorney Artigues. This change order to the term bid provides for HDPE bores under an existing gas main conforming to MDOT regulations, traffic-rated aluminum covers for air release valves and various quantity adjustments. The current budget amendment indicates that project contingency funds are available for this change, Director Smith seconded the motion; it was voted on and it carried unanimously.

Discussion: Director Cleveland inquired as to who the engineering firm was on this project, were the cover specifications to be plastic and what was the original total. It was explained by Mr. Nick Mignone that Compton is the Engineering firm, the covers were designed to be 350psi fiberglass and there were originally to be twelve or so, but because the line wasn't designed at the time of the bid and the force mains hadn't be laid out in the beginning.

Mr. Bill Mitchell explained that they are in the process of scheduling a meeting to discuss the needs for the remainder of the project, such as aluminum covers vs. HDPE, the number of each type, and the locations where each type can be used.

Director Cleveland expressed concern that some HDPE covers may be changed to aluminum, even though it may not be necessary, he asked that they assess each location and reduce the expense as much as possible.

Director Pullman asked that some type of marker be used to identify the covers that are not totally visible above ground.

Motion was made by Director Fillingame to approve Contract Modification 2008-01/21(S4) to the Term Bid 2008-01 contract with Necaise Brothers Construction, in the additive amount of \$4,039.31, contingent on final approval of MDEQ and Board Attorney Artigues. This change order to the term bid provides for the required fuel and material adjustment, Director Cleveland seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Cleveland to approve Contract Modification 2008-01/20(S4) to the Term Bid 2008-01 contract with Necaise Brothers Construction, in the additive not-to-exceed amount of \$283,907.34, contingent on final approval of MDEQ and Board Attorney Artigues. This change order to the term bid provides for the increase in bid item quantities necessary for continued hauling of S4 sewage to the Waveland Treatment Plant until flow sufficient for S3 plant startup is obtained, and various other changes. The S4 construction account indicates that sufficient funds are available for this change, Director Pullman seconded the motion; it was voted on and it carried unanimously.

Discussion: Director Johnson asked if there was a time frame when the plant would start up, Executive Director Pitalo explained that there were approximately 180 tanks currently set and hopefully by the end of January 2011 the plant would be started up.

Director Pullman expressed concern that some of the step tanks are pumping out on to the ground because the float switches were not set properly from the manufacturer,

Nick Mignone confirmed that there were some cases of this happening, but all have been corrected and will be set properly on all future installations.

Motion was made by Director Cleveland to send a resolution to the Department of Marine Resources to request expediting all the CIAP funds to be used for connecting all the non low to moderate income homes, Director Pullman seconded the motion; it was voted on and it carried unanimously.

Discussion: Mr. Bill Mitchell wanted to clarify that there were two types of CIAP funds, one through the county and the other through the state, the one that is being used for this purpose in Pearlington is the through the county and the portion to be used in the Kiln is from the State CIAP funds.

Motion was made by Director Johnson to approve the renewal of the current Line of Credit loan with The First Bank to be used for land acquisition purposes, Director Smith seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Fillingame to approve Contract Modification 2008-03/21 (W8) to the Term Bid 2008-03 contract with Hemphill Construction, in the deductive amount of \$428,818.90, contingent on final approval of MDEQ and Board Attorney Artigues. This is the summary change order for the W8 water line distribution system work, adjusting final quantities as constructed. A budget amendment is not required for this change, Director Smith seconded the motion; it was voted on and it carried unanimously.

Discussion: Director Cleveland wanted to know if all the "deductive" monies are being added back into the project "general fund". Executive Director Pitalo explained that as monies are deducted from one project it is being added to one of the other projects, as needed.

Motion was made by Director Fillingame to approve Contract Modification 2008-01/22(W4) to the Term Bid 2008-01 contract with Necaise Brothers Construction, in the additive amount of \$21,195.67, contingent on final approval of MDEQ and Board Attorney Artigues. This change order to the term bid provides for the required fuel and material adjustment, Director Cleveland seconded the motion; it was voted on and it carried unanimously.

Executive Director

Discussion on Board of Directors to attend a Public Water Systems Training session, as required by the MDOH – Information only – No Action Required

Discussion on flow vs. formula billing – Information only – No Action Required

Discussion of well operation and maintenance – Executive Director Pitalo wanted clarification as to who will operate and maintain the back up Pearlington well that the

PWSD is having constructed. He explained that he would like coordination of operations between the HCUA and PWSD once construction is completed.
Director Pro Temp Baxter explained that the issue is up for discussion and decision at a later date with PWSD Board.

Information on insurance – Information only – No Action Required

Discussion on using excess funds for chlorine building and energy efficiency program
Discussion: Director Fillingame explained that Board members should be prepared to go, on very short notice, to possibly meet with congressional delegation to talk again about legislation to get the SRF loan forgiven. He explained that one of the options discussed was to use any excess or leftover funds from the CDBG projects to pay towards catching up the SRF payments that have been deferred since Hurricane Katrina, unfortunately, at this time CDBG funds are not allowed to be used for such purposes, but Ms Trudy Fisher of MDEQ was not object to the option if proper legislation can be obtained and passed, but it will be the responsibility of the Authority to help get such legislation developed and passed.

Executive Director Pitalo explained that concerning using some of the CDBG funds for the two small projects at the Waveland WWTP, he felt that there was a good possibility that Mr. Eaton would approve the request, but would need a letter from Mr. Chris Gouras justifying attaching the projects to current project in the Gulf Region Plan. Mr. Gouras explained that there were two criteria that need to be met (1) how the projects would relate to Hurricane Katrina and (2) how do they fit into the Gulf Region Plan, and it is his opinion it will be hard to meet the criteria.

Executive Director Pitalo then requested guidance on how to proceed with the two projects, he explained that there is approximately \$314,000 available from the over funding of the 2004 Bond Reserve funds, and the two projects will cost approximately \$300,000.

Director Pullman requested Mr. Gouras to compile a letter to MDEQ to make the request for using the CDBG funds for the two projects.

Discussion on W7 Phase 2 Realignment Schedule - Information Only – No Action Needed.

Request that the Hancock County Board of Supervisors consider requesting that AT&T relocate their communication line on Lower Bay Road in order to install a 16' water main in the right of way.

Motion was made by Director Fillingame to allow Attorney Artigues to issue a letter to AT&T as shown above, Director Pullman seconded the motion; it was voted on and it carried unanimously.

Old Business

1. Sewer Use Ordinance – Tabled until the January 2011 meeting

New Business

Attorney Artigues advised that PWSD is applying to the USDA for a loan and the USDA has some issues on the water contract, and there is six items that they would like to add to the contract, he feels that the changes are reasonable and recommends that they be added to the PWSD contract. See attached list.

Motion was made by Director Fillingame to authorize Attorney Artigues to revise the PWSD contract and add the changes, Director Johnson seconded the motion; it was voted on and it carried unanimously.

Not on Agenda – Executive Director Pitalo received information during the meeting of an incident in the Pearlington area that involved a truck carrying STEP tanks and a passenger vehicle, the vehicle swerved into the path of the truck and the truck had to take evasive action which involved the truck going into the ditch to avoid a collision, there was no damage to the truck, but the passenger vehicle sustained some damage and the driver continued on.

Mr. Ken Overstreet of Diamondhead wanted to know if there were any published financial statements of how the CDBG money has been spent. Attorney Artigues explained that written request be sent to the Executive Director.

The other question concerns the small water service districts that are not a part of the HCUA, is there a document that binds the jurisdiction of all the water and sewer entities. Attorney Artigues recommended that Mr. Overstreet review the Senate Bill 2943, and that the HCUA was established by Mississippi Legislation by the request of Governor Hailey Barbour and he was instructed to address all his questions to the Authority and he will receive a response in writing.

Director Bill Johnson informed the Board of two facilities that needed to be put on the collection system on Texas Flat Road, one is the new animal shelter and the other is McLeod Park, he requested that both facilities be added to the force main.

Motion was made by Director Pullman to approve the request by Director Johnson concerning the animal shelter and McLeod Park, Director Johnson seconded motion; it was voted on and it carried unanimously.

Adjourn

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



HCUA Board Chairman/Vice Chairman



HCUA Executive Director