

HANCOCK COUNTY UTILITY AUTHORITY

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Monthly Board Meeting

May 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 Chairman Fillingame

Attendees:

Mr. Al Smith	Mr. Bill Johnson
Mr. Rocky Pullman	Mayor Les Fillingame
Ms. Lillian Stahler	Mrs. Betty Baxter
Mr. Jack Cleveland	

Request to Address the Board

None

Board Action Items

Motion was made by Director Smith to approve the Minutes from Monthly Board Meeting April 12, 2011, Director Johnson seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Stahler to approve April 2011 Dockets as presented to the board with the amounts as shown below:

* O & M District	\$ 109,848.62
* CDBG Funds	\$2,428,575.82
* CDBG Land	\$ 231,286.20
* O & M Water	\$ 1,937.20

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

Motion was made by Director Johnson to approve the Consent Agenda as presented to the Board, Director Smith seconded the motion; it was voted on and it carried unanimously.

- Approval of Request for Cash – CDBG projects in the amount of \$2,920,077.80
- Approval to spread on the minutes the result of the telephone poll concerning the new Pearlinton water well.
- Approval of 2010 Financial Audit.

- Approval of Contract Modification 2008-03/23 (S7) to the Term Bid 2008-03 contract with Hemphill Construction, in the additive amount of \$1,649.34, 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 for Work Order No. S7-03 under the S7 Bay St. Louis Wastewater System Improvements project.
- Approval of Contract Modification 2008-03/24 (S7) to the Term Bid 2008-03 contract with Hemphill Construction, in the additive amount of \$14.28, contingent on final approval of MDEQ and Board Attorney Artigues. This change order to the term bid provides for adjustments in the quantities of various bid items for Work Order No. S7-03 under the S7 Bay St. Louis Wastewater System Improvements project.
- Approval of Contract Modification 2008-03/25 (S7) to the Term Bid 2008-03 contract with Hemphill Construction, in the deductive amount of \$1,255.81, contingent on final approval of MDEQ and Board Attorney Artigues. This change order to the term bid provides for payment of the Mississippi Power connection fee and adjusts the quantities of various bid items as actually constructed for Work Order No. S7-03 under the S7 Bay St. Louis Wastewater System Improvements project.
- Approval of Substantial Completion Certificate for Work Order No. 1, Part 1, for the W4 Pearlington Water Distribution System project, Term Bid 2008-01, as of 11-24-10. This begins the one-year warranty period for the Pearlington water distribution system north of and along US Hwy 90.
- Approval of Substantial Completion Certificate for Work Order No. 1, Part 2, for the W4 Pearlington Water Distribution System project, Term Bid 2008-01, as of 01-18-11. This begins the one-year warranty period for the Pearlington water distribution system south of US Hwy 90.
- Approval of Substantial Completion Certificate for Work Order No. 2 for the W4 Pearlington Water Distribution System project, Term Bid 2008-01, as of 01-18-11. This begins the one-year warranty period for the Pearlington water distribution system located along private roads.
- Approval of Contract Modification 2008-07/14 (W7) to the Term Bid 2008-07 contract with Necaise brothers Construction, in the additive amount of \$29,270.75, contingent on final approval of MDEQ and Board Attorney Artigues. This change order to the term bid provides for a material cost adjustment for Work Order No. W7-06 under the W7 Eastern Regional Water Supply System project. The current budget modification indicates that contingency funds are available for this change.

- Approval of Amendment No.7 to the engineering agreement with Compton/Digital Engineers for Project S4 in the not-to-exceed additive amount of \$162,000.00, contingent on approval of Board Attorney Artigues and MDEQ, and the appropriate budget modification. This change will provide for continued construction administration and resident project representative services for the extended period of this project.
- Approval of Amendment No.11 to the engineering agreement with Neel-Schaffer for project W7, in the additive not-to-exceed amount of \$29,164.00 for additional engineering services beyond the original agreement, contingent on final approval of Board Attorney Artigues and MDEQ. This work will provide for the design of, and necessary surveying for, an additional master meter station at Stennis Tech Park, a water service line to Pump Station No. 1, and establishment of the Lakeshore Drive right-of-way and property owners. The current budget modification indicates that there are sufficient W7 contingency funds for this amendment.

Note: The approval of the Minutes from April 14, 2011 and the April 2011 Docket items will appear as a separate "Board Action" item.

This ends the Consent Agenda with a total of twelve action items.

Motion was made by Director Johnson to approve the amendments for Brown, Mitchell and Alexander, Inc. concerning Construction Management Services fee increases for eleven projects, contingent upon approval by MDEQ and Attorney Artigues, Director Pullman seconded the motion; it was voted on and it carried unanimously.

Project	Amendment #	Construction Phase Increase Requested	Construction Phase New Budget
HANCUA-01 W5E	6	\$9,160.00	\$86,600.35
HANCUA-02 S5	6	\$45,800.00	\$295,379.35
HANCUA-02 S6	6	\$107,630.00	\$283,042.83
HANCUA-02 S7	5	\$18,320.00	\$72,510.63
HANCUA-02 W6	6	\$13,740.00	\$89,913.22
HANCUA-02 W7	6	\$106,256.00	\$429,878.96
HANCUA-02 W9	5	No Request	No Request
HANCUA-02 W5	6	No Request	No Request
HANCUA-03 S3	6	\$22,900.00	\$110,545.00
HANCUA-03 S4	6	\$92,974.00	\$208,620.44
HANCUA-03 W3	7	\$2,290.00	\$53,077.18
HANCUA-03 W4	5	\$22,900.00	\$137,294.07
HANCUA-03 W8	5	\$16,030.00	\$176,043.22

Motion was made by Director Pullman to approve Budget Modification – HANCUA-02 #24, contingent upon approval of MDEQ and Attorney Artigues, Director Johnson seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Cleveland to approve Contract Modification 2008-09/05 (W7) to the Term Bid 2008-09 contract with Layne Central, in the additive amount of \$125,139.60, contingent on final approval of MDEQ and Board Attorney Artigues. This change order to the term bid provides for improved motor and motor controls (high-efficiency motors and variable-frequency drives), enhanced site erosion control, structural platform and chlorine/fluoride bldg additions, casing riser modification, and removal of altitude valves at the McLaurin, Harbor Drive, and Crump Road well and tank sites, all under the W7 Eastern Regional Water Supply System project. The current budget modification indicates that 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 Cleveland to approve Contract Modification 2008-08/02 (W7) to the Term Bid 2008-08 contract with Caldwell Tanks, in the additive amount of \$20,092.00, contingent on final approval of MDEQ and Board Attorney Artigues. This change order to the term bid provides for additional piling at the McLaurin and Harbor Drive well and tank sites, all under the W7 Eastern Regional Water Supply System project. Test pile data at both sites differed from the information contained in the geotechnical reports, thus requiring additional piling for the tank foundations. The current budget modification indicates that 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 Cleveland to approve Contract Modification 2008-07/15 (W7) to the Term Bid 2008-07 contract with Necaise brothers Construction, in the additive amount of \$251,785.68, contingent on final approval of MDEQ and Board Attorney Artigues. This change order to the term bid provides for actual and anticipated bid item quantity adjustments for Work Orders Nos. 2, 4 and 6 under the W7 Eastern Regional Water Supply System project. Most of the quantity adjustments are related to work on Longfellow Drive and the Harbor Drive-US 90 section of the main supplying water for the new jail. The current budget modification indicates that contingency funds are available for this change, Director Stahler seconded the motion; it was voted on and it carried unanimously.

Executive Director

Water fluoridation on regional water system – Executive Director Pitalo informed the Board of the decision of each entity to incorporate fluoridation into their water systems, and that the initial startup equipment cost would be provided by a grant, but ultimately there may be a slight rate increase in the water rate.

Discussion: Director Johnson expressed concern about the fluoride injection system. Systems used in the past were not cost efficient.

Discussion - dredging of lagoon – Executive Director Pitalo informed the board that capacity measurements have been done at the lagoon and at the present time, there is approximately twelve inches of sediment, which decreases the capacity of the lagoon. He explained that every inch of depth in the lagoon equals one million gallons of capacity. Also, that he is requesting quotes on the possibility of dredging the lagoon, he will inform the Board of the quote results.

Discussion – Package plants at Stennis Airport – Executive Director Pitalo explained to the Board that he was contacted by the Hancock County Port & Harbor Commission that they would no longer need their package plants, and asked the Board to decide if the Authority wanted them.

Motion was made by Director Cleveland to refuse the offer of the plants, Director Stahler seconded the motion; it was voted on and it carried unanimously.

Discussion – GIS Grant for Hancock County – Executive Director Pitalo informed the Board that Hancock County has secured a grant to do GIS work to identify critical water and sewer components within the county and the company contracted to do the work will probably be contacting each entity concerning doing work in each respective entity area. Also, the Authority has begun the GPS process to locate our lines.

Discussion on W7 transmission line on Lower Bay Road – After a meeting with Neel-Schaffer, Rocky Pullman and Attorney Artigues, it was decided to allow the line installed to remain as is and to begin at the end of that line by installing additional pipe as far as possible to the back of the right-of-way to Lakeshore Road to the back entrance of Bayside Park; and there will be a need to purchase easements in this area and install the line on private easements in that area.

TESI – Pearlinton – Executive Director Pitalo informed the Board that the Authority has received approval from MDEQ to be reimbursed for the purchase of the TESI certificate in the Pearlinton area, which was purchased in May 2010.

TESI – Kiln – A meeting was held with the Kiln Utility and Fire Protection District and TESI. The KUFPD expressed interest in purchasing the TESI certificate for the Jourdan River Shores, and Executive Director Pitalo is continuing discussions with MDEQ soliciting funding to install a lift station at the TESI treatment plant site.

Project Updates – Information Only – No Action required – a copy will be kept with the minute's documentation.

Old Business

Letter to MDEQ concerning SCADA and bore for new Pearlinton well site – Executive Director Pitalo gave each Board member a copy of the letter sent to MDEQ.

New Business

Director Pro Temp Baxter requested a water meter be installed at the county owned cemetery on Hancock Avenue. Director Pullman informed the Board that a request would need to be made to the Hancock County Board of Supervisors.

Motion was made by Director Cleveland to approve the request by the Hancock County Water & Sewer District begin monthly payments of the 2010 Over/Under amount of \$427, 525.00 to begin on October 1, 2011 and continue for thirty-six months, Director Johnson seconded the motion; it was voted on and it carried unanimously.

Michael Moore of Neel Schaffer informed the Board of the construction status of Project W7. A copy of the document will be retained with the minute's documentation.

Executive Session

Attorney Jack Pittman
Butler Snow

Motion was made by Director Stahler to consider going into Executive Session to discuss land acquisition and litigation issues, Director Smith seconded the motion; it was voted on and it carried by majority vote. *Let the record that Director Cleveland had left the room prior to the vote on the motion.*

Motion was made Director Pullman to enter into Executive Session to discuss land acquisition and litigation issues, Director Johnson seconded the motion; it was voted on and it carried majority vote. *Let the record that Director Cleveland had left the room prior to the vote on the motion.*

Motion was made by Director Cleveland to leave Executive Session with no action taken at 2:55 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 one waiver valuations for Master Meter Site #6 in 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. 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.

Motion was made by Director Pullman to pass an Order to Condemn on property owned by Mr. John Nelson, Project W7, for purposes of litigation to acquire a private road and put an easement on said road, Director Johnson seconded the motion; it was voted on and it carried unanimously.

Butler Snow

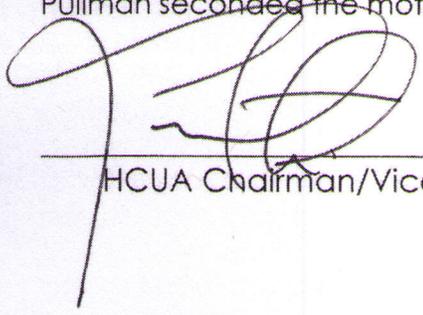
During executive session Attorney Artigues presented the Board with an opportunity to review, on a per parcel basis, a total of sixteen waiver valuations for Project S6 – Kiln Wastewater Collection System for the purpose of establishing a basis for making a fair market value offer pursuant to the waiver 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 Smith seconded the motion; it was voted on and it carried unanimously.

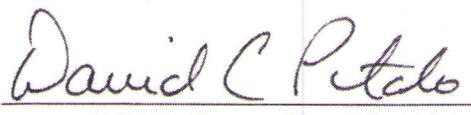
Director Johnson informed the Board that he had been contacted concerning a construction easement at the junction of Hwy 603 and Hwy 43 – Cody's Junction – and that the owner tried to stop the work. Attorney Artigues explained that the situation had been resolved and the work proceeded as planned.

Adjourn

Motion was made by Director Cleveland to adjourn the meeting at 3:00 PM, Director Pullman seconded the motion; it was voted on and it carried unanimously.



HCUA Chairman/Vice Chairman



HCUA Executive Director