



HANCOCK COUNTY UTILITY AUTHORITY

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Monthly Board Meeting

August 9, 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 Pullman

Attendees:

Mr. Al Smith

Mr. Jack Cleveland

Ms. Lillian Stahler

Mr. Rocky Pullman

Mr. Bill Johnson

Mayor Les Fillingame

Ms. Pamela Lonidier

Request to Address the Board

None

Board Action Items

Motion was made by Director Stahler to approve the Minutes from Monthly Board Meeting July 12, 2011, Director Smith seconded the motion; it was voted on and it carried with a majority vote, let the record show that Chairman Fillingame abstained from the vote.

Motion was made by Director Pullman to approve the Minutes from Emergency Board Meeting July 26, 2011, 2011, Director Johnson seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Pullman to approve the July 2011 Dockets as presented to the Board, Director Fillingame seconded the motion; it was voted on and it carried unanimously. *Note: the agenda indicated "June 2010 Dockets", the dockets are in fact July 2011.*

- O & M \$ 142,961.56
- Land Acquisition \$ 89,863.00
- CDBG Projects \$2,580,512.64
- O & M Water \$ 2,897.29
- 2004 Bond-Capital \$ 4,511.97

Motion was made by Director Pullman to approve the Request for Cash in the amount of \$4,809,214.18, as presented to the Board, Director Stahler 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.

Discussion: Director Lonidier asked concerning Item 4 when the balance of the step tanks would be delivered to the PWSD, Executive Director Pitalo explained that he didn't have a definite date, but would get with the contractor for the expected delivery and get back to her.

Also, Director Lonidier asked concerning Item 5, if the treatment of the wastewater from the grinder pumps in the Ansley/Heron Bay area would cost more to treat at the Western WWTP and if so would it raise the Pearlinton rates, Executive Director Pitalo explained if the grinder pump system is used in the two areas, at some point there would be a large STEP tank installed to hold the grinder pump waste, and at that point the solids would separate from the grey water and the grey water would be sent to the Western WWTP; and a flow meter would be installed to monitor the amount being sent in from the HCWSD lines and should not affect the PWSD percentages.

- Approval of Substantial Completion Certificate for Work Order No. 3 for the S7 Bay St. Louis Wastewater System Improvements Project, Term Bid 2008-03, as of 06-14-11. On this date the one-year warranty period for the new S7 Pump Station began.
- Approval of Substantial Completion Certificate for Work Order No. 4 for the S7 Bay St. Louis Wastewater System Improvements Project, Term Bid 2008-03, as of 07-07-11. On this date the one-year warranty period for the final section of force main began.
- Approval to spread on the minutes the letter from the White Cypress Lakes Property Owner Association concerning water quality in the community.
- Approval of Payment Application No. 4, S4 CIAP project, in the amount of \$80,647.51, to be paid by the Hancock County Board of Supervisors under the Pearlinton CIAP grant program.
- Rev. 1 - Evaluation of Grinder Pump System versus Septic Tank – Ansley, Heron Bay areas
- Approval of Substantial Completion Certificate for Work Order No. 5 for the W7 Eastern Hancock County Regional Water Supply project, Term Bid 2008-07, as of 06-24-11. On this date the one-year warranty period for the Longfellow Drive portion of the water supply main began.
- Approval of Amendment No. 1 to the engineering agreement with A. Garner Russell & Associates for the design and construction engineering services for the S6 CIAP project to connect citizens to the Kiln Wastewater Collection System, contingent on final approval of Board Attorney Artigues and the Mississippi Department of Marine Resources. This amendment provides the

annual adjustment to the hourly rate schedule as provided for by the original agreement. This amendment does not change the contract price.

- Approval of Amendment No. 1 to the engineering agreement with A. Garner Russell & Associates for the design of the S6 Phase 2 CDBG project to connect low-mod citizens to the Kiln Wastewater Collection System, contingent on final approval of Board Attorney Artigues and the Mississippi Department of Environmental Quality, and the appropriate budget amendment. This amendment provides for the addition of construction phase engineering services, including a resident project representative. The contract price is increased by a not-to-exceed amount of \$120,375.00. This amount is a net amount that includes a credit of \$61,645.00 for the unused portion of the design phase services. A budget amendment is required for this change.

This ends the Consent Agenda with a total of eight items

Motion was made by Director Pullman to approve Amendment No.12 to the engineering agreement with Neel-Schaffer for project W7, in the additive not-to-exceed amount of \$58,433.00 for construction engineering services required in connection with construction contract Term Bid 13, contingent on final approval of Board Attorney Artigues and MDEQ. The current budget modification indicates that there are sufficient W7 contingency funds for this amendment, Director Stahler seconded the motion; it was voted on and it carried unanimously.

Note: Director Pullman asked to spread on the minutes that Board Attorney is not attending the meeting and Attorney Jack Pittman will be assisting with any legal issues that may arise.

Motion was made by Director Pullman to approve the Substantial Completion Certificate for Work Order No.1 for the W5E Kiln Regional Water Supply System Project, Term Bid 2008-02, as of 03-05-10. On this date the one-year warranty period for the final section of force main began, Director Johnson seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Pullman to approve the Contract Modification 2008-04/15(S6) to the Term Bid 2008-04 contract with Hudson Contracting, in the additive amount of \$197,860.00, contingent on final approval of MDEQ and Board Attorney Artigues, and the appropriate budget amendment. This change order to the term bid provides for additional final design quantities for the grinder pumps and service piping bid items, as well as the sewer service connection to the East Hancock Elementary School. A budget amendment is required for this modification, Director Lonidier seconded to the motion; it was voted on and it carried unanimously.

Motion was made by Director Stahler to approve the Contract Modification 2008-03/27 (S7) to the Term Bid 2008-03 contract with Hemphill Construction, in the additive amount of \$10,641.18, 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. S7-04 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 Pullman to approve the Contract Modification 2008-07/19(W7, S5) to the Term Bid 2008-07 construction contract with Necaise Brothers Construction, increasing the term bid contract time by 184 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 Lonidier seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Smith to approve the Contract Modification 2008-02/26(W6) to the Term Bid 2008-02 construction contract with Jay Bearden/G&C Construction, in the deductive amount of \$468,597.68, contingent on final approval of MDEQ and Board Attorney Artigues. This change provides for the adjustment of actual quantities of various bid items constructed, as field measured, Director Stahler seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Pullman to approve the Contract Modification 2008-02/27(W5E) to the Term Bid 2008-02 construction contract with Jay Bearden/G&C Construction, in the additive amount of \$4,235.00, contingent on final approval of MDEQ and Board Attorney Artigues. This change provides for underground electrical power to the master meter stations, as required by the power service provider, Coast Electric, Director Smith seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Pullman to approve the Contract Modification 2008-02/28(S6) to the Term Bid 2008-02 construction contract with Jay Bearden/G&C Construction for the Kiln Wastewater Collection System, in the additive amount of \$517,962.60, contingent on final approval of MDEQ and Board Attorney Artigues, and the appropriate budget amendment. This change provides for electrical grounding grids for the four (4) pump stations, as well as increases in the quantities of piping for several bid items in order to provide for a complete project. The change order amount represents 2.9% of the current contract amount. A budget amendment is required for this change, Director Lonidier seconded the motion; it was voted on and it carried unanimously.

Mr. Michael Moore of Neel Schaffer informed the Board that construction of the Harbor Drive well and tank is on schedule and doesn't foresee any issues that would cause a delay.

Not on the Agenda - Award of Term Bid 2011-14

Motion was made by Director Johnson to award the Construction Contract for Term Bid 2011-14, S6 Phase 2, Kiln Wastewater Collection System, to Jay Bearden Construction, Inc. for the low bid amount of \$2,828,506.25, contingent on approval of Board Attorney Artigues, MDEQ and MDMR, Director Pullman seconded the motion; it was voted on and it carried unanimously.

Executive Director

Progress Report from FTN – Mixing Zone Study – Information only – No action required

Master Plan – Water and Sewer – Motion was made by Director Pullman to authorize Brown, Mitchell and Alexander, Inc. to move forward with creating a new Master Plan, beginning October 1, 2011, Director Cleveland seconded the motion; it was voted on and it carried unanimously.

New Business

Director Pullman informed the Board BP monies that will be coming into Mississippi, and urged the Board to begin compiling a list of items that each district needs. He also urged the Board to begin now with the list and have it ready to submit as soon as the monies are made available.

Executive Director Pitalo said he will create a list of areas that need water and sewer to present to the Board for prioritization.

Old Business

Evaluation of collection system in Ansley/Herron Bay area – CIAP – Information only – No action needed

2011 through 2012 proposed budget – Director Stahler requested a more detailed format of the budget, she requested that last year's budget number be included as a comparison and also, that the budget is approximately \$500,000.00 more than the last year's budget. Executive Director Pitalo explained that the increase is due to all the new sites coming on line, and with them are expenses such as insurance, maintenance, salaries, etc., and the new formatted budget will be provided to each Board member before the next monthly meeting in September 2011.

Also, Executive Director Pitalo informed the Board of an item that will need to be added to the budget – it is a maintenance contract for the generators that will be needed for the various projects – a total of seventeen generators. He estimates that the maintenance expense will be \$25,000 to \$50,000.

Director Fillingame asked that budget include projected revenues from wastewater and water, even if it is a break even situation.

Executive Director pointed out that debt service was not included in the budget and invoicing for the 2004 Bond Debt will begin in January 2012 through December 2012. There are two payments due in 2012, one in June and the other in December.

Director Cleveland encouraged each entity to do a rate study to be sure they are charging adequate fees to cover necessary expenses.

Also, he asked what the status of the SRF loan forgiveness/reduction was. Executive Director Pitalo explained that not a lot has changed, but nothing has been decided.

Motion was made by Director Smith to authorize Executive Director Pitalo to issue a letter requesting another year of forbearance on the SRF loan, Director Cleveland seconded the motion; it was voted on and it carried unanimously.

Executive Session

Attorney Jack Pittman – Pittman, Howdeshell, Hinton and Hightower
Attorney Ronnie Artigues - Butler Snow

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

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

Motion was made by Director Johnson to leave Executive Session with no action taken at 3:22 PM, Director Cleveland seconded the motion; it was voted on and it carried unanimously.

Pittman

Motion was made by Director Cleveland to authorize Attorney Pittman to negotiate with the property owners, as explained during executive session, for the parcel on Crump Road for project W5E, Director Johnson seconded the motion; it was voted on and it carried unanimously.

Butler Snow

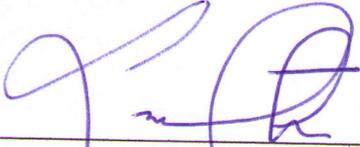
During executive session Attorney Jack Pitman, of behalf of Attorney Artigues, presented the Board with an opportunity to review, on a per parcel basis, a total of twenty-four waiver valuations for Project S6 – Kiln Wastewater Collection System for the purpose of establishing a basis for making a fair 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 Cleveland to authorize Attorney Ronnie Artigues to proceed with the fair

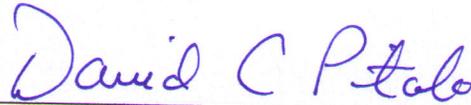
market value offers, based on said information, in the amounts indicated in each file on the parcels shown on the **attached two page(s)**, and to allow Attorneys Ronnie Artigues and Jack Pittman and Executive Director Pitalo to review, recommend and proceed with FMVOs as needed to avoid delays in the project, Director Pullman seconded the motion; it was voted on and it carried unanimously.

Adjourn

Motion was made by Director Cleveland to adjourn the meeting at 3:30 PM, Director Smith seconded the motion; it was voted on and it carried unanimously.



HCUA Chairman/Vice Chairman



HCUA Executive Director