



HANCOCK COUNTY UTILITY AUTHORITY

401 Gulfside Street • P.O. Box 110 • Waveland, MS 39576
Telephone 228-467-3702 • Fax 228-467-6206 • E-mail: hcua@bellsouth.net

Monthly Board Meeting

June 12, 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 Fillingame

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 May 8, 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 May 2012 Dockets, Director Busenlener seconded the motion; it was voted on and it carried unanimously.

- O & M \$ 148,560.37
- 2010 Bond \$ 40,908.13
- 2004 Bond \$ 11,583.75
- Land Acquisition \$ 38,868.40
- CDBG Projects \$ 1,769,825.76
- O & M Water \$ 7,679.05

Motion was made by Director Johnson to approve the CDBG Request for Cash in the amount of \$1,721,615.63 as presented to the Board, Director Stahler seconded the motion; it was voted on and it carried unanimously.

Note: Original amount was \$1,781,615.63, adjustment due to change on RFC 68 Project \$6.

Motion was made by Director Johnson to approve Budget Modification HANCUA-02 #33, Director Ladner seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Ladner to approve Budget Modification HANCUA-03 #26, Director Busenlener seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Johnson to approve the Consent Agenda, with a total of 13 items, as presented to the Board, Director Stahler seconded the motion; it was voted on and it carried unanimously.

- Approval of consulting engineering agreement with Brown, Mitchell & Alexander, Inc for project Hancock County Utility Authority Utility Master Plan, in the hourly not to exceed amount of \$47,900.00, contingent on final approval of Board Attorney Artigues and Mississippi Department of Marine Resources. BMA has requested to give a short presentation on the proposed master plan.
- Approval of Certificate of Substantial Completion for Work Order 2008-02/S6 (05), as of January 04, 2012, for the Kiln Wastewater Collection System. This certificate covers the construction of the Nicola Road and Wilderness Pump Stations under the Term Bid 2008-02 construction contract.
- Approval of Contract Modification 2011-14/02(S6) 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 \$12,160.00 (\$10,630.00 CDBG and \$1,530.00 CIAP), contingent on final approval of MDEQ, Dept. of Marine Resources and Board Attorney Artigues, and the appropriate budget amendment. This change addresses differing electrical conditions encountered at residences under the sewer service connection contract, and other changes as noted in the contract mod. The current fund balances indicate that existing construction contingency funds are sufficient for this change.
- Approval of Work Order Revision 3 to Work Order 2011-14/S6-02 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 \$8,804.40 (\$5,911.29 CDBG and \$2,893.11 CIAP), contingent on final approval of MDEQ, Dept. of Marine Resources and Board Attorney Artigues. This change addresses

differing electrical conditions encountered at residences under the sewer service connection contract, and adds 15 calendar days time to the work order to account for delays in scheduling work with residents. 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 Work Order Revision 1 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 \$18,607.50 (\$13,568.75 CDBG and \$5,038.75 CIAP), contingent on final approval of MDEQ, Dept. of Marine Resources and Board Attorney Artigues. This change addresses differing electrical conditions encountered at residences under the sewer service connection contract, and adds 15 calendar days time to the work order to account for time required to perform the additional work. 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 2008-08/05(W7) to the Term Bid 2008-08 contract with Caldwell Tanks, Inc., in the deductive amount of \$2,789.54, contingent on final approval of MDEQ and Board Attorney Artigues. This change order to the term bid provides tank level controls for both the McLaurin and Harbor Drive elevated water tanks, and adjusts as-built quantities, under the W7 Eastern Regional Water Supply System project.
- Approval of Payment Request No. 7, S6 CIAP Kiln Sewer Connection Project, MSCIAP Project No. MS.R.771-2, in the amount of \$49,211.24, 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 \$9,874.01 and an invoice from Jay Bearden Construction in the amount of \$39,337.23.
- Approval of Certificate of Substantial Completion for Work Order 2008-08/W7-02, as of 08-31-11, for the Eastern Hancock County Regional Water Supply System project. This certificate covers the construction of the Harbor Drive Elevated Water Tank.
- Approval to renew "Line of Credit" with The First, for the purpose of land acquisition, in the amount of \$500,000.00, with the effective date of the agreement to be June 1, 2012.

- Approval of Certificate of Substantial Completion for Work Order 2008-08/W7-01, as of 03-25-11, for the Eastern Hancock County Regional Water Supply System project. This certificate covers the construction of the McLaurin Street Elevated Water Tank.
- Approval of Contract Modification 2008-04/31 (S4) to the Term Bid 2008-04 contract with Hudson Contracting, Inc., in the additive amount of \$17,650 (\$-1,475.00 CDBG and \$19,125.00 CIAP), contingent on final approval of MDEQ and Board Attorney Artigues. This change order to the term bid adjust quantities of certain line items and provides 6-inch risers for the 75 spare STEP tanks previously purchased by CIAP.
- Approval of Contract Modification 2008-07/26(W7) to the Term Bid 2008-07 contract with Necaise Bros. Construction, Inc., in the additive amount of \$16,064.26, contingent on final approval of MDEQ and Board Attorney Artigues. This change order to the term bid adjusts quantities of various line items to those constructed in the field, under the W7 Eastern Regional Water Supply System project.
- Approval of consulting engineering agreement with Digital Engineering & Imaging for project W8, in the lump sum amount of \$73,000.00 for design services for the Bayside Park Water Distribution System, Phase 3, contingent on final approval of Board Attorney Artigues and MDEQ

This ends the Consent Agenda portion of the Agenda

Motion was made by Director Ladner to accept the recommendation by Brown, Mitchell and Alexander, Inc., to award the Hancock County Utility Authority Unit Repair and Replacement Contract, 2012 to the low bidder Jay Levens Builders, Inc., Director Johnson seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Johnson to approve the Certificate of Substantial Completion for Work Order 2008-02/W6-03, as of 04-15-11, for the Kiln Regional Water System project. This date started the one year warranty for this work order. The contractor acknowledges that the one year warranty has passed and will correct any issue found during the one-year warranty inspection tentatively scheduled for July 2012, Director Smith seconded the motion; it was voted on and it carried unanimously.

Discussion: Director Fillingame inquired as to why the Board is receiving the Certificate of Substantial Completion after the warranty period has expired. Kevin Mullen of Brown, Mitchell and Alexander explained that the contractor's contact had left the company and the certificate was left in the employee's

email, and was just recently discovered. He explained that they will re-inspect the site and the contractor has agreed to correct any issues that may be found.

Motion was made by Director Johnson to approve the Certificate of Substantial Completion for Work Order 2008-02/W5E-02, as of 08-14-11, for the Kiln Regional Water Transmission System project. This date begins the one year warranty period for this work order, Director Stahler seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Ladner to approve the request by Executive Director Pitalo to declare one (1) Panasonic VHS/DVD player as surplus equipment and to dispose of accordingly, Director Smith seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Ladner to approve the Contract Modification 2008-03/29(S7) to the Term Bid 2008-03 construction contract with Hemphill Construction for the Bay St. Louis Wastewater System Improvements Project, in the additive amount of \$90,062.86, contingent on final approval of MDEQ and Board Attorney Artigues. This change does not increase the amount to be paid to the contractor, but is rather a housekeeping item that moves funding already allocated to the project into the construction contract. Director Stahler seconded the motion; it was voted on and it carried unanimously.

Executive Director

Audit committee for 2011 audit – three members plus Executive Director – Board members Al Smith, Tony W. Ladner and Bill Johnson will serve on the committee.

Tap fee discussion – After a lengthy discussion of various options, it was decided to have Brown, Mitchell and Alexander come up with some proposals for the next monthly meeting.

Update by Attorney on Flow vs. Formula with possible approval – Attorney Artigues informed the Board that he had not received any comments, input, etc. from the respective entity attorneys, and that the amendment is just a straight contract modification for the limited purpose of going to a flow invoicing system vs. the formula invoicing system.

Motion was made by Director Johnson to authorize changing from the formula invoicing system to the flow invoicing system and to approve the recommended

amendment to the wastewater treatment contract for all entities, Director Smith seconded the motion; it was voted on and it carried unanimously.

Additional time at July meeting for update on legal and construction costs - Executive Director requested the Board to prepare for some extra time at the next meeting to discuss legal and construction costs issues at the next meeting.

Funding concerns O&M – Executive Director Pitalo explained to the Board that the account balance for the O & M account is down to approximately \$176,000 and that the expenses for the water system is contributing to this issue. Director Fillingame requested a budget update for the next monthly meeting.

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

Attorney Ronnie Artigues – Butler Snow

Attorney Jack Pittman – Pittman Law Firm

Executive Director Pitalo – Training/Employment issues

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

Motion was made Director Johnson to enter 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 by Director Johnson to leave Executive Session with no action taken at 3:13PM, 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 two 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 Stahler 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 unanimously.

Pittman

During executive session, Attorney Jack Pittman presented the Board with an opportunity to review a request to approve Order to Condemn on two parcels for Project W7 – Eastern Hancock County Regional Water Supply with the parcels being 171R-0-12-098.000 & 171R-0-12-199.000.

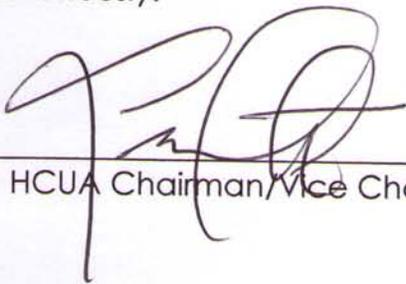
After leaving executive session and a full discussion, motion was made by Director Ladner to approve the request concerning the Order to Condemn for the two parcel(s), Director Busenlener seconded the motion; it was voted on and it carried unanimously.

Also, during executive session Attorney Pittman presented the Board with an opportunity to review, on a per parcel basis, a total of one waiver valuation(s), Parcel CE779 for Project S4-Pearlington Wastewater Collection System, for the purpose of establishing a basis for making a fair market value offer pursuant to the waiver valuation procedure.

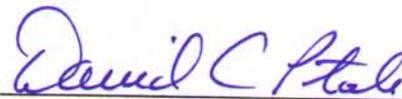
After leaving the executive session and a full discussion, a motion was made by Director Stahler to authorize Attorney Pittman to proceed with the fair market value offer(s), based on said information, in the amounts indicated in each file on the parcel(s) CE779 and to allow Attorneys Ronnie Artigues and Jack Pittman and Executive Director Pitalo to review, recommend and proceed with FMVOs as needed to avoid delays in the

Adjourn

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



HCUA Chairman/Vice Chairman



HCUA Executive Director