

# HANCOCK COUNTY UTILITY AUTHORITY

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## Monthly Board Meeting

March 13, 2012

The meeting was called to order by Chairman Les Fillingame at 2:08 P.M.

### **Pledge of Allegiance and Silent Prayer – Lead by Les 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

#### **Presentation of Appreciation Awards**

Chairman Les Fillingame present appreciation awards to Mr. Jack Cleveland and Mr. Larry Ladner for their service to the utility board.

#### **Board Action Items**

Motion was made by Director Stahler to approve the minutes of the February 14, 2012 Monthly Board Meeting, Director Smith seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Johnson to approve the February 2012 Dockets, Director Busenlener seconded the motion; it was voted on and it carried unanimously.

- O & M \$ 107,600.74
- Land Acquisition \$ 51,196.18
- CDBG Projects \$ 2,804,103.54
- CIAP-Kiln \$ 7,217.10
- CIAP-Pearlington \$ 88,865.25
- O & M Water \$ 3,105.81

Motion was made by Director Ladner to approve the CDBG Request for Cash #59 in the amount of \$ 2,969,242.17, Director Stahler seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Ladner to approve the CDBG Request for Cash #60 in the amount of \$549,006.00, this request is for Project S5, Pay App. #26 for P. F. Moon, of which \$491,809.99 is CDBG eligible and \$57,197.00 will be reimbursed by the HCUA from Carollo per Contract Modification S5-06, Director Johnson 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 14 items as presented to the board, Director Smith seconded the motion; it was voted on and it carried unanimously.

- Approval of CDBG Budget Modifications:
  - (1) HANCUA-01 #16
  - (2) HANCUA-02 #30
  - (3) HANCUA-03 #23
- Approval to spread on the minutes the MS State Board of Contractors information concerning Plaas Incorporated.
- Approval of Amendment No. 3 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.
- Approval of Payment Application No. 11, S4 CIAP project, in the amount of \$9,208.91, to be paid by the Hancock County Board of Supervisors under the Pearlington CIAP grant program.
- Approval of Payment Request No. 4, S6 CIAP Kiln Sewer Connection Project, MSCIAF Project No. MS.R.771-2, in the amount of \$51,118.83, 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 \$9,513.84 and invoices from Jay Bearden Construction in the total amount of \$41,604.99.
- Approval of Contract Modification 2008-04/24 (S4) to the Term Bid HANCUA 2008-04 construction contract with Hudson Contracting, Inc., for the S4 Pearlington Waste Water Collection System, in the deductive amount of \$46,100, contingent on final approval of MDEQ and Board Attorney Artigues. This change revises quantities to those constructed in the field on work order 2008-04/S4-03. No additional funds are needed for this change.
- Approval of Contract Modification 2008-04/25 (S6) to the Term Bid HANCUA 2008-04 construction contract with Hudson Contracting, Inc., for the S6 Kiln Waste Water Collection System, in the deductive amount of \$16,449.40, contingent on final approval of MDEQ and Board Attorney Artigues. This change revises quantities to those constructed in the field and adds two new line items needed to complete the work at the East Hancock Elementary School and the Hancock County Horse Arena. No additional funds are needed for this change.
- Approval of Contract Modification 2008-02/ 36 (S6) to the Term Bid HANCUA 2008-02 construction contract with Jay Bearden Construction and G&C

construction, a joint venture., for the S6 Kiln Waste Water Collection System, in the deductive amount of \$378,053.35, contingent on final approval of MDEQ and Board Attorney Artigues. This change revises the contract quantities based on the work progress in the field to date. No additional funds are needed for this change.

- Approval of Certificate of Substantial Completion for CIAP Work Order 211-015(01), for the Pearlington S4 CIAP work. This certificate covers the installation of non-low-mod STEP tank units for 210 residences in Pearlington, with the warranty for each unit beginning on the last day of the month that it was installed. All non-low-mod STEP tank units in Pearlington for which easements have been acquired are now complete, with a few exceptions. STEP units were not installed on 2 parcels which had no power to the residence and 1 parcel where the owner refused to allow installation.
- Approval of Certificate of Substantial Completion for Work Order 2008-02/S6 (08), as of January 31, 2012, for the Kiln Wastewater Collection System. This certificate covers the delivery to the designated storage location of 193 grinder pumps, with vaults and control panels, to be installed as Owner-furnished equipment under Term Bid 2011-15. Manufacturer's 5-year warranty for the individual units will begin following installation and testing.
- Approval of Revision 6 to Work Order 2008-02/S6-02 for Jay Bearden Construction and G&C construction, a joint venture., for the S6 Kiln Waste Water Collection System, in the additive amount of \$3,622.80 and 77 additional calendar days, contingent on final approval of MDEQ and Board Attorney Artigues. This change revises the quantities in Work Order 2008-02/S6-02 to the finished quantity used in the field as well as adds 77 calendar days as recommended by Compton Engineering for the contractor to complete additional work requested by the owner that required items to be ordered, delivered and installed. No additional funds are needed for this change.
- Approval of Amendment No. 3 to the Engineering Agreement with Compton/Digital Engineering for the Pearlington Water Distribution System, contingent on final approval of MDEQ and Board Attorney Artigues. This amendment provides for a reallocation of funds within the current agreement, as required by actual project needs, at no change in contract price.
- Approval of Contract Modification 2008-04/26 (W8) to the Term Bid HANCUA 2008-04 construction contract with Hudson Contracting, Inc., for the W8 Bayside Park Water Distribution System, in the additive amount of \$169,120.00, contingent on final approval of MDEQ and Board Attorney Artigues. This modification to the construction contract provides equipment currently being used by the Hancock County Water & Sewer District. There are contingency funds available for this change.
- Approval to execute the following Resolutions concerning CDBG Funds:
  - *Proper Use of Funds and Prohibition of Recovery of Cost*

- o Fair Housing Plan
- o Establishing Goals for Minority and Women-Owned Business Participation
- o Citizen Participation Plan
- o Legal Authority, Compliance with Applicable Laws, Project Readiness, Project Monitoring and Record Keeping
- o Residential Anti-Displacement and Relocation Assistance
- o Floodplain and Flood Insurance Purchase Requirements
- o Procurement Procedures
- o Code of Standards of Conduct
- o Uniform Relocation Assistance and Real Property Acquisition Policies Act
- o Authorizing David Pitalo, Executive Director of the HCUA to Sign Request for Cash Forms, Request for Cash consolidated Support Sheets, etc.....
- o Anti-Discrimination
- o Restrictions of Lobbying and Political Activity
- o Public Law 101-144, As Amended
- o Section 3
- o Environmental Compliance
- o Endorsing Civil Right Laws and Executive Orders...
- o Section 3 Plan

*This Completes the Consent Agenda*

Motion was made by Director Johnson to approve Contract Modification SCADA-02 to the SCADA construction contract with Watertech, Corporation, for projects S3, W3, W5, & W5E, in the additive amount of \$80,058.00, contingent on final approval of MDEQ, Board Attorney Artigues and the appropriate Budget Modification. This modification to the construction contract provides additional equipment and programming needed for the SCADA system to function correctly, Director Smith seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Johnson to approve Contract Modification 2011-14/01 (S6) to the Term Bid HANCUA 2011-14 construction contract with Jay Bearden Construction, Inc., for the S6 Kiln Wastewater Collection System, Phase 2 (CDBG & CIAP), in the additive amount of \$8,289.00 (\$3,595.00 CDBG & \$4,694.00 CIAP). Contingent on final approval of MDEQ, Mississippi Department of Marine Resources and Board Attorney Artigues. This modification to the construction contract provides step up transformers and quad breakers that are needed to complete the electrical portion of the installation and for some minor modification to existing sewer discharge point. There are sufficient funds to cover these changes, Director Busenlener seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Ladner to approve Revision 1 to Work Order 2011-14/S6-01 for Jay Bearden Construction, for the S6 Kiln Waste Water Collection System, Phase 2 (CDBG & CIAP), in the additive amount of \$15,352.60 (\$18,195.70 CDBG and \$-2,843.10

CIAP) and 40 additional calendar days. Contingent on final approval of MDEQ, Mississippi Department of Marine Resources and Board Attorney Artigues. This change revises the quantities in Work Order 2011-14/S6-01 to the finished quantity used in the field as well as adds 40 calendar days as recommended by A. Garner Russell & Assoc. for the contractor to complete additional service connections that were made available after the original work order was released. No additional funds are needed for this change, Director Stahler seconded the motion; it was voted on and it carried unanimously.

### **Executive Director**

\$50,000 Grant for Master Plan – Executive Director Pitalo informed the Board that the Authority has received \$50,000 to create the Master Plan for the Authority and it should be completed by year end 2013.

Grant Authority to advertise for qualification statement for HCUA Master Plan for water and wastewater, and to establish a selection committee (2 or 3 directors plus Executive Director)

Motion was made by Director Ladner to approve the advertising for Statements of Qualification for the Master Plan, Director Busenlener seconded the motion; it was voted on and it carried unanimously.

Authorization to accept MOU between HCUA and PWSD (Removal of Item #4 of Old Business)

- Waiting on engineers to provide record drawings to HCUA and PWSD

Motion was made by Director Smith to accept and spread on the minutes the Memorandum of Understanding between Hancock County Utility Authority and the Pearlinton Water and Sewer District and to strike Item #4 from the Old Business section of the agenda, Director Johnson seconded the motion, it was voted on and it carried.

Executive Director Pitalo explained that by the end of the week, Pearlinton should have a complete set of "As Built" plans for the sewer collection and water distribution systems.

Need Board recommendation on how to handle Item #7 Old Business – Executive Director Pitalo reminded the Board of the agreement to allow a forbearance of payments from the HCWSD on their Over/Under obligations until March 31, 2012.

*Discussion:* It was explained to the Board by Mr. Brent Andersen of the City of Waveland and Mrs. Lili Stahler that the Waveland Board of Aldermen is still reluctant to make any changes to the current wastewater treatment agreement. The Aldermen have been presented, on numerous occasions, information concerning the potential benefits of switching to "flow" only for monthly invoicing. Director Ladner asked that Mrs. Stahler request the Aldermen compile a list of issues so they can be addressed by the Authority, in hopes to eliminate their concerns.

## **New Business**

Director Ladner requested an update on the situation concerning Crump Road – Mr. Strickland informed the Board that the water line is being filled in today, and the line will be tested in the next few days. There is still a drainage issue, but it will be addressed as needed. Also, they will be putting down some rock in the next few days, but will not do any asphaltting until the well contractors have brought in all their equipment. Mr. Strickland also explained that ultimately the road will be raised approximately a foot at the time of completion of the repairs. Director Ladner requested that there be coordination of work between the contractor and the county when it comes to the “dressing” of the road, as the county will be doing some ditch work also.

## **Old Business**

1. The Water Supply Budget was projected to run a deficit during the “ramping up” period while customers are being connected. A workshop was held at the Northern Regional Wastewater Treatment Plant on Thursday, February 2, 2012 to discuss this matter. The Executive Director, as well as the HCUA Engineer, Attorney, and Accountant provided advice and presented options for funding the deficit. The HCUA members were asked to discuss this issue as well as options with their respective Boards and be prepared to make a decision relative to this matter at the March 13, 2012, HCUA Board meeting. Another workshop was requested by Mr. Tony Wayne Ladner and a date for this workshop needs to be established.

Motion was made by Director Ladner to accept the recommendation of “Option A” as presented to the Board at the February 24, 2012 Workshop Concerning Water Service Funding and to begin the invoicing on October 1, 2012, Director Johnson seconded the motion; it was voted on and it carried unanimously.

2. Memorandum of Understanding concerning ownership of sewer force mains coming from Bay St. Louis to HCUA's Southern Regional plant.
  - o Executive Director presented MOU to Mayor Fillingame

Discussion: Director Fillingame indicated that the MOU has been given to Mr. Zimmerman, of the City of BSL, to be presented to the City of BSL Council members at their next meeting.

3. Allocation of wastewater expenses are currently based on formula per the individual entity contracts. Consideration of allocating the wastewater expenses based on flow from each entity to wastewater treatment plants has been discussed and recommended by Executive Director and Engineer. The City of Waveland has not made a decision on changing from formula to flow billing.
4. Pearlinton Water & Sewer District (PWSD) has agreed to operate and maintain the water distribution system and the wastewater collection system installed with CDBG funds. The systems cannot be conveyed to the PWSD until the grants have

been formally closed. The Memorandum of Understanding for the Interim Operation, Maintenance, Billing and Collecting and Compliance with CDBG Grant Requirement by PWSD needs to be executed and spread on the HCUA minutes.

5. 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.

*Director Fillingame requested that he, David Pitalo and Buddy Zimmerman meet at the lagoon site to discuss the solution to the removal of the debris.*

6. A leak in the 24" sewer force main from a sewer pump station in Bay St. Louis was repaired on March 8, 2011 and March 11, 2011 by personnel from the HCUA and the HCWSD. This repair cost of \$13,751.97 should be funded by Bay St. Louis. This invoice is still outstanding.
7. Six month agreement between HCUA and HCW&SD allowing over/under payments be postponed for six months, as a result of the HCWSD board adopting a resolution to only pay the flow portion of their invoice, and they would pay their monthly invoice without calculated "flow" payment. This agreement ends March 31, 2012 and they will be billed their monthly bill plus the "over and under" amount in April 2012.

### **Executive Session**

Attorney Ronnie Artigues – Butler Snow  
Attorney Jack Pittman – Pittman Law Firm

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 Johnson to enter into Executive Session to discuss land acquisition and litigation issues, Director Smith 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 3:36 PM, Director Johnson 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 Johnson 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 Stahler 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, on a per parcel basis, a total of two 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.

After leaving the executive session and a full discussion, a motion was made by Director Johnson to approve and or confirm, for the purpose of establishing a basis for making a fair market value offer pursuant to the waiver valuation procedure and to authorize 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 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.

Also, during executive session Attorney Jack Pittman presented the Board with an opportunity to review, on a per parcel basis, a total of two appraisal/review appraisal 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.

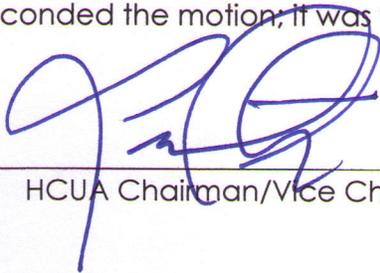
After leaving the executive session and a full discussion, a motion was made by Director Ladner to authorize Attorney Jack Pittman to proceed with appraisal/review appraisal procedure, based on said information, in the amounts indicated in each file on the parcels shown on the **attached one page(s)**, 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 Stahler seconded the motion; it was voted on and it carried unanimously.

And, during executive session Attorney Jack Pittman presented the Board with an opportunity to review, on a per parcel basis, a total of ten 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.

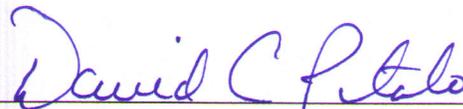
After leaving the executive session and a full discussion, a motion was made by Director Ladner to approve and or confirm, for the purpose of establishing a basis for making a fair market value offer pursuant to the waiver valuation procedure and to authorize Attorney Jack Pittman to proceed with the 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 Pitalo to review, recommend and proceed with FMVOs as needed to avoid delays in the project, Director Busenlener seconded the motion; it was voted on and it carried unanimously.

**Adjourn**

Motion was made by Director Ladner to adjourn the meeting at 3:40 PM, Director Smith seconded the motion; it was voted on and it carried unanimously.



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HCUA Chairman/Vice Chairman



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HCUA Executive Director