

HANCOCK COUNTY UTILITY AUTHORITY

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Monthly Board Meeting

October 12, 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 Tommy Longo

Mr. Larry Ladner
Mr. Kevin Hill
Mayor Les Fillingame

Pledge of Allegiance and Silent Prayer – Lead by Director Kevin Hill

Approval of Minutes

Motion was made by Director Smith to approve the minutes from the September 8, 2010 Monthly Board Meeting, Director Ladner seconded the motion; it was voted on and it carried unanimously.

Approval of Claims Docket w/Additions

Motion was made by Director Ladner to approve the September 2010 Docket w/additions as presented to the Board, Director Smith seconded the motion; it was voted on and it carried unanimously.

Request to Address the Board

None

Board Action Items

Motion was made by Director Fillingame to approve the Request for Cash in the amount of \$4,590,514.03 as presented to the Board, Director Ladner seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Ladner to approve the Consulting Engineering Agreement with A. Garner Russell and Associates engineers in the not-to-exceed amounts of \$105,000.00 for Basic Services and \$90,000.00 for Resident Project Representative Services, for the design and construction administration of the S6 CIAP Sewer Connection Contract, contingent on final approval of Board Attorney Artigues and the Department of Marine Resources. This agreement provides for the engineering design and the construction engineering for the project to provide sewer service connections to the non-CDBG-eligible customers served by the S6 Kiln Wastewater

Collection System. Funding for this project is by the Coastal Impact Assistance Program (CIAP), as administered by the Department of Marine Resources, application pending, Director Fillingame seconded the motion; it was voted on and it carried unanimously.

Discussion: Director Cleveland wanted to know if this will service existing client or new clients, Executive Director Pitalo explained that this will be servicing the new clients.

Motion was made by Director Fillingame to approve Contract Modification 2008-05/01(W3) to the term Bid 2008-05 construction contract (Pearlington Elevated Water Tank) with Caldwell Tanks, in the deductive amount of \$3,600.00, contingent on final approval of MDEQ and Board Attorney Artigues. This change provides a credit for deletion of the FAA light (not required) and for the change to the tank logo, Director Cleveland seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Fillingame to approve the award of the banking services contract to The First for a three year period, with the results of the bids being verified by Attorney Ronnie Artigues, Director Longo seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Lander to approve spreading on the minutes the letter from Ms Trudy Fisher/MDEQ granting the Authority's request for another one year forbearance of the SRF loan, Director Fillingame seconded the motion; it was voted on and it carried unanimously.

Discussion: Attorney Ronnie Artigues informed the Board the he and Mr. Tommie Cardin will be meeting Mr. Waldrop's replacement of Senator Cochran's office on October 14, 2010 to insure that the legislation concerning the SRF loans will not lose momentum.

Director Pullman emphasized the importance that the Board does not get complacent concerning the SRF loan, he feels that complete forgiveness will not happen and ultimately the Authority will have to make some type of payments. He has the approval of the Hancock County Board of Supervisors to give up the tide land funds as a good faith gesture and use the monies to pay toward the SRF loans, and asked that each of the cities that receive tideland funds to commit to obligating their funds in the same manner. Also he recommends that a small contingent from the Board go to Jackson and meet with Ms Fisher to discuss what other options may be available.

Executive Director Pitalo will schedule an appointment on Thursday October 21, 2010; the group will consist of Attorney Ronnie Artigues, Executive Director Pitalo, Mayor Fillingame, Director Pullman and Mayor Longo.

Motion was made by Director Fillingame to approve the request by Industrial Concrete to utilize the subcontractor services for project S3-Western Regional Wastewater Treatment Plant of the following:

- Master's Construction – Theodore, AL

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

Motion was made by Director Cleveland to accept the bid of \$983,396.00 and award SCADA project to Water Tech Corporation as recommended by KLL, Director Ladner seconded the motion; it was voted on and it carried unanimously. A copy of the letter from KLL, the consulting engineer, is included in the minutes and specifically incorporated into the board's findings. The board further finds that the apparent low bidder Control Systems Incorporated failed to meet a material component of the required specifications by not having an office within 100 miles of the Utility Authority's plant and said requirement should not be waived.

Motion was made by Director Fillingame to approve the Substantial Completion Certificate for Work Order No. 1 for the S4 Pearlington Wastewater Collection System project, Term Bid 2008-01, as of 07-16-10. This begins the one-year warranty period for the force main outfall from the S3 plant to Pate Bayou, Director Longo seconded the motion; it was voted on and it carried unanimously.

Discussion: Director Cleveland wanted to know when the force main will be tested, and was told that it has already been tested and should have flow to treatment plant by month's end.

Motion was made by Director Cleveland to approve the following twelve amendments to the construction management agreement with Brown and Mitchell. These amendments provide for continuing Construction Manager Construction Phase Services beyond the schedule dates specified in the basic agreement. No additional project funding is required for these amendments. A budget amendment will be required to move unused CM Design Phase funds to the CM Construction Phase. Two of the projects (W3 and S7) are also supplemented by existing project contingency funds. Approval of the amendments is contingent on approval of Board Attorney Artigues and MDEQ:

- o Amendment No. 4 Project W5E, for an increase in the Construction Phase Services fees in the additive amount of \$10,358.35
- o Amendment No. 4 Project W5, for an increase in the Construction Phase Services fees in the additive amount of \$13,386.95
- o Amendment No. 4 Project S5, for an increase in the Construction Phase Services fees in the additive amount of \$47,182.35
- o Amendment No. 4 Project S4, for an increase in the Construction Phase Services fees in the additive amount of \$15,817.44
- o Amendment No. 5 Project W3, for an increase in the Construction Phase Services fees in the additive amount of \$3,910.18
- o Amendment No. 3 Project W4, for an increase in the Construction Phase Services fees in the additive amount of \$22,597.07

- Amendment No. 4 Project S6, for an increase in the Construction Phase Services fees in the additive amount of \$33,668.83
- Amendment No. 4 Project W6, for an increase in the Construction Phase Services fees in the additive amount of \$10,763.22
- Amendment No. 4 Project W7, for an increase in the Construction Phase Services fees in the additive amount of \$66,398.96
- Amendment No. 3 Project W8, for an increase in the Construction Phase Services fees in the additive amount of \$21,381.22
- Amendment No. 3 Project W9, for an increase in the Construction Phase Services fees in the additive amount of \$7,579.80
- Amendment No. 3 Project S7, for an increase in the Construction Phase Services fees in the additive amount of \$6,931.63

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

Discussion: Mr. Bill Powell of Brown and Mitchell, Inc. explained to the Board that the above amendments have already been discussed with MDEQ and that they have no objection as the amendments does not require any additional funding.

Motion was made by Director Fillingame to approve spreading on the minutes the results of the telephone poll concerning surplus funds to be used on the W8 and the S7 project. The W8 project would be to extend the distribution system and the S7 is for putting fencing around the lagoon, Director Longo seconded the motion; it was voted on and it carried unanimously.

Let the record show that previous Director Eddie Favre's name was inadvertently left on the form and will be corrected to show Director Les Fillingame before the minutes are finalized.

Motion was made by Director Ladner to approve the following Budget Modification as shown:

- HANCUA-01 #11
- HANCUA-02 #18
- HANCUA-03 #13

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

Discussion: Director Cleveland wanted to know if there were any problems with MDEQ with moving the funds between projects, Executive Director Pitalo explained the prior to presenting the changes to the Board there is usually verbal approval from MDEQ.

Motion was made by Director Cleveland to approve Contract Modification 2008-03/18(W9) to the Term Bid 2008-03 construction contract with Hemphill Construction, in

the deductive amount of \$20,781.76, contingent on final approval of MDEQ and Board Attorney Artigues. This change provides for adjustment of final quantities as constructed for the project, Director Ladner seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Fillingame to approve Contract Modification 2008-01/19(S4) to the Term Bid 2008-01 construction contract with Necaise Brothers Construction, in the additive amount of \$87,582.60, contingent on final approval of MDEQ and Board Attorney Artigues. This change provides for adjustment of quantities of various bid items, as constructed. The current budget modification indicates that existing project funds are sufficient for this change. This change increases the current term bid contract amount by less than 1%. This is one of the known changes previously funded in advance by MDEQ for the S4 project. All items represent variations in existing bid item quantities, except one. Item 99 provides for an estimated quantity of twenty (20) 3,000-gallon pump-outs of sewer lift station S4, hauled to the Waveland Plant for disposal, at a unit price of \$600 per pump out. This item will be required until sewer flow is sufficient for the startup of the S3 Plant, Director Ladner seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Hill to approve Revision 4 to Work Order 2008-01/S4-02 for the Term Bid 2008-01 contract with Necaise Brothers, adding 153 calendar days of time at no change in contract price, contingent on final approval of MDEQ and Board Attorney Artigues. This change provides additional contract time for road boring quantities added to the contract work under this work order, Director Longo seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Ladner to approve the request by P F Moon to utilize the sub contractor services of the following for Project S5:

- o B P Rouse Plumbing – Vancleave, MS

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

Motion was made by Director Fillingame to approve Contract Modification 2008-02/13(W5E) to the Term Bid 2008-02 construction contract with Jay Bearden-G&C Construction, in the additive amount of \$695.18, contingent on final approval of MDEQ and Board Attorney Artigues. This change provides for the addition of a power pole to accommodate the planned SCADA antenna at the W5E well and tank site, Director Smith seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Fillingame to approve Contract Modification 2008-02/14(W6) to the Term Bid 2008-02 construction contract with Jay Bearden-G&C Construction, in the deductive amount of \$107,457.45, contingent on final approval of MDEQ and Board Attorney Artigues. This change provides for additions and deletions to various bid items, to conform to field requirements, Director Longo seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Fillingame to approve Revision 2 to Work Order 2008-02/W6-03 for the Term Bid 2008-02 contract with Jay Bearden/G&C, in the additive amount of \$67,550.00, contingent on final approval of MDEQ and Board Attorney Artigues. This work order revision provides for service line encasements required by MDOT and State Aid regulations, and adds 20 calendar days time for the additional work. No additional project funding is required for this work order revision, since existing contract funds will be moved from the Term Bid into the work order, Director Longo seconded the motion; it was voted on and it carried unanimously.

Executive Director

Discussion on Pearlington charges for wholesale water and wastewater uses for remainder of year – Executive Director Pitalo asked that the Authority absorb the operating cost of the Pearlington well and tank until the first of the year, due to the amount of flushing of lines that is being required and this is because the water is setting in the line and not being used, and the number of people coming on line.

Motion was made by Director Fillingame to absorb the operating cost and the Pearlington water and wastewater services until January 1, 2011, Director Ladner seconded the motion; it was voted on and it carried unanimously.

Sewer Use Ordinance Draft – Executive Director Pitalo presented the Board a draft of the proposed Sewer Use Ordinance and asked that they review it by the next monthly meeting - Information only – No Action Required

Discussion of use of monies from overfunding of 2004 Bond Debt Reserve – Executive Director Pitalo asked the Board to allow him to use a portion of the 2004 overfunding monies to construct the new chlorine building, he explained that his intention was to use a portion of the funds to pay the 2010/2011 debt service obligations.

Discussion on new chlorine building – Executive Director Pitalo explained that several quotes have been received and he is continuing to negotiate the cost and is trying to get the cost down to \$80,000.00 to \$150,000.00, he will let the Board know at the next meeting what progress has been made.

Discussion: Director Pullman wanted to know if we could use some of the CDBG under runs for the chlorine building. Executive Director said the funds could not be used since it is not in the scope of a project, and had to be on the list prior to the projects started, he will discuss this with Ms Fisher when they meet next week.

Director Pullman feels any excess funds the Authority has should be used to pay down debt.

Discussion and approval of energy efficiency project - \$50,000 – Executive Director Pitalo asked the Board to amend the 2010/2011 Budget to add an additional \$50,000.00 to cover the cost of making so equipment upgrades to reduce the electrical cost at the WWTP.

Discussion: Director Pullman recommends that the energy saving plan also be presented to Ms Fisher when they meet next week.

Not on the Agenda – Ribbon cutting for the Pearlington Wastewater Treatment Plant –
The meeting will be on November 9, 2010 at 11:00am

New Business

Director Kevin Hill asked that since the SRF loan is on forbearance for another year will the \$28.00 charge be reduced. Executive Director Pitalo explained that until October 1, 2011, there will not be a charge for debt service, and the charge will depend on the results of the future requests to MDEQ concerning the SRF loan.

Also, he inquired if the resident of Pearlington will have to absorb the hook up cost to sewer, it was explained by Executive Director Pitalo that all residents of Pearlington will be connected to the sewer system at no charge to the resident, that CDBG will cover the cost for the low to moderate income residents and CIAP will cover the cost for the non low to moderate income residents. but that the residents that didn't qualify in low to moderate income category will have to pay the expenses to connect the water to their home.

And he asked if the Pearlington Water and Sewer District is allowed to charge a re-connect fee if a resident's water is disconnected due to non-payment, it is the opinion of Attorney Artigues a re-connect fee is allowed under the terms and conditions of the CDBG grant.

Executive Session

Motion was made by Director Ladner to consider going into Executive Session to discuss land acquisition issues and legal issues concerning Projects S4, Director Smith seconded the motion; it was voted on and it carried unanimously.

Motion was made Director Longo to enter into Executive Session to discuss land acquisition issues and legal issues concerning Projects S4, Director Fillingame 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 3:45pm, Director Smith seconded the motion; it was voted on and it carried unanimously.

Pittman

During executive session Attorney Pittman asked for the Board's approval on an Order to Condemn for a parcel located at the corner Hwy 603 and Crump Road that is in dispute as to the property rights, motion was made by Director Fillingame to approve the request by Attorney Pittman, Director Hill seconded the property; it was voted on

and it carried by majority vote, with Director Cleveland and Director Ladner abstaining from the vote.

Also, during executive session, Attorney Jack Pittman presented the Board an opportunity to review, on a per parcel basis, a total of nine waiver valuations 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, and that during the September 8, 2010 Monthly Board Meeting the Board was presented a list of fifty parcels in Project S4-Pearlington Wastewater Collection System and there were two parcels, CE722 and CE749 that were inadvertently left off the list, and he asked the Board to approve these effectively September 8, 2010, as the parcels were recorded at the Hancock County Tax Office on September 14, 2010. After a full discussion, a motion was made by Director Ladner to authorize David 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 Longo seconded the motion; it was voted on and it carried by majority vote, with Director Cleveland abstaining from the vote and Director Rocky Pullman voting NO on parcel #350 and YES on all others.

Also, during executive session, Attorney Pitman presented the Board an opportunity to review, a total of one appraisal for The Sunrise Trail Park in 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 a full discussion, a motion was made by Director Fillingame to authorize David Pitalo and Attorney Pittman to proceed with the fair market value offer(s), based on said information, in the amount(s) indicated in the file on the parcel shown 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 Ladner seconded the motion; it was voted on and it carried by majority vote, with Director Cleveland abstaining from the vote.

Butler Snow

Motion was made by Director Ladner to approve Amendment 5 of the Legal Contract between Butler Snow, Pittman Law Firm and the HCUA as presented to the Board during Executive Session, Director Smith seconded the motion; it was voted on and carried with a majority vote, with the voting as follows:

Director Kevin Hill	NO	Director Jack Cleveland	Abstained
Director Les Fillingame	YES	Director Larry Ladner	YES
Director Tommy Longo	YES	Director Al Smith	YES
Director Rocky Pullman	YES		

Also, executive session, Attorney Artigues presented the Board with an opportunity to review, on a per parcel basis, a total of fifty 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 a full discussion, a motion was made by Director Hill 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 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 by majority vote, with Director Cleveland abstaining from the vote, and that Director Hill has voted NO on Parcels CE5078 and CE5079 and YES on all others.

Motion was made by Director Smith to authorize Attorney Artigues to accept on behalf of the Authority the Offer of Settlement from Michael D. Haas, Nicholas M. Haas, and Odette M. Horton in the amount of \$9,062.00 as full and final settlement as compensation on Parcels CE5032 and CE5136, Director Longo seconded the motion; it was voted on and it carried with a majority vote, with Director Cleveland and Director Ladner abstaining from the vote.

Motion was made by Director Fillingame to approve the Order to Condemn Parcels CE5032 and CE5136 for Project S6 – Kiln Wastewater Collection System, in the event that the property owners refuse the above compensation offer, Director Longo seconded the motion; it was voted on and it carried by majority vote, with Director Cleveland and Director Ladner abstaining from the vote.

Old Business

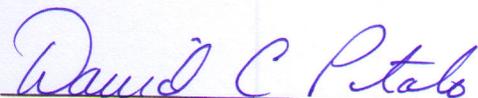
None

Adjourn

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



HCUA Board Chairman/Vice Chairman



HCUA Executive Director