



HANCOCK COUNTY UTILITY AUTHORITY

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Monthly Board Meeting

January 12, 2010

The meeting was called to order by Director Pullman at 2:00 P.M.

Director Jack Cleveland led the attendees in the Pledge of Allegiance and a moment of silent prayer.

Attendees:

Mr. Al Smith
Mr. Jack Cleveland
Mr. Rocky Pullman

Mr. Larry Ladner
Mr. Kevin Hill
Mayor Les Fillingame

Motion was made by Director Ladner to approve the absence of Director Tommy Longo, Director Fillingame seconded the motion; it was voted on and it carried unanimously.

Approval of Minutes

Motion was made by Director Ladner to approve the minutes from the December 8, 2009 Monthly Board Meeting, Director Smith seconded the motion; it was voted on and it carried unanimously.

Request to Address the Board

Board Action Items

Request for Cash

- HANCUA-01 #31 \$ 9,663.64
- HANCUA-01 #32 \$75,701.14
- Monthly Request for Cash \$2,397,979.58

Motion was made by Director Ladner to approve the three Requests for Cash as presented to the Board, Director Smith seconded the motion; it was voted on and it carried unanimously.

Note: The agenda shows the request for HANCUA-01 #31 as \$9,662.64, but should have been and was approved as \$9,663.64.

Motion was made by Director Ladner to approve the Substantial Completion Certificate for Work Order No. 2008-01/W3-02, as of 12-04-09. This begins the one-year warranty period for the final section of the 12-inch water supply pipeline. All lines will be properly tested when the permanent well water is available, but prior to the expiration of the one year warranty, Director Hill seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Fillingame to approve the request by Hemphill Construction Company to utilize the following subcontractor services for Project S7:

- Marble Enterprises, Inc. – Jackson, MS

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

Motion was made by Director Ladner to approve the request by Necaise Brothers Construction Company to utilize the following subcontractor services for Projects W4, S4, and W3 of:

- J. Levens Builders, Inc. – Long Beach, MS

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

Motion was made by Director Ladner to approve Amendment No. 4 to the engineering agreement with A. Garner Russell & Associates for the W5E Kiln Water Supply project, in the additive not-to-exceed amount of \$35,000.00, contingent on approval of MDEQ and Board Attorney Artigues. The current budget printout indicates that there are sufficient contingency funds for this amendment. This additional cost is due to the accelerated schedule/work order program and the associated property acquisition delays, Director Smith seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Fillingame to approve the Resolution Authorizing a Second Advance on 1999 Capital Projects and Equipment acquisition Program, in the amount of \$500,000. The belt press will be tested the week of January 18, 2010 and put into service within the next three week, Director Smith seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Cleveland to approve to execution of the Army Corps of Engineers Consent # DACA01-3-10-9309 Consent to Construct a Wastewater Treatment Facility in the Buffer Zone of the John C Stennis Space Center, MS for Project S5 and to issue a check in the amount of \$1,500 for administration fees, Director Smith seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Smith to approve the Contract Modification No. 2008-04/01(S4) to construction contract Term Bid 2008-04, for no change in contract price, contingent on final approval of MDEQ and Board Attorney Artigues. This modification adds the standby generator switches and receptacles to the control panels for the 649 STEP system installations for Pearlinton. No additional funding is required for this change, Director Hill seconded the motion; it was voted on and it carried unanimously.

After discussion during Executive Session, Motion was made by Director Fillingame to rescind approval of Contract Modification 2008-03/10(S7), previously approved at the December 8, 2009 meeting. Further review of this item indicates that it would not be in the best interests of the Utility Authority to proceed with this change. Brown and Mitchell letter dated January 11, 2010 is included, Director Cleveland seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Cleveland to approve the Contract Modification 2008-03/10(W9) to the Term Bid 2008-03 construction contract in the additive amount of \$123,630.11, contingent

on final approval of MDEQ and Board Attorney Artigues. This change provides for adjustment in contract quantities for field conditions encountered, as well as unforeseen conditions requiring removal of a dilapidated structure from the right-of-way (\$4,800.00), during construction of the Waveland fire loop. Storm drainage removal and replacement has been significantly reduced, but concrete work has increased. Current Budget Modification No. 11 indicates that there are sufficient construction contingency funds for this change, Director Hill seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Smith to approve the Contract Modification 2008-06/02(W3) to the Term Bid 2008-06 construction contract in the deductive amount of \$1,605.52, contingent on final approval of MDEQ and Board Attorney Artigues. This change provides for an increase in the pumping capacity of the Pearlington well from 800 gallons-per-minute to 1,000 gallons-per-minute. No additional funding is required for this change, Director Ladner seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Fillingame to approve the HANCUA-02 Budget Modification #12 which will increase the Wetland Mitigation by \$28,600 in order to bring that line item up to a total of \$178,600 for Project S5, Director Ladner seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Cleveland to approve the request by Executive Director Pitalo to expedite construction of the W7 Water Well on McLaurin Street and to work with the Elevated Tank contractor on a revised schedule for completion. This action is necessary to provide a redundant water source for the Hancock County Water and Sewer District, which has experienced some problems recently with their well, Director Fillingame seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Cleveland to approve Contract Modification 2008-07/04(W7) to the Term Bid 2008-07 construction contract in the additive amount of \$191,400.00, contingent on final approval of MDEQ and Board Attorney Artigues. This change provides for increasing the restrained joint quantity by 12,000 liner feet which was due to a quantity estimate error. There are sufficient funds in the contract contingency to cover these additional costs, Director Fillingame seconded the motion; it was voted on carried unanimously.

Executive Director – David Pitalo

Motion was made by Director Ladner to approve the Interest Payment on Katrina Loan - \$18,266.35 – due February 1, 2010, Director Smith seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Cleveland to authorize Executive Director Pitalo investigate refinancing options for the balloon payment due August 1, 2010 on balance of approximately \$893,661, Director Smith seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Pullman to approve the request by the City of Waveland to use CDBG funds as matching funds for City of Waveland's 592 Corps project – 25% (approximately \$750,000), Director Ladner seconded the motion; it was voted on and it carried unanimously.

Information only – no action required - Capital project – construction of new offices \$29,972
Budget funds allocated \$40,000

Motion was made by Director Ladner to approve the request of rate changes for Brown and Mitchell, Inc., Director Cleveland seconded the motion; it was voted on and it carried unanimously.

Not on Agenda:

Motion was made by Director Cleveland to approve the submitted updated list of reoccurring monthly expenses, to be paid prior to monthly board meetings, in an effort to avoid any late fees, penalties, etc. and to take advantage of any early payment discounts, Director Ladner seconded the motion; it was voted on and it carried unanimously.

Executive Session

Motion was made by Director Ladner to consider going into executive session to discuss land acquisition and personnel issues, Director Smith seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Ladner to go into executive session at 2:30 p.m., to discuss land acquisition and personnel issues, Director Smith seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Fillingame to leave executive session at 3:07 p.m., with no action taken, Director Hill seconded the motion; it was voted on and it carried unanimously.

(Pittman, Howdeshell & Hinton)

During executive session Attorney Jack Pittman gave the Board the opportunity to review, on a per parcel basis, a total of twenty-five 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.

After a full discussion, a motion was made by Director Ladner 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**, 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 unanimously.

Let the record show that Director Rocky Pullman voted on NO on Parcel 358, and YES on all others.

Let the record show that Director Larry Ladner voted NO on the S L Favre Estate parcel and YES on all others:

Also, Attorney Pittman presented to the Board an amended appraisal for Project S4 parcel CE436 which amended the measurements of the easement, motion was made by Director Fillingame to accept the amended appraisal and authorize Attorney Pittman to move forward with an offer, Director Ladner seconded the motion; it was voted on and it carried unanimously.

Also, Attorney Jack Pittman presented to the Board a list of appraisals of parcels for Project W6 that are going to be subject to litigation because of inability to contact and other reasons, and asked the Board to approve the appraisals for purposes of filing litigation and for Orders of Condemnation, see **attached six pages**, motion was made by Director Fillingame to authorize Attorney Pittman to move forward with the litigation process, Director Smith seconded the motion; it was voted on and it carried unanimously.

Let the record show that Director Kevin Hill voted NO on parcels 069D-0-30-001.000, 069-0-30-013.000, 064-0-19-025.000 and 064-0-19-021.000, and YES on all others.

Attorney Jack Pittman informed the Board that in the case of the S. L. Favre Estate, there is a title situation and that suit may very have to be filed and presented an appraisal, he requested the Board to approve moving forward with the necessary litigation and an Order of Condemnation; motion was made by Director Smith to authorize Attorney Pittman to move forward with the process, Director Cleveland seconded the motion; it was voted on and it carried unanimously.

Let the record show that Director Larry Ladner voted NO.

(Butler Snow)

During executive session Ronnie Artigues, Butler Snow Attorneys, gave the Board the opportunity to review, nunc pro tunc, on a per parcel basis, a total of forty-three waiver valuations for project S5-Northern Regional WWTP, a total of one hundred fifty-three waiver valuations for project S6-Kiln Wastewater Collection System, and a total of six waiver valuations for project S7-BSL Cedar Point and I10 Wastewater System Improvements, for the purpose of ratifying its prior action nunc pro tunc, and establishing a basis for making fair market value offers pursuant to the waiver valuation procedure. All of these valuations for each individual parcel and project were presented, reviewed and approved by the Board at the October 2009 board meeting but such action was inadvertently omitted from the minutes of that meeting. After a full discussion, motion was made by Director Fillingame to ratify and authorize, nunc pro tunc, Butler Snow Attorneys to proceed with the fair market value offers, based upon said information, in the amounts indicated in each file on the parcels shown on the attached sixteen pages, and to ratify and authorize, nunc pro tunc, Butler Snow Attorneys and David Pitalo, Executive Director, to proceed with fair market values offers as needed to avoid delays in the project. Director Smith seconded the motion; it was voted upon and carried unanimously.

Let the record show that Director Kevin Hill voted NO the following parcels and YES on all others: Project S6 - CE5214, CE5226, CE5227, CE5228, CE5231, CE5429, and CE5170.

Let the record show that Director Larry Ladner voted NO on all parcels that pertain to the S. L. Favre Estate and YES on all others.

Motion was made by Director Cleveland to approve a three percent across the board salary increase for all the employees of the HCUA, Director Ladner seconded the motion, with the vote being:

Director Larry Ladner	Yes	Director Les Fillingame	Yes
Director Jack Cleveland	Yes	Director Kevin Hill	No
Director Al Smith	Yes	Director Rocky Pullman	No

Old Business

Motion was made by Director Fillingame to accept the FY2007 Financial Audit as presented to the Board; Director Cleveland seconded the motion; it was voted on and it carried unanimously.

New Business

Director Al Smith made the Board aware to the lack of fire protection in the Shoreline Park area; he explained that there is water available on Highway 603, but would need assistance in order to provide water to the affected areas. Mayor Fillingame agreed that some type of action was needed, as this is part of an area recently annexed by the City of Bay St. Louis.

Director Cleveland recommended that a tentative master plan be created by Director Smith to prioritize the areas that most need water when and if there are surplus funds available when all the CDBG projects are complete. He explained that in his opinion the need for fire protection is greater than the need to replace septic tanks, etc.

Director Pullman explained the importance of expressing to the Governor the need to be able to use any surplus CDBG funds, to address needs that were not addressed in the beginning of the CDBG projects.

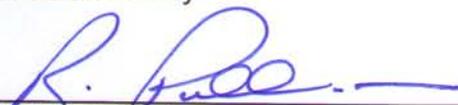
Executive Director Pitalo informed the Board that there are CIAP funds available and that he and Mr. Bill Mitchell planned to present to the Board, sometime during the summer) plans to provide sewer for the Ansley and Herron Bay area. He also, feels that it will be extremely difficult to keep any excess funds from the CDBG projects.

Attorney Artigues recommended that the HCUA and MDEQ try to meet to discuss the use of any surplus funds, he feels, at this point, that MDEQ is not entertaining the idea to allow the Authority to use the surplus funds as previously thought.

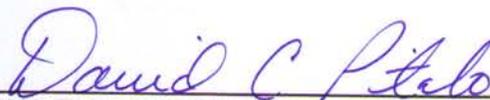
Motion was made by Director Fillingame to allow Mr. Bill Mitchell to conduct a cost study to provide water to the Shoreline Park East area, Director Smith seconded the motion; it was voted on and it carried unanimously.

Adjourn or Recess

Motion was made by Director Cleveland to recess the meeting until 1:00 p.m. January 14, 2010, at which time the Board will meet in the conference room at the City of Bay St. Louis, Highway 90, for a workshop discussion, Director Smith seconded the motion; it was voted on and it carried unanimously.



HCUA Board Chairman



HCUA Executive Director