



# HANCOCK COUNTY UTILITY AUTHORITY

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## Monthly Board Meeting December 13, 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. Bill Johnson
Mr. Jack Cleveland	Mayor Les Fillingame
Ms. Lillian Stahler	Ms. Pamela Lonidier
Mr. Rocky Pullman	

### **Request to Address the Board**

None

### **Board Action Items**

Motion was made by Director Cleveland to approve the minutes from the November 8, 2011 Monthly Board Meeting and the November 21, 2011 Special Board Meeting, Director Smith seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Pullman to approve the November 2011 Dockets as presented, Director Stahler seconded the motion; it was voted on and it carried unanimously.

- O & M \$ 139,952.08
- 2004 Bond-Capital \$ 316,957.72
- 2010 Bond \$ 40,908.13
- Land Acquisition \$ 74,763.91
- CDBG Projects \$ 2,563,763.14
- O & M Water \$ 7,199.21

Motion was made by Director Pullman to approve the CDBG Request for Cash in the amount of \$2,510,208.18 as presented, Director Lonidier seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Johnson to approve the Consent Agenda as presented, Director Smith seconded the motion; it was voted on and it carried unanimously.

- Approval to spread on the minutes the letter to Pearlington Water and Sewer District concerning "Interim Operation & Maintenance of the PWSD Distribution & Sewer Collection System Installed with CDBG Funds prior to Final Conveyance"
- Approval of Amendment No. 8 to the engineering agreement with Compton/Digital Engineering for project S4, Pearlington Wastewater Collection System, in the additive not-to-exceed amount of \$5,000.00, contingent on final approval of Board Attorney Artigues and MDEQ, and the appropriate budget amendment. This amendment provides for a survey to establish the right-of-way lines of Sumatra Road, as requested by the property acquisition team.
- Approval of Amendment No. 9 to the engineering agreement with Compton/Digital Engineering for project S4, Pearlington Wastewater Collection System, in the additive not-to-exceed amount of \$185,062.00, contingent on final approval of Board Attorney Artigues and MDEQ, and the appropriate budget amendment. This amendment provides for continued construction engineering and resident project representative services for the extended S4 project through 2013.
- Approval of Substantial Completion Certificate for Work Order No. 3 for the S6 Kiln Wastewater Collection System Project, Term Bid 2008-02, as of 09-08-11. On this date the one-year warranty period for the sewer transmission mains installed under this work order began.
- Approval of Revision 2 to CIAP Work Order 211-015(01), for the Pearlington S4 CIAP work, contingent on approval of Board Attorney Artigues. This revision adds eleven (11) calendar days time to the work order to permit connection of several additional non-lo-mod residences added to the original work.
- Approval of Contract Modification 2008-04/18(S6) to the Term Bid 2008-04 contract with Hudson Contracting, in the additive amount of \$50,680.00, 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 and revised electrical work due to field conditions encountered.
- Approval of Contract Modification 2008-04/19(S4) to the Term Bid 2008-04 contract with Hudson Contracting, in the net additive amount of \$10,410.00, contingent on final approval of MDEQ and Board Attorney Artigues, and the appropriate budget amendment. This change order to the term bid adjusts various quantities of existing bid items due to field conditions encountered and revises the STEP tank work at Sunrise RV Trailer Park in accordance environmental regulations and the final easement agreement. Breakdown of cost, as shown on the modification form, is a \$13,400.00 add to the CIAP work and a \$2,990.00 deduct to the CDBG work.

- Approval of Payment Application No. 8, S4 CIAP project, in the amount of \$19,072.69, to be paid by the Hancock County Board of Supervisors under the Pearlinton CIAP grant program.
- Approval of request by Necaise Brothers Construction Company to utilize the subcontractor services of Cherokee Directional Drilling, Inc., on project HANCUA 2008-07-W7.
- Approval of budget modifications:
  - HANCUA-02 #27
  - HANCUA-02 #28
- Approval to ratify the minutes from August 9, 2011 to read as shown concerning Term Bid 2008-07/19(W7, S5) extension of contract:
 

"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. Also, the Board finds that the proposed change order is necessary or incidental to the scope of the contract as originally bid, is not a new undertaking outside the original scope of the construction contract, is commercially reasonable and not made to circumvent the public purchasing statutes and that any resulting increase or decrease in the cost is reasonable. Further, the terms of the original contract specifically provide for such an extension. Attorney Artigues concurs with those findings."
- Approval of Amendment No.9 to the engineering agreement with Compton/Digital Engineering for project S6, Kiln Wastewater Collection System, in the additive not-to-exceed amount of \$364,744.50, contingent on final approval of Board Attorney Artigues and MDEQ, and the appropriate budget amendment. This amendment provides for continued property acquisition support, construction engineering and resident project representative services for the extended S6 project through 2013.
- Approval of Contract Modification 2008-04/20(W4) to the Term Bid 2008-04 contract with Hudson Contracting, in the deductive amount of \$533.91, 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 items and revised quantities due to field conditions encountered.
- Approval of Contract Modification 2008-04/21(S4) to the Term Bid 2008-04 contract with Hudson Contracting, in the additive amount of \$46,806.00, contingent on final approval of Board Attorney Artigues. This change order to the term bid adjusts existing bid items and quantities due to field

conditions encountered for the STEP installation work at Sunrise RV Trailer Park. The total increase in cost is an add to the CIAP portion of Term Bid 2008-04 only. This change does not affect the CDBG work.

- Approval of Contract Modification 2008-01/25(\$4) to the Term Bid 2008-01 contract with Necaise Brothers Construction, in the additive amount of \$12,752.34, contingent on final approval of MDEQ and Board Attorney Artigues, and the appropriate budget amendment. This change provides for an increase in the size of the fenced area to accommodate the designated emergency generator, and adds a manhole for access to the magmeter.
- Approval of Substantial Completion Certificate for Work Order No.3 for the W7 Eastern Hancock County Regional Water Supply project, Term Bid 2008-07, as of 12-27-10. On that date the one-year warranty period for the Kiln-Waveland Cutoff Road portion of the water supply main began.
- Approval of Substantial Completion Certificate for Work Order No.1 for the W7 Eastern Hancock County Regional Water Supply project, Term Bid 2008-07, as of 12-30-10. On that date the one-year warranty period for the South Street and Wood Street sections of the 16-inch water supply main, approximately 5,200 linear feet, began.
- Approval of Contract Modification 2008-08/03(W7) to the Term Bid 2008-08 contract with Caldwell Tanks, Inc., in the deductive amount of \$1,348,791.23, contingent on final approval of MDEQ and Board Attorney Artigues. This change order to the term bid deletes the elevated water tank at the Crump Road site, under the W7 Eastern Regional Water Supply System project.
- Approval of Contract Modification 2008-08/04(W7) to the Term Bid 2008-08 contract with Caldwell Tanks, Inc., in the additive amount of \$1,200.00, contingent on final approval of MDEQ and Board Attorney Artigues. This change order to the term bid provides permanent service ladders to access the bottom rung of the tank riser ladders for both the McLaurin and Harbor Drive elevated water tanks, under the W7 Eastern Regional Water Supply System project.
- Approval of Contract Modification 2008-02/34(\$6) to the Term Bid 2008-02 construction contract with Jay Bearden/G&C Construction for the Kiln Wastewater Collection System, in the deductive amount of \$29,087.00, contingent on final approval of MDEQ and Board Attorney Artigues, and the appropriate budget amendment. This change provides for service connections to the transmission mains for several long-service grinder pump installations, and changes in the quantities of several other bid items, in order to provide for a complete project.
- Approval of Contract Modification 2008-07/23(W7) to the Term Bid 2008-07 contract with Necaise Bros Construction, in the additive amount of \$479,802.89, contingent on final approval of MDEQ, Board Attorney Artigues and the appropriate budget modification. This change order to the term bid

provides an increase in certain bid items to cover over-runs in the field including ductile iron pipe and directional drilling, under the W7 Eastern Regional Water Supply System project.

**This ends the consent agenda with a total of twenty-one items**

Motion was made by Director Cleveland, to approve Revision 5 to Work Order 2008-07/W7-04 to the Term Bid 2008-07 contract with Necaise Bros Construction, in the additive amount of \$569,483.24 and 12 calendar days time, contingent on final approval of MDEQ and Board Attorney Artigues. This work order revision moves quantities from the Term Bid 2008-07 contract into the work order to cover over runs as well add calendar days for some additional line work, under the W7 Eastern Regional Water Supply System project. No additional funds are needed for this change, Director Pullman seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Cleveland to approve Amendment No.14 to the engineering agreement with Neel-Schaffer for project W7, in the additive not-to-exceed amount of \$120,000.00 for continued construction engineering services required for the Eastern Hancock County Regional Water System project, contingent on final approval of Board Attorney Artigues and MDEQ, and the appropriate budget amendment. These costs are estimated to fund the construction engineering through the completion of the W7 water main and master meters, Director Johnson seconded the motion; it was voted on and it carried.

Motion was made by Director Cleveland to approve Contract Modification 2008-09/06(W7) to the Term Bid 2008-09 contract with Layne-Central, Inc., in the additive amount of \$55,598.51, contingent on final approval of MDEQ and Board Attorney Artigues, and the appropriate budget modification. This change order to the term bid provides for a temporary meter with valves and appurtenances to supply water to the Hancock County Water and Sewer District, through the existing connection at the McLaurin Street site, as well as a fire hydrant at each well and tank site under the W7 Eastern Regional Water Supply System project, Director Pullman seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Smith to approve Contract Modification 2008-09/07(W7) to the Term Bid 2008-09 contract with Layne-Central, Inc., in the additive amount of \$114,810.80, contingent on final approval of MDEQ and Board Attorney Artigues, and the appropriate budget modification. This change order to the term bid provides for the removal of unsuitable material, and replacement with suitable borrow, due to unforeseen conditions encountered at the Harbor Drive Well and Tank site, under the W7 Eastern Regional Water Supply System project, Director Johnson seconded the motion; it was voted on and it carried unanimously.

Discussion: Director Pullman asked for an explanation of the unsuitable material – Mr. Don Lancaster of Neel Schaffer explained when the Term Bid were let, this was not the

*original site, that because of property acquisition issues, the well/tank site had to be moved, and the soil conditions were not taken into consideration at the new site.*

Motion was made by Director Cleveland to approve Contract Modification 2008-02/35(\$6) 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 \$632,404.80, contingent on final approval of MDEQ and Board Attorney Artigues, and the appropriate budget amendment. This change provides for the purchase by the Utility Authority of 193 simplex, duplex and triplex grinder pump assemblies, to be supplied as Owner-furnished materials under the Term Bid 2011-15 project, Long-Service Grinder Pumps for the Kiln Wastewater Collection System, bidding in January 2012, Attorney Artigues asked that because we are trying to keep consistency in the type of grinder pumps used, this also be subject to the State Auditor's concurrence, Director Stahler seconded the motion; it was voted on and it carried unanimously.

*Discussion: Director Pullman wanted to know where the duplex and/or triplex grinder pump assemblies may be used. Nick Mignone explained that the duplex or triplex would be used at larger commercial properties, such as the National Guard Armory and Hancock School.*

Motion was made by Director Pullman to approve Revision 6 to Work Order 2008-07/W7-02 to the Term Bid 2008-07 contract with Necaise Bros Construction, in the deductive amount of \$42,734.58 and 395 calendar days time, contingent on final approval of MDEQ and Board Attorney Artigues. This work order revision adjust quantities in the work order as constructed to date in the field as well as adjust the calendar days to cover the period of time that was covered during the stop work order issued on April 15, 2010 for Lower Bay Road, under the W7 Eastern Regional Water Supply System project. No additional funds are needed for this change, Director Johnson seconded the motion; it was voted on and it carried unanimously.

*Discussion: Director Pullman asked if there were any other issues with Lower Bay Road, other than the lines which were installed in the state aid easement area. Executive Director Pitalo explained there were no other issues, and Attorney Pittman is working to acquire the necessary property easements. Director Johnson also explained there was a recent state aide inspection and they were satisfied with the changes and signed off on the project.*

Director Cleveland nominated Director Les Fillingame as Board Chairman and Mr. Al Smith as Vice-Chairman. Each Director accepted the nomination. Motion was made by Director Cleveland to accept the two nominations as stated, Director Stahler seconded the motion; it was voted on and it carried unanimously.

**Not on the Agenda:**

Motion was made by Director Pullman to approve Budget Modification HANCUA-01 #15, Director Lonidier seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Pullman to approve Budget Modification HANCUA-02 #29, Director Cleveland seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Pullman to approve Budget Modification HANCUA-03 #22, Director Cleveland seconded the motion; it was voted on and it carried unanimously.

### **Executive Director**

*Discussion on turning over infrastructure to entities* – Executive Director Pitalo explained to the Board that Mrs. Baxter is inquiring if Pearlington will have to follow the grant guidelines once they take ownership of the water/sewer system assets – he had explained to her that whatever is being done at this time will need to continue status quo in accordance with the grant agreement(s).

*Director Lonidier explained the PWSD Board is reluctant in not charging connection fees for new connections for the three year period, also, some members are questioning the three year period – due to that no one has actually seen the requirement in writing.*

*Attorney Artigues recommended they consult their attorney to get the documentation concerning the three year period.*

*Executive Director Pitalo pointed out that until a decision is made by the PWSD Board, they are operating the HCUA system, and he expressed the need to extend the original cutoff date of January 1, 2012, to February 1, 2012.*

*Director Cleveland recommended a letter be sent to the PWSD requesting that they attend the next HCUA Board meeting in January 2012, and discuss this issue.*

Motion was made by Director Smith to send a written invitation to the PWSD Board to attend the January 2012 meeting, Director Cleveland seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Cleveland to extend the deadline of transfer of infrastructure from the January 1, 2012 date to February 1, 2012, Director Smith seconded the motion; it was voted on and it carried unanimously.

*Reminder about January Board meeting and ribbon cutting at Northern Plant – Information only – no action needed*

*SRF Loan update* – Attorney Artigues explained Ms. Trudy Fisher is seeking further clarification on who has the authority to make the decision concerning forgiveness of all or a part of the SRF loans – EPA or MDEQ. There a conference call scheduled on Wednesday December 14, 2011 to discuss the issue. He will update the Board at the next meeting, unless there is a need to contact them sooner.

*City of Waveland* – Executive Director Pitalo explained that he has supplied Mrs. Stahler with a comparison of cost for the wastewater treatment for the last year, showing what was charged according to the formula and what would have been charged if Flow only numbers were used. He and Mrs. Stahler are scheduling a meeting with Mayor Garcia and the Alderman to present this information and Mrs. Stahler hopes to be able to put decision to amend the contract on their agenda for their January 2012 meeting.

*Legislative PEER Review* – Executive Director Pitalo informed the Board that he had received the final version of the PEER review. The Authority was cited on two items (1) the use of telephone polls to conduct CDBG project business and (2) a complaint that water and wastewater lines were installed in areas to which there were no buildings to service. Also, he explained that he, Attorneys Artigues and Pittman, Mr. Bill Mitchell and Mr. Bill Powell will meet to compile a response to the citation.

### **New Business**

None

### **Old Business**

None

At this time, a plaque of appreciation was presented the Director Rocky Pullman.

### **Executive Session**

Attorney Ronnie Artigues – Butler Snow

Attorney Jack Pittman – Pittman

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

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

Motion was made by Director Pullman to leave Executive Session with no action taken at 2:56 PM, Director Cleveland 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 three 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 Pullman 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.

Also, motion was made by Director Cleveland to show on the minutes the confirmation of the Order to Condemn on the well/tank site at the Jourdan River Resort and Yacht Club property for project W7, the confirmation was because new defendants had been added to the pending suit, Director Pullman 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 Lonidier seconded the motion; it was voted on and it carried unanimously.

**Adjourn**

Motion was made by Director Cleveland to adjourn the meeting at 3:10 PM, Director Pullman 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