

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 August 11, 2009

The meeting was called to order by Director Pullman at 2:01 P.M.

Director Larry Ladner led the attendees in the Pledge of Allegiance and a moment of silent prayer.

Attendees:

Mr. Al Smith	Mr. Larry Ladner
Mr. Jack Cleveland	Mr. Kevin Hill
Mr. Rocky Pullman	Mayor Les Fillingame

Approval of Minutes

Motion was made by Director Ladner to approve the minutes from the July 21, 2009, Recess Board Meeting, Director Hill seconded the motion; it was voted on and it carried unanimously.

Approval of Claims Docket with Additions

Motion was made by Director Smith to approve the July 2009 Claims Docket w/additions as presented to the Board, Director Ladner seconded the motion; it was voted on and it carried unanimously.

At this point during the meeting, Chairman Rocky Pullman presented former Chairman Eddie Favre with a plaque of appreciation for his dedicated service to the Hancock County Utility Authority, and his previous years on the Board of the Southern Regional Wastewater Treatment District.

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

Board Action Items

Motion was made by Director Ladner to approve the Request for Cash as presented to the Board, in the total amount of \$3,775,148.25, Director Fillingame seconded the motion; it was voted on, and it carried unanimously.

Discussion: Director Hill expressed concern about the numbering sequence of the RFC, it was explained by Office Manager Salina Perniciaro, that each project had two or in some cases three releases on this request, and even though the Project number was not always shown on the second request, the blank line below each project did in fact apply to the Project number shown above it.

		HANCUA-01		
RFC#	24	W5E	Kiln Regional Water Supply	\$178,769.61
	25			\$84,108.64
		List of Projects for HANCUA-02		

RFC#	10	W5	Kiln Regional Water Supply	\$482,767.21
	11	W5		\$402,425.28
RFC#	20	S5	Northern Regional (Kiln) WWTF and Transmission System	\$139,283.11
	21			\$4,430.00
RFC#	21	S6	Kiln Wastewater Collection System	\$159,791.74
	22			\$4,880.00
RFC#	22	S7	Bay St. Louis-Cedar Point and I-10 Wastewater System	\$1,528.00
	23			\$810.00
RFC#	20	W6	Kiln Water Distribution System	\$18,822.54
	21			\$27,713.87
RFC#	22	W7	Eastern Hancock County Regional Water Supply	\$1,779.00
	23			\$7,483.75
	24			\$2,720.00
RFC#	19	W9	Waveland-US 90 Water System Improvements	\$508,909.93
	20			\$485.00
RFC#	20	PD1	Program Delivery	\$2,664.64
			List of Projects for HANCUA-03	
RFC#	20	S3	Western Regional (Pearlington-Port Bienville) WWTF	\$408,704.45
	21			\$100,058.41
RFC#	20	S4	Pearlington Wastewater Collection System	\$90,545.12
	21			\$16,152.52
RFC#	19	W3	Pearlington-Port Bienville Regional Water Supply System	\$51,643.59
	20			\$605.00
RFC#	19	W4	Pearlington Water Distribution System	\$233,107.84
	20			\$785.00
RFC#	23	W8	Hancock County Water and Sewer District Water Distribution	\$843,764.00
	24			\$410.00
			Total Request	\$3,775,148.25

Motion was made by Director Ladner to approve the request by Caldwell Tanks to utilize the services of the following sub-contractors, Director Hill seconded the motion; it was voted on and it carried unanimously.

- Project W7
 - L. G. Barcus & Sons, Inc. – Kansas City, KS – Piling
 - Caldwell Tanks, Inc. – Louisville, KY – Foundations
 - Caldwell Tanks, Inc. – Louisville, KY – Painting
 - Padgett Contracting – Andalusia, AL – Electrical
- Project W3
 - H. H. Jordan Construction Company – Eight Mile, AL - Piling
 - Ozark Mountain Construction – Conway, AR - Foundations
 - Caldwell Tanks, Inc. – Louisville, KY – Painting
 - Padgett Contracting – Andalusia, AL - Electrical

Motion was made by Director Smith to accept the proposal from Gerald Rigby, C.P.A., P.C. for yearly audits for Fiscal Years Ending 2008, 2009, 2010, total quote \$77,310.00, Director Ladner seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Ladner to approve the Contract Modification 2008-02/02(S6) to the Term Bid 2008-02 construction contract, in the amount of \$1,109,764.00, contingent on final approval of MDEQ and Board Attorney Artigues, and the appropriate budget amendment, Director Hill seconded the motion; it was voted on and it carried unanimously.

Discussion: Director Cleveland questioned the amount of the modification; Mr. Bill Powell explained that because the project was quoted using the conceptual plans these are necessary changes, and that the original change was approximately \$3,000,000.00.

Motion was made by Director Hill to approve the request by Necaise Brothers Construction Co. Inc., to utilize the sub-contractors services of the following , on project W3, W4, and S4, Director Ladner seconded the motion; it was voted on and it carried unanimously.

- o Texstar Enterprises, Inc. – Selma, TX

Motion was made by Director Ladner to approve Contract Modification 2008-01/06(S4) for Term Bid 2008-01, in the additive amount of \$625,377.91, the proposed change provides for additional directional drilling under paved roads and oak trees, and revises the force main outfall line to Pate Bayou, contingent on final approval of MDEQ and Board Attorney Artigues, and the proper budget amendment, Director Hill seconded the motion; it was voted on and it carried unanimously.

Discussion: Director Cleveland – wanted to know what the breakdown of the change is, Kevin Mullen of Brown and Mitchell, Inc., explained that \$25,000 would go toward the outfall for Pates Bayou, and the balance would be for boring and other misc. construction cost concerning the protection of the live oaks in Pearlington.

Motion was made by Director Ladner to approve Contract Modification 2008-06/01(W3) to the Term Bid contract 2008-06 in the deductive amount of \$5,198.00, this change will shorten the construction time for the permanent well, which is needed to provide testing water for the W3, W4 & S4 piping systems, contingent on final approval of MDEQ and Board Attorney Ronnie Artigues, Director Hill seconded the motion; it was voted on and it carried unanimously.

Discussion: Director Cleveland asked what the original amount was, Mr. Bill Powell explained that the amount was \$90,000 and the change would bring the new total to approximately \$84,802.00.

Motion was made by Director Hill to approve Amendment 3 to the Engineering Agreement with Compton/Digital for the W9 project, in the additive amount of \$1,995.00, contingent on final approval of MDEQ and Board Attorney Artigues, Director Ladner seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Ladner to approve Contract Modification No. 1 to construction Contract W5-A, Kiln North Regional Water Supply Well contract, for upgrading the pumping capacity to 1,000 GPM and deducting contract items not required based in the test well results, in the deductive amount of \$17,266.96, contingent on final approval of MDEQ and Board Attorney Artigues, Director Smith seconded the motion; it was voted on and it carried unanimously.

Discussion: Director Cleveland asked what was left out to result in the deductive amount, Mr. Daniel Overstreet explained that sand strata was found to be more shallow than expected, thus they didn't have to drill as deep as originally expected.

Motion was made by Director Ladner to approve Contract Modification S3-4 to construction Contract S3 WWTF to add electrical conduit necessary for the fire suppression system that is to be added to the Maintenance/Operations Building. Although the modification for the fire suppression system itself is still being finalized, this portion of the work must be done immediately to avoid delays to the construction in the additive amount of \$23,351.00, contingent on final approval of MDEQ and Board Attorney Ronnie Artigues, Director Cleveland seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Ladner to approve Contract Modification 2008-03/04(W8) to the Term Bid 2008-03 contract in the deductive amount of \$42,228.60, contingent on final approval of MDEQ and Board Attorney Artigues, Director Smith seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Smith to approve adding Salina Perniciaro as an authorized signee to release monies for land acquisition to the revolving loan account, Director Ladner seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Ladner to approve the request by Mr. Bill Powell to rescind previous approval dated June 9, 2009 of Amendment No. 2 to the S5 Engineering Agreement, based on MDEQ non-concurrence with the amendment, Director Cleveland seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Cleveland to approve Amendment 2 to the S5 Engineering Agreement, in the additive amount of \$58,860.00, contingent on final approval of MDEQ and Board Attorney Artigues, Director Pullman seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Cleveland to approve Amendment 4 to the S3 Engineering Agreement, in the additive amount of \$13,754.00, contingent on final approval of MDEQ and Board Attorney Artigues, Director Ladner seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Cleveland to approve the request to advertise for bids for the Supervisory Control and Data Acquisition System (SCADA) for the Gulf Region CDBG projects and soon KLL, LLC has notified Executive Director Pitalo that the bid documents are ready, Director Ladner seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Cleveland to approve the following Budget Modifications as presented to the Board, Director Ladner seconded the motion; before a final vote was taken, it was pointed out by Director Fillingame that there was a calculation error on HANCUA-01 and on HANCUA-02, the staff of Gouras and Associates, Inc., was contacted and made aware of the errors, and the motion now includes the authorization of Executive Director Pitalo to sign and return the corrected documents Gouras and Associates, Inc., without any further Board action; Director Ladner seconded the motion; it was voted on and it carried unanimously.

- o HANCUA-01 Revision #6

- HANCUA-02 Revision #10
- HANCUA-03 Revision #6

Motion was made by Director Cleveland to approve Contract Modification No. 2008-01/07(S4) to Term Bid 2008-01 and Work Order S4-01, in the deductive amount of \$2,487.70, for the required fuel and material price adjustments, contingent on final approval of MDEQ and Board Attorney Artigues, Director Ladner seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Cleveland to approve Contract Modification No. 2008-01/08(S4) to Term Bid 2008-01 and Work Order S4-02, in the deductive amount of \$2,180.86, for the required fuel and material price adjustments, contingent on final approval of MDEQ and Board Attorney Artigues, Director Ladner seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Cleveland to approve the request by A. Garner Russell to allow G & C Construction to utilize the sub-contract services of C & B Construction for boring in Project W5E, Director Ladner seconded the motion; it was voted on and it carried unanimously.

Not on agenda –

Motion was made by Director Cleveland to approve Contract Modification No. 2008-01/09 (W4) in the deductive amount of \$15,087.74, for required fuel and material price adjusted for Work Order W4-01, Director Ladner seconded the motion; it was voted on and it carried unanimously.

Executive Director Pitalo asked permission of the Board to increase the well capacity in the Pearlington area from 750 GPM to 1,000 GPM, the estimated cost would be approximately \$40,000, and this increase in capacity would increase fire protection and would accommodate future growth in the area. Also, he informed the Board of the intention to keep a spare motor and pump on hand, and that it should be interchangeable with the other wells being constructed. Motion was made by Director Hill to approve the request of Executive Director Pitalo, Director Ladner seconded the motion; it voted on and it carried unanimously.

Executive Director – David Pitalo

Letter from MDEQ concerning SRF loan and forgiveness – Motion was made by Director Ladner for Executive Director Pitalo to make a request to MDEQ for another year of forbearance, Director Fillingame seconded the motion; it was voted on and it carried unanimously.

Discussion: Director Ladner asked Attorney Artigues his opinion on requesting an additional year of forbearance, Attorney Artigues explained that, if the forbearance was granted the monthly payments would only be higher, but would give each entity additional time to plan for the payment.

Director Ladner then asked EPA Representative Bryon Griffith his thoughts on the likelihood of the SRF loans being forgiven; in short, he felt it was unlikely that the loans would be forgiven.

Director Fillingame explained to the Board that he has inquired of the possibility of using CDBG funds to fulfill the SRF loan requirement, and the possibility is there.

Executive Director Pitalo asked at each municipality, the Hancock County Board of Supervisors, the Pearlington Water and Sewer District, the Kiln Water and Fire Protection District, the Hancock County Water and Sewer District and HCUA to adopt a resolution in favor of forgiveness/forbearance of the SRF loan.

2009/2010 HCUA Budget – Information only – No action taken

Executive Director Pitalo informed the Board that Coast Electric Power Association has requested the Authority to run a connection line to the front of their property at the new building site, the approximate cost will be \$25,000; there is enough money in the project to allow for the extra cost.

Motion was made by Director Ladner to approve the request of CEPA, Director Smith seconded the motion; it was voted on and it carried unanimously.

Old Business

None

New Business

None

Executive Session

Motion was made by Director Ladner to consider going into executive session to discuss land acquisition for Project S4 and W5E, Director Smith seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Fillingame to go into executive session to discuss land acquisition for Project S4 and W5E, Director Smith seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Ladner to leave executive session at 3:14 P.M., with no action taken, Director Hill seconded the motion; it was voted on and it carried unanimously.

During executive session the Board had the opportunity to review, on a per parcel basis, a total of sixty-five 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 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 two pages**, 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 and it was voted on and it carried.

Let the record show that Director Rodrick Pullman voted NO on Parcels 136, 144, and 146; and Director Kevin Hill voted NO on Parcel 77, both Directors voted Yea on all other parcels.

Attached – Two Pages of FMVOs

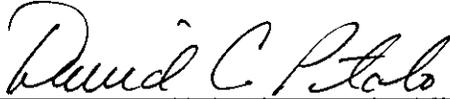
Also, during executive session the Board had the opportunity to review on a per parcel basis, a total of four appraisal and review appraisals for Project W5E Kiln Regional Water Supply on parcels 39, 64, 65, and 66, for the purpose of establishing a basis for making a fair market value offer pursuant to the appraisal and review appraisal procedure. After a full discussion, a motion was made by Director Hill 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 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 and it was voted on and it carried.

Adjourn or Recess

Motion was made by Director Cleveland to adjourn the meeting at 3:45 P.M., Director Ladner seconded the motion; it was voted on and it carried unanimously.



HCUA Board Chairman



HCUA Executive Director

HCUA Monthly Board Meeting
August 11, 2009, 2:00 P.M.