

**West Jackson County Utility District
7312 Rose Farm Road
Ocean Springs, Mississippi 39564
May 4, 2018**

Special Called Meeting

MINUTES

1.0 Call Meeting to Order:

The West Jackson County Utility District (WJCUD) convened the special called board meeting May 4, 2018 at the WJCUD general office building, 7312 Rose Farm Road, Ocean Springs, MS. The meeting was called to order by Mr. Curtis Spiers, Vice-Chairman of the Board at 2:00 P.M., and it was determined that a quorum was present. A notice was posted informing the public of the meeting time. The following individuals were present:

Mr. Mike Montgomery	Chairman, WJCUD
Mr. Curtis Spiers	Vice-Chairman, WJCUD
Mr. Alan Wood	Secretary/Treasurer, WJCUD
Mr. Joe Bannister	Commissioner, WJCUD
Mr. Jeremy England	Commissioner, WJCUD
Mr. John Hannah	General Manager, WJCUD
Mr. Willie Smith	Operations Manager, WJCUD
Ms. Lori Goforth	Office Manager-HR, WJCUD
Ms. Tracy Reed	Accountant, WJCUD
Mr. Brian Bennett	District Inspector, WJCUD
Mr. Brad Jones	Machado Patano Engineering

Members of the Public:

Barry Mends
Van Arnold

2.0 Pledge of Allegiance

3.0 Change to Meeting Agenda

None.

4.0 Community Input

Mr. Barry Mends and Mr. Van Arnold attended the meeting as representatives of Gulf Hills. They are writing an article for the Gulf Hills Newsletter and are writing an article about the District's upcoming building project. They wanted to understand the building project and obtain accurate information regarding it. During the presentation several questions were asked and answered. The Board assured Mr. Mends and Mr. Arnold that the project has been planned for many years and that the District's ratepayers would not be seeing an increase in their utility bills as a result of the new building.

5.0 Consent Agenda

None.

6.0 Old Business

6.1 New Office Building Complex

The General Manager reported that the architect has evaluated all of the bids and presented the District with a bid tabulation sheet. Mr. Brad Jones with Machado Patano explained each alternate to the Board. The General Manager stated that the Staff had looked at the prices for the backup generator (alternate #4) and it is believed that procuring a used low-hour generator at a later date would be a viable option. Mr. Hannah stated he had researched surplus used generators online and found several units with low hours of use for much lower prices. Awarding the base bid and all alternates except #4 was discussed and the Board agreed with the General Manager and felt purchase of a surplus generator at a later date was an attractive option to consider since bids were higher than anticipated.

Mr. Jones stated he had vetted and met with the 2 low bidders and feels comfortable with both of the Contractors. If the District opted to not award Alternate #4, DCD Construction Inc. would be the low bidder.

Mr. Jones explained to the Board that there was a \$100,000 allowance for unsuitable soils in the bids and that if these unsuitable soils were not encountered the \$100,000 would not be paid to the contractor. Other smaller allowances also make it possible that final construction costs will be less than the initially awarded contract amount. Mr. Jones also explained that opportunities to reduce construction costs could be explored with the contractor upon contract award to further reduce the construction costs. Value engineering is a term used to describe a joint engineer and contractor effort to reduce construction costs by changing material and quantities of construction. He explained that the amount of savings could not be determined until the bid is awarded. State bid laws allow for such negotiations to reduce a contractor's bid amount up to 10% by value engineering. Mr. Jones believes that the following could be considered as viable value engineering items. His recommendation is that value engineering be considered when, if changed, the overall functionality of the facility is not reduced:

1. Lower the site grade by up to 1 foot
2. Revise metal building to PEMB
3. Lower the warehouse and shed eave heights by up to 2 feet
4. Remove the end side wall panels of the two storage sheds
5. Adjust ceiling tiles in office spaces
6. Revise windows at reception area
7. Change roof color on PEMB to standard
8. Revise lighting package
9. Revise parking lot section in rear, reduce crushed asphalt
10. Reduce asphalt to 2" in parking bays only
11. Change RCP storm drainage pipe to HDPE along the north side
12. Change brick lintels at entry

13. Remove the retractable/moving partition in breakroom
14. Replace millwork shelving from storage rooms and install metal or plastic shelving
15. Remove the vapor barrier gravel from under slab
16. Remove slabs under storage buildings – just have spot footings

Each item was discussed and while many of items may be able to be changed the Board did not want to cut corners on items that really are desired or needed for safety.

Mr. England made a motion, seconded by Mr. Spiers, to not award Alternate #4. Mr. England stated that it was in the District's best interests to pursue the purchase of a surplus used low-hour generator at a lower price at a later date. Motion passed unanimously.

The General Manager presented some financial information for the Board's review showing the District's bank account balances. Three different suggestions were presented with how the project could be paid for. The General Manager outlined how the District had been setting aside funds since 2013 in a depreciation account for District assets and for this office complex and that customer rates would not be increased in the future as a result of the office complex construction.

Mr. Spiers made a motion, seconded by Mr. Bannister, to accept the engineer's recommendation and award the base bid and alternates #1, #2, #3, #5 and #6 to the low bidder, DCD Construction Inc., for the total of \$4,230,850. Motion passed unanimously.

Mr. Bannister made a motion, seconded by Mr. Wood, to authorize the General Manager to sign and execute documents on behalf of the Board related to this project. Motion passed unanimously.

The Board asked for time to review the different options for funding the project and to make a decision at a later time.

Mr. Jones stated he will have the documents ready by the May 22, 2018 board meeting and expects a notice to proceed will be issued for the first part of June.

7.0 New Business

None.

8.0 Correspondence

None.

9.0 District Operations

None.

10.0 Executive Session – If So Move

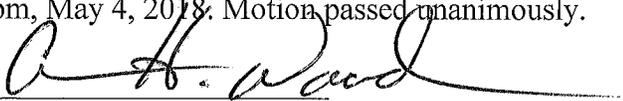
None.

11.0 Other Business

None.

12.0 Adjournment

A motion was made by Mr. Spiers, seconded by Mr. Wood, to adjourn the meeting at 3:55pm, May 4, 2018. Motion passed unanimously.

A handwritten signature in cursive script, appearing to read "Alan Wood", written over a horizontal line.

Alan Wood
SECRETARY/TREASURER, WJCUD