

**West Jackson County Utility District
7312 Rose Farm Road
Ocean Springs, Mississippi 39564
August 20, 2018**

Regular Meeting (Rescheduled from 8-14-18)

MINUTES

1.0 Call Meeting to Order:

The West Jackson County Utility District (WJCUD) convened the rescheduled board meeting August 20, 2018 at the WJCUD general office building, 7312 Rose Farm Road, Ocean Springs, MS. The meeting was called to order by Mr. Mike Montgomery, Chairman of the Board at 9:00 A.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
Ms. Tanya Hasbrouck	Board Attorney, WJCUD
Mr. John Hannah	General Manager, WJCUD
Mr. Willie Smith	Operations Manager, WJCUD
Ms. Lori Goforth	HR Manager – Exec Admin. Asst., WJCUD
Ms. Tracy Reed	Accountant, WJCUD
Mr. Brian Bennett	District Inspector, WJCUD
Mr. James Douglass	Compton Engineering
Mr. Gerrod Kilpatrick	Machado Patano Engineering

Members of the Public:

Savannah Pines – Dr. Alfred McNair, Jeff Cely, Laura Adkison, James Dill
Dennis Lamey
William Tuttle

2.0 Pledge of Allegiance

3.0 Change to Meeting Agenda

Add Dennis Lamey to old business.

4.0 Community Input

Mr. Dennis Lamey of Lamey Homes appeared before the Board to provide a breakdown of his costs for tying into the District's force main versus gravity sewer installation. Mr. Lamey passed out a detailed breakdown from a parts supplier and contractor. He stated the infrastructure total for water and sewer using the existing force main totals \$22,813.00 compared with \$121,714.40 if the District continues to require gravity sewer. He is once again seeking relief from the District regarding his proposed subdivision off Daisy Vestry Rd. and wants a resolution to this matter. Mr. Spiers stated he understood how Mr. Lamey could assume that he would be able to tie into the existing force main but also understands the District's reasoning behind requiring gravity sewer. The General Manager stated that there were some items he wished to discuss in Executive Session. The Board Chairman advised Mr. Lamey that the Board would discuss the matter later today and that Mr. Hannah would get back with Mr. Lamey today to inform him of their decision.

Mr. William Tuttle reminded the Board that the Windsor Park Civic Association meeting was scheduled for tomorrow (8-20-18) at 7pm. They will be meeting at the Gulf Hills Hotel. Mr. Montgomery apologized that he will be unable to attend the meeting but that Mr. Spiers would be attending along with Mr. Hannah and Compton Engineering.

5.0 Consent Agenda

- 5.1 Reading of Previous Minutes**
- 5.2 Financial Reports**
- 5.3 Purchase Requisitions**
- 5.4 Docket of Claims 1 - 77 (\$1,272,720.60)**

Mr. Spiers made a motion, seconded by Mr. Wood, approving the Consent Agenda. Motion passed unanimously.

6.0 Old Business

6.1 Wastewater Facilities Plan, Phase 1

Miller Enterprises has now completed paving on Morton Pl and area residents are experiencing less dirt and dust problems as a result. The Contractor is moving fairly slowly and Mr. Douglass has expressed his concerns to them. Currently they are still installing laterals along Old Fort Bayou Rd and are moving up Lancaster Blvd from the south. The Board discussed the concerns over the Contractor's failure to meet contract deadlines. Ms. Hasbrouck had some questions for the General Manager so a letter has not yet been sent to them. The General Manager stated that JCUA is pressuring us to divert flow to their new lift station on Old Fort Bayou Rd. They are allowing a temporary bypass for the time being and the District has asked JCUA's contractor to not cut our lines because if they have the flow diverted right now we would end up with solids separating out. JCUA has been very good to work with on the matter but it is of a high priority for Miller to complete the last section of sewer so the flow can be diverted to JCUA's new pumping station and the District can have their bypass pump back in case of a hurricane. Mr. Douglass stated he believes the Contractor has that work scheduled to be finished by next week.

Mr. Douglass presented a Change Order for Gulf Coast Underground for the Board to consider that provides additional days due to rain delays and unforeseen line item quantities. Compton is wanting to get all SRF eligible work done because the timeline for that ends sooner than the non-SRF eligible work timeline.

Mr. Spiers made a motion, seconded by Mr. Bannister, approving Gulf Coast Underground's Change Order 3 in the amount of \$3,527.95 plus 50 calendar days having determined the following is true:

- The change order is made in a commercially reasonable manner and is not being made to circumvent the public purchasing statutes.
- The proposed change is necessary or incidental to the completion of the work as originally bid, is not outside the scope of the original contract, is commercially reasonable, and any increase in cost reasonable.

Motion passed unanimously.
(SRF Eligible - \$3,527.95)

6.2 Water Facilities Plan, Phase 3

Graham Construction is substantially complete and a walk-thru was done on 8/13/18. A punch list was developed and they are making solid progress. Final completion is due by 8/31/2018. DOH will be onsite that day. Closeout documents will be due by 9/30/2018.

6.3 Wastewater Facilities Plan, Phase 2

Hemphill Construction progress is moving along. All crossings for Cook Rd have been done. There is still one crossing on Ridgecrest to do. A conflict occurred with the crossing at Prairie and the force main needed to be rerouted. Gravity sewer installation is 50% complete and the wet well is in the ground. Mr. Kilpatrick stated he had failed to take into account the fiscal year ending for DEQ and that the last Pay Application contained dates in both the current and past fiscal year. It necessitated the Pay Applications be redone.

Mr. Spiers made a motion, seconded by Mr. Bannister, discarding previously approved Hemphill Construction Pay Application 3 in the amount of \$334,604.66 and approving payment of Hemphill Construction Pay Application 3 in the amount of \$286,770.66 and Pay Application 4 in the amount of \$47,834.00. Motion passed unanimously.
(SRF Eligible = \$334,604.66)

6.4 New Operations Center

Gerrod Kilpatrick provided an update on the new operations center. Progress is going well and the staff has been attending monthly progress meetings at the jobsite. Pictures were shown to the Board depicting progress in the construction.

Mr. Bannister made a motion, seconded by Mr. Spiers, approving DCD Construction Pay Application 2 in the amount of \$141,139.17. Motion passed unanimously.

7.0 New Business

7.1 Savannah Pines MOA

The General Manager provided a history to date of the MOA between Savannah Pines and the District. Savannah Pines asked for and received a revised MOA in August of 2015 due to the fact the economy had turned for the worse and they were unable to meet the requirements of the original MOA any longer. The revised MOA deleted the need for Savannah Pines to provide a water well and tank and gave them 3 years to pay the water tap fees that had been waived to date. Both Dr. McNair and Mr. Cely spoke to the Board expressing the fact that Savannah Pines was the catalyst for new quality homes being built in St. Martin following Hurricane Katrina. They acknowledged they do owe the remaining balance of \$116,871.40 that became due and payable on 8/10/2018 but are asking for a revision to those terms once again to allow them another year to pay the balance due as well as a reprieve from any payment for a few months.

Mr. Spiers made a motion, seconded by Mr. Wood, for the Board Attorney and General Manager to initiate a supplement/amendment to the Savannah Pines revised MOA allowing for an extension in time required to pay the remaining balance due to the District. The Board agreed to a 90 day reprieve from Savannah Pines making any payments until 11/20/2018 and then Savannah Pines is to start making monthly payments on the balance due. Payments will be separate from will serve payments. Savannah Pines is to have the entire remaining balance due totaling \$116,871.40 paid by 09/30/2019. All agreed upon easements will need to be conveyed to the District. Additionally the 2 recorded easements along the access road and well site need to be combined into one larger lot. As-builts will also need to be provided. Motion passed unanimously.

7.2 Residential Lot on Honeysuckle Road

The General Manager updated the Board on a lot that the District owns in Laura Acres. The lot was acquired as part of Coast Water Works and is surrounded by residential property and is not suitable for use by the District due to its size and location. There is a hydro-pneumatic tank on the property that needs to be removed. The General Manager requests permission to pursue the selling of the property.

Mr. Bannister made a motion, seconded by Mr. Wood, authorizing the General Manager to pursue obtaining an appraisal of the property in order to potentially sell the parcel. Motion passed unanimously.

7.3 Draft FY2019 Operating Budget

The General Manager presented a draft of the FY 2019 Operating Budget. Each board member was given the draft to allow time for review and to develop any questions regarding it before it must be voted on.

8.0 Correspondence

Included for the Board's review was the following:

- WJCUD (2018 08 06) Notice of Rescheduled Board Meeting from 08/14/18 until 08/20/18 at 9AM.
- John Hannah (2018 08 15) to JCUA regarding Doc #41411 damage request from JCUA #21 due to unregulated discharges.
- JCUA (2018 06 18) to John Hannah regarding unregulated discharges at JCUA @21 and an invoice to WJCUD for \$16,639.05.
- Lori Goforth email (2018 07 27) to Michele Coats – Planning Commission regarding areas in our District that have a Biloxi address including our new building site. Ocean Springs Post Office state the Planning Commission controls the addresses.
- John Hannah email (2018 07 31) response to Tasha Brown regarding customer water usage and bill amounts on Spanish Drive.
- Lamey Electric (2018 08 03) invoice for \$1825.00 to move electrical service at the District office to the new electric pole.
- Bloomberg Letter regarding the bond market.
- Bill Oakley – Hydrologist (2018 08 06) to John Hannah regarding groundwater supply improvement.
- JCUA (2018 08 14) to John Hannah regarding wastewater treatment and transportation FY 2019. WJCUD's charge will be \$114,260 which is down from \$115,305.

9.0 District Operations

9.1 Attorney Report

Updates were given on the following:

- JCUA has no objection to the triangle area depicted in PSC Dockets 142, 143 being removed. She will move to amend those dockets. They do have objections to the Dockets regarding Sanctuary III. Richard Baudry who is the developer for Sanctuary III has now decided to wait for JCUA to be able to provide service to him.
- Ms. Hasbrouck is being told that JCUA has refused their counter offer and she hopes to have more details by the next board meeting.
- Ms. Hasbrouck is still working on easements for Old Fort Bayou Rd and Savannah Pines.
- Jimmy Colmer from the Board Attorney's office reported to Ms. Hasbrouck that our insurer from the postal service vehicle incident is asking for the County's insurance information as they are seeking reimbursement for the claim they paid.

9.2 Manager Report

Updates were given on the following:

- July 2018 Billing Summary was \$748,279.28. (Last yr -\$686,548.25)
 - i. June billings were \$732,395.16 (\$694,904.78 – last yr)
 - ii. May billings were \$703,705.87 (\$699,830.00 – last yr)
 - iii. Apr billings were \$695,610.89 (\$682,749.39 – last yr)
 - iv. Mar billings were \$649,535.99 (\$646,224.43 – last yr)
 - v. Feb billings were \$680,816.95 (\$649,746 – last yr)
 - vi. Jan billings were \$697,317.99 (\$664,626 – last yr)
 - vii. Dec billings were \$700,324.42 (\$632,739 – last yr)
 - viii. Nov billings were \$675,123.50 (\$670,392 – last yr)
- July 2018 Water Production (5% unaccounted for down from 19%)
- Spotlight on Water Operators, Claude (Bud) Goff and Micah Bridges
- AL-MS AWWA Pipeline Magazine
- Theft of Service & Destruction of Property – Christopher Earl Ryan, 14922 Masterson Ave. Police Report filed.

- Johnny Groue email to Supervisor Troy Ross and Senator Mike Seymour regarding WJCUD pool fill policy.

10.0 Executive Session – If So Move

Mr. Spiers made a motion, seconded by Mr. Wood, to go into closed session to determine if the subject matter falls under the law as an executive session matter. Motion passed unanimously.

Mr. Wood made a motion, seconded by Mr. Bannister, to stay in executive session having determined that executive session was warranted. Motion passed unanimously.

Mr. Bannister made a motion, seconded by Mr. Wood, to come out of executive session. Motion passed unanimously.

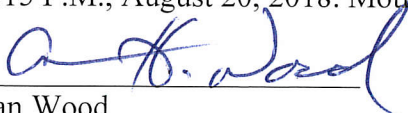
No action was taken in executive session.

11.0 Other Business

Mr. Spiers made a motion, seconded by Mr. Bannister, authorizing the Board Attorney to file a dismissal of the Sanctuary III PSC petitions. Motion passed unanimously.

12.0 Adjournment

A motion was made by Mr. Spiers, seconded by Mr. Wood, to adjourn the meeting at 12:15 P.M., August 20, 2018. Motion passed unanimously.



Alan Wood
SECRETARY/TREASURER, WJCUD