

HANCOCK COUNTY UTILITY AUTHORITY

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Emergency Board Meeting July 26, 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 Lonidier

Attendees:

Mr. Al Smith
Mr. Jack Cleveland
Ms. Lillian Stahler
Mr. Rocky Pullman

Mr. Bill Johnson
Mayor Les Fillingame
Ms. Pamela Lonidier

Board Action Items

Additional Funding for CDBG Projects - Executive Director Pitalo informed the Board of the possibility of MDEQ releasing an extra \$1.3 million dollars to the Authority for the CDBG projects. He offered the Board some different options: (1) he explained that there is a shortfall of funds for Project S6 of approximately \$1.2 million dollars, and that a number of easements for properties that are 300 feet or further from the road have been purchased, and he felt that leaving these purchased property easements unused was not in the best interest of the Authority and asked that they consider this as an option for using the money to finish these sewer connections. He felt if a project, especially one that has purchased easements, was left incomplete, then the Authority may, at some point, be required to repay the funds used to purchase these easements, this would include attorney fees, easement cost, appraisals, etc., he explained that at this time all easement purchases in the S6 project are on hold, (2) Another option would be to purchase and connect TESI certificated areas, (3) The third option would be to use the money to do more work on the distribution system in the Bayside Park area.

Director Fillingame inquired if the funds could be used to pay on the SRF loan and Executive Director Pitalo explained that he had asked numerous times and was told that the funds had to be used for the CDBG projects.

Director Smith reiterated the fact that there are still hundreds of homes in his district that still do not have water or sewer.

Attorney Artigues recommended that the Board seriously consider option 1, as the risk of repayment of land acquisition expenses is a real possibility.

Motion was made by Director Johnson to authorize the extra funding of approximately \$1.3 million dollar to be used in the S6 project to complete the sewer connections on the already purchased easements, Director Pullman seconded the motion; it was voted on and it carried with a majority vote, with Director Smith voting NO.

Motion was made by Director Pullman that no new projects be considered by the Board until such time as the water distribution system in the W8 project area is complete, Director Johnson seconded the motion; it was voted on and it carried with a majority vote, with Director Smith abstaining from the vote.

Discussion: Director Pullman wanted to clarify, that the 592 money that is already earmarked for the new Pearlington well is not considered a new project.

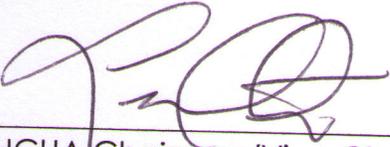
Director Fillingame asked if there has been any progress made on the forgiveness of the SRF loan.

Attorney Artigues explained that Ms. Trudy Fisher, Tommy Cardin and Cindy Allen are in Washington meeting with the EPA finalizing the federal legislation that will hopefully be approved to give Ms. Fisher authority to forgive the loan. The other issue he wanted to clarify was, the concern of Mrs. Betty Baxter about Pearl River County's debt being forgiven, he explained that the debt in question was debt incurred after Hurricane Katrina to acquire the infrastructure and assets of another entity, where as our debt was **acquired** prior to Hurricane Katrina.

Executive Director Pitalo informed the Board that the Kiln Utility and Fire Protection District is in negotiation with TESI to buy the certificated area in Jourdan River Shores, and as a result he has asked MDEQ for an additional \$525,000 dollars to install a lift station in the location of the TESI treatment facility, this would enable wastewater to be pumped to the regional line then to the Northern WWTP. His understanding that these funds are in addition to the \$1.3 million dollars that MDEQ has earmarked for HCUA.

Adjourn

Motion was made by Director Johnson to adjourn the meeting at 3:00 PM, Director Cleveland seconded the motion; it was voted on and it carried unanimously.



HCUA Chairman/Vice Chairman



HCUA Executive Director