



HANCOCK COUNTY UTILITY AUTHORITY

401 Gulfside Street • Waveland, MS 39576
Telephone 228-467-3702 • Fax 228-467-6206 • E-mail: hcua@bellsouth.net

Monthly Board Meeting *January 17, 2013*

Call to Order - The meeting was called to order by Chairman Les Fillingame at 10:08 A.M.

Attendees:

Mr. Jimmy Lamy Mr. Al Smith
Mr. Bill Johnson Mrs. Lili Stahler
Mr. Mike Collard Mr. Les Fillingame

Not In Attendance: Mr. David Yarborough

Pledge of Allegiance and Silent Prayer – lead by Director Al Smith

Request to Address the Board

Board Action Items

Director Al Smith nominated Director Bill Johnson to be the new board Chairman, the nomination was put to vote and carried with a quorum vote, with Director Collard and Director Lamy abstaining from the vote.

Director Bill Johnson nominated Director Al Smith to remain as board Vice-Chairman, the nomination was put to vote and carried with a quorum vote, with Director Collard and Director Lamy abstaining from the vote.

At this point in the meeting newly elected Chairman Bill Johnson assumed the chairman duties, and lead the meeting forth.

Motion was made by Director Stahler to approve the minutes of December 11, 2012, Monthly Board Meeting, Director Smith seconded the motion; it was voted on and carried with a majority vote with Director Collard and Director Lamy abstaining from the vote.

Motion was made by Director Stahler to approve the December 2012 Check Summaries as presented, Director Fillingame seconded the motion; it was voted on and it carried with a majority vote, with Director Collard and Director Lamy abstaining from the vote.

	<u>Expenses</u>	<u>Monthly Budget</u>	<u>Revenues</u>	<u>Difference</u>
O & MWastewater	\$ 120,362.83	\$ 137,562.75	\$ 157,794.07	\$ 20,231.32
O & M Water	\$ 3,060.89	\$ 29,315.00	\$ 6,108.94	\$ -23,206.06
2004 Bond	\$ 318,895.75			
2010 Bond	\$ 42,908.13			

Land Acquisition	\$ 5,010.00
CDBG Projects	\$1,101,678.70
CIAP – Kiln	\$ 122,987.17

Motion was made by Director Fillingame to approve the CDBG Request for Cash in the amount of \$778,679.24 as presented, Director Stahler seconded the motion; it was voted on and it carried with a majority vote with Director Collard and Director Lamy abstaining from the vote.

Motion was made by Director Fillingame to approve the Consent Agenda consisting of 09 items as presented, Director Stahler seconded the motion; it was voted on and it carried with a majority vote, with Director Collard and Director Lamy abstaining from the vote.

- Approval of Payment Request No. 14, S6 CIAP Kiln Sewer Connection Project, MSCIAIP Project No. MS.R.771-2, in the amount of \$14,124.49, contingent on approval by the Mississippi Department of Marine Resources and Board Attorney Artigues. This pay request includes invoices from A. Garner Russell & Assoc. in the amount of \$6,667.30, Brown, Mitchell & Alexander, Inc. in the amount of \$1,621.20 and an invoice from Jay Bearden Construction in the total amount of \$5,835.99.
- Approval of Contract Modification SCADA- 05 to the Term Bid SCADA construction contract with WaterTech Corp. for the HANCUA Regional SCADA System in the deductive amount of \$61,682.00, contingent on final approval of MDEQ, and Board Attorney Artigues. This change removes SCADA from the two Master Water Meter Stations for project W7 that will not be constructed as well as adds new line items that will make the project more user friendly for the owner.
- Approval of Contract Modification 2008-04/35 (W8) to the Term Bid 2008-04 construction contract with Hudson Contracting Inc. for the W8 Bayside Park Water System in the additive amount of \$76,283.08, contingent on final approval of MDEQ, and Board Attorney Artigues. This change adjusts quantities to match the conditions encountered in the field. There are sufficient funds for this change.
- Approval of Contract Modification 2008-09/11 (W7) to the Term Bid 2008-09 construction contract with Layne Central for the W7 Eastern Regional Water Supply System in the additive amount of \$38,417.34, contingent on final approval of MDEQ, and Board Attorney Artigues. This change covers the increase in cost of the chlorination equipment at the Crump Rd Well in order to match up with the increased well production. This change also provides the required chlorine analyzer at the McLaurin and Harbor Drive well sites. There are sufficient funds for this change.
- Approval of Contract Modification 2011-15/03 (S6) to the Term Bid 2011-15 construction contract with Plaas, Inc. for the S6 Kiln Sewer Collection System in the additive amount of \$55,295.50 contingent on final approval of MDEQ, and Board Attorney Artigues. This change adjusts quantities to those encountered in the field to date.
- Approval of Contract Modification 2008-07/28 (W7) to the Term Bid 2008-07 construction contract with Necaise Bros. Construction for the W7 Eastern Regional Water System in the additive amount of \$10,094.00 contingent on final approval of MDEQ, and Board Attorney Artigues. This change increases the quantity for required fire hydrant extensions and renews a required MDOT Bond.
- Approval of "Water Service Emergency Response Plan"

- Approval spread on the minutes the letter from HCWSD concerning Bayside Park Phase II Water Project.
- Approval of Contract Modification 2011-14/07 (\$6) to the Term Bid 2011-14 construction contract with Jay Bearden Construction for the Kiln Wastewater Collection System in the additive amount of \$7,831.45 (\$2,494.45 CDBG and \$5,337.00 CIAP), contingent on final approval of MDEQ, MS Dept. of Marine Resources and Board Attorney Artigues. This change adjusts quantities of certain items to reflect the conditions encountered in the field. There is sufficient funding for this change.

Discussion: Item #8 - Director Smith reminded the Board that the District is getting calls from Bayside Park residents saying their homes are not being connected to water and piping is on their street. Executive Director Pitalo explained that the ones being passed up are more than likely the homes that are non-low mod, and they are required to make their own connections from the meter to the home.

Motion was made by Director Fillingame to approve, accept and spread on the minutes the recommendation by Brown, Mitchell and Alexander concerning Project W8-Bayside Water Distribution System, Director Stahler seconded the motion; it was voted on and it carried with a majority vote, with Director Collard and Director Lamy abstaining from the vote.

Discussion: Attorney Ronnie Artigues - Butler Snow - W8 Project - Executive Director Pitalo explained that on previous projects a deadline was established, this being done so it could be determined if there would be any excess funds. He felt that January 31, 2013 would be appropriate as there were very few homes left to connect in Bayside Park.

Mrs. Nancy Depreo of the HCWSD expressed concern about this deadline date, she explained that there were approximately 200 homes that had not returned the economic survey and ROE forms. Executive Director Pitalo explained that there needed to be a cutoff, otherwise, it would be difficult to determine the remaining, if any, funds concerning the project. He also explained that the Pearlington project was handled in this same manner, and at this time there are approximately 15-17 homes waiting to be connected.

Mr. Kevin McMullen of BMA, Inc., explained in the case of HCWSD the current contract will expire on January 31, 2013, he also explained in the case of PWSD once all the last few easements are obtained, there will be a bid package announcement to hire a contractor to finish up the Pearlington area, and the same will happen for HCWSD.

Motion was made by Director Johnson to excuse the absence of Director David Yarborough, due to illness, Director Yarborough seconded the motion; it was voted on and carried with a majority vote, with Director Collard and Director Lamy abstaining from the vote.

Executive Director

Bay St. Louis, Waveland, and HCWSD - need make your respective boards aware of the agreements made for purchasing water and HCUA will be working with your representative to make this happen through our connections - Executive Director Pitalo pointed out the importance of each entity informing their respective board agreement each entity has signed agreeing to purchase a specified amount of water.

Presentation of debt service – Executive Director Pitalo presented an overhead presentation concerning the current debt service the each entities obligation. He also reminded everyone of the SRF Loan which is still in forbearance, and the possible note that may begin coming due on October 1, 2013.

Attorney Artigues informed the board continued efforts to get the SRF loan (1) completely forgiven of the entire loan, (2) forgiveness of a portion of the loan/interest restructuring of the principal for possibly twenty years, or (3) a complete restructuring of the entire loan over a twenty year period. Also, because the SRF program is not receiving federal funding, MDEQ is hesitant to make a decision on the matter, as MDEQ would have to carry the burden of less funds should they decide to forgive the loan and/or interest.

Use of Line of Credit for debt service – Executive Director Pitalo explained to the board that the 2010 Bond payment which includes principal and interest is coming due in June rather than December, as the 2004 Bond payment does. He explained that there may be a shortage of approximately \$12,000 for the June 2013 payment, and asked to be able to borrow the money from the Line of Credit (which was established for CDBG land acquisition), then pay the money back in July 2013 after the entities have paid their monthly invoices.

Motion was made by Director Smith to authorize Executive Director Pitalo to utilize the Line of Credit as discussed, but to plan future budgets with all the payments to be spread over the entire fiscal year, Director Fillingame seconded the motion; it was voted on and it carried with a majority vote, with Director Collard and Director Lamy abstaining from the vote.

Obamacare - Executive Director Pitalo explained to the board that Butler Snow and Stewart Sneed Hewes will be working the Authority to help ensure that we are in compliance.

Wholesale Water Information – Information only – No action required

Lift Station/master meter station at Jordan River Shores – Executive Director Pitalo informed the board that the final design for the lift station and master meter station, to be located at Jordan River Shores subdivision, is very close to being complete, this would allow the KUFPP to connect an 275+ homes to the system. He explained that we are very close to completion of the NEPA requirements, he also asked for authorization to advertise for construction of the lift station and master meter in Jordan River Shores.

Motion was made by Director Stahler to authorize the Authority to advertise for construction of the lift station and master meter in Jordan River Shores, contingent upon approval from MDEQ and NEPA, Director Fillingame seconded the motion; it was voted on and it carried with a majority vote, with Director Collard and Director Lamy abstaining from the vote.

New Business

None at this meeting

Old Business

(1) Director Pitalo explained that excess dirt, rubble and debris have been placed around the north perimeter of the equalization lagoon. In discussion with management personnel of the Bay St. Louis Department of Public Works months ago, it was stated this material would be removed. This has not been accomplished.

- Executive Director Pitalo met with Mayor Fillingame and BSL Public Works Director and notified them of contractors to take to take most of the excess dirt. Executive Director was informed by public works director of their plans on clearing a wooded area on the east side of the power substation to use as a lay down yard for dirt, gravel, sand, etc. There is a concern for liability issues.
- Director Pitalo explained he had met with a contractor during the week of May 7, 2012 and the contractor would begin hauling debris the week of May 14, 2012. Director Pitalo and Board Attorney Artigues advised the board that the Old Spanish Trail entry to the Lagoon site is not to be used due to liability issues.
- Director Fillingame recommended that the locks on the gates to be changed and only key people from HCUA and the City of Bay St. Louis have keys.

Motion was made by Director Ladner to issue a letter to the City of Bay St. Louis requesting the removal of the dirt, rubble and debris for the lagoon site, Director Johnson seconded the motion; it was voted on and carried by majority vote, with Director Fillingame voting NO.

(2) Director Smith asked that if there are monies left to be used in Bayside Park after all the projects are complete, that when the work starts, that it start in the front of Bayside and work to the back.

Executive Director Pitalo asked that the HCWSD issue a letter of request for the work as Director Smith explained to the board.

Executive Session

Motion was made by Director Fillingame to consider going into Executive Session for the purpose of land acquisition and litigation, Director Stahler seconded the motion; it was voted on and it carried with a majority vote, with Director Collard and Director Lamy abstaining from the vote.

Motion was made by Director Fillingame to go into Executive Session for the purpose of land acquisition and litigation, Director Stahler seconded the motion; it was voted on and it carried with a majority vote, with Director Collard and Director Lamy abstaining from the vote.

Motion was made by Director Smith to leave Executive Session with no action taken at 11:16AM, Director Stahler seconded the vote; it was voted on and carried with a majority vote, with Director Collard and Director Lamy abstaining from the vote.

Butler Snow

During executive session Attorney Ronnie Artigues presented the Board with an opportunity to review, on a per parcel basis, a total of seventeen 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 Fillingame 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 with a majority vote, with Director Collard and Director Lamy abstaining from the vote.

Pittman Law Firm

During executive session Attorney Jack Pittman presented the Board with an opportunity to review, on a per parcel basis, a total of one waiver valuation(s) for Project W7-Eastern Hancock County Regional Water Supply, 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 Fillingame 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 with a majority vote, with Director Collard and Director Lamy abstaining from the vote.

Executive Director David C. Pitalo – Letter from Brown Mitchell and Alexander to Carollo Engineers - Information only – No action Taken

Executive Director David C. Pitalo – Last payment on lease of lagoon – transfer of ownership from City of Bay St. Louis to Hancock County Utility Authority

Motion was made by Director Fillingame to acknowledge the lagoon has expired and a one-time payment of \$1.00 for the continue use by the Authority of the lagoon, Director Smith seconded the motion; it was voted on and it carried with a majority vote, with Director Mike Collard and Director Jimmy Lamy to abstaining from the vote.

Executive Director Pitalo informed of ongoing negotiations with Lazy Magnolia Brewery which may have the potential to produce additional income to the Authority in amount of approximately \$20,000 year.

Motion was made to ratify moving the regular January 8, 2013 monthly board meeting to January 17, 2013. Director Smith seconded the motion, it was voted on and it carried with a majority vote, with Director Mike Collard and Director Jimmy Lamy abstaining from the vote.

Motion was made by Director Stahler to move the regular February 12, 2013 board meeting to February 14, 2013, due to the Mardi Gras holiday, Director Smith seconded the motion; it was voted on and it carried with a majority vote, with Director Mike Collard and Director Jimmy Lamy abstaining from the vote.

Adjourn or Recess

Motion was made by Director Stahler to adjourn the meeting, Director Fillingame seconded the motion; it was voted on and carried with a majority vote with Director Collard and Director Lamy abstaining from the vote.

Will A. Johnson
HCUA Chairman/Vice Chairman

David C. P. Stalo
HCUA Executive Director