

HANCOCK COUNTY UTILITY AUTHORITY

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Monthly Board Meeting February 14, 2013

Call to Order - The meeting was called to order by Chairman Bill Johnson at 10:04 AM.

Attendees:

| | |
|-------------------|----------------------|
| Mr. Bill Johnson | Mrs. Lili Stahler |
| Mr. Mike Collard | Mr. Les Fillingame |
| Mrs. Betty Baxter | Mr. David Yarborough |

Not In Attendance: Mr. Jimmy Lamey and Mr. Al Smith

Pledge of Allegiance and Silent Prayer – lead by Director Les Fillingame

Motion was made by Director Fillingame to excuse the absences of Director Al Smith and Director James Lamy, Director Stahler seconded the motion; it was voted on and it carried with a majority vote with Director Collard and Director Pro Tempe Baxter abstaining from the vote.

Request to Address the Board

Kevin Mullen and Jason Chiniche – Brown Mitchell and Alexander – Update on Master Plan – Mr. Mullen gave the Board a short overview of the progress of the Master Plan. Mr. Bill Mitchell informed the Board that the Master Plan should be finished by the end of April 2013.

Frank Bordeaux – Stewart Sneed Hewes – Mr. Bordeaux presented the Board with options for the upcoming renewal of various insurance policies that are due to renew February 21, 2013. His recommendation was to select the \$125,774 premium; this would include flood and earthquake but exclude wind/hail on inland marine/equipment/outdoor property.

Discussion: Director Fillingame recommended that any savings in the premium vs. the budgeted amount be put in an "insurance deduction" reserve account.

Executive Director Pitalo asked if the funds could be added to already established Emergency Reserve Fund, rather than create another bank account. The Board was agreeable to this; Director Johnson requested that the funds be identified as insurance deduction funds.

Board Action Items

Motion was made by Director Yarborough to approve the minutes of January 17, 2013, Monthly Board Meeting, Director Stahler seconded the motion; it was voted on and carried with a majority vote with Director Collard and Director Pro Tempe Baxter abstaining from the vote.

Motion was made by Director Yarborough to approve the January 2013 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 Pro Tempe Baxter abstaining from the vote.

| | <u>Expenses</u> | <u>Monthly Budget</u> | <u>Revenues</u> | <u>Difference</u> |
|------------------|-----------------|-----------------------|-----------------|-------------------|
| O & MWastewater | \$ 161,412.52 | \$ 137,562.75 | \$ 142,403.83 | \$ 4,481.08 |
| O & M Water | \$ 3,405.45 | \$ 29,315.00 | \$ 4,008.21 | \$ -25,306.79 |
| Land Acquisition | \$ 36,714.00 | | | |
| CDBG Projects | \$ 679,163.58 | | | |

Motion was made by Director Fillingame to approve the CDBG Request for Cash in the amount of \$291,292.69 as presented, Director Yarborough seconded the motion; it was voted on and it carried with a majority vote with Director Collard and Director Pro Tempe Baxter abstaining from the vote.

Motion was made by Director Yarborough to approve Budget Modification HANCUA-02 #37, Director Fillingame seconded the motion; it was voted on and it carried with a majority vote with Director Collard and Director Pro Tempe Baxter abstaining from the vote.

Motion was made by Director Fillingame to approve Budget Modification HANCUA-03 #29, Director Yarborough seconded the motion; it was voted on and it carried with a majority vote with Director Collard and Director Pro Tempe Baxter abstaining from the vote.

Motion was made by Director Stahler to approve the Consent Agenda consisting of 11 items as presented, Director Yarborough seconded the vote; it was voted on and it carried with a majority vote with Director Collard and Director Pro Tempe abstaining from the vote.

- o Approval of "Key Control Policy" concerning access control to buildings/property owned or occupied by HCUA.
- o Approval of "Water System Contamination Policy"
- o Approval of "Public Information Release Policy"
- o Approval of "Fire Hydrant and Water Valve Policy"
- o Approval of contract between HCUA and Lazy Magnolia Brewing Company
- o Approval of HCUA Employees Handbook changes
- o Approval of Amendment No. 6 to the engineering agreement with Krebs-LaSalle-Lemieux (now G.E.C., Inc.) for continued construction engineering for the SCADA system construction contract for the Gulf Region projects, contingent on the approval of MDEQ, Board Attorney Artigues and the appropriate budget amendment. This amendment is for the additive amount of \$9,000.00 and is expected to fund the construction administration of the project through June 2013.
- o Approval of Amendment 5 to Brown Mitchell and Alexander Engineering Consulting Services contract
- o Approval of Contract Modification 2011-13/04 (W7) to the Term Bid 2011-13 construction contract with SH Anthony Construction for the Eastern Regional Water Supply System in the additive amount of \$41,918.35 contingent on final approval of MDEQ and Board Attorney Artigues. This change removes two of the master meter stations in Bayside Park, increase certain line items to those needed in the field and adds items for changes

- made in the bore plans for Hwy 90 and Hwy 603. There is sufficient funding for this change.
- o Approval of Payment Request No. 15, S6 CIAP Kiln Sewer Connection Project, MSCIAAP Project No. MS.R.771-2, in the amount of \$49,511.11, 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 \$5,644.50, Brown, Mitchell & Alexander, Inc. in the amount of \$2,488.50 and invoices from Jay Bearden Construction in the total amount of \$41,378.11.
 - o Rescind approval of Amendment No. 12 to the engineering agreement with Carollo Engineers, contingent on the approval of Board Attorney Artigues, as previously approved by Board action on July 10, 2012, in the additive amount of \$23,798.00. Prior approval of this amendment was contingent on MDEQ approval, but MDEQ has not approved the amendment because of mathematical discrepancies.

And

Approve Amendment No. 12 (revised) to the engineering agreement with Carollo Engineers for construction engineering for the S5 Northern Regional WWTF from 11-15-11 through the end of the project, in the additive amount of \$10,525.48, contingent on the approval of MDEQ, Board Attorney Artigues and the appropriate budget amendment. This amendment includes a credit of \$65,092.00 for deletion of the remaining engineering work in Amendment No. 9, which addressed the reversal of flow for the Central Pump Station. Also included is a credit of \$9,225.00 for the design of the canopy over the UV facilities

Motion was Director Yarborough to approve extending the deadline for the W8 Bayside Park Water Connection for HCWSD February 14, 2013, Director Fillingame seconded the motion; it was voted on and it carried by a majority vote with Director Collard and Director Pro Tempe Baxter abstaining from the vote.

Discussion: Mrs. Nancy Depreo informed the Board that, with the combined efforts of the staff of the HCWSD, a total of 116 completed Economic Surveys and ROE were received from the residents of the Bayside Park community for the Phase I portion of the W8 project, and 36 for the Phase II portion of the project.

Motion was made by Director Fillingame to approve Contract Modification 2011-14/08 (S6) to the Term Bid 2011-14 construction contract with Jay Bearden Construction for the Kiln Wastewater Collection System in the additive amount of \$39,231.95 (-\$183.05 CDBG and \$39,415.00 CIAP) contingent on final approval of MDEQ, MS Dept. of Marine Resources and Board Attorney Artigues. This change adjusts quantities in order to close out work order 2011-14/S6-03 and issue work order 2011-14/S6-04. There is sufficient funding for this change, Director Stahler seconded motion; it was voted on and it carried with a majority vote, with Director Collard and Director Pro Tempe Baxter abstaining from the vote.

Executive Director

SRWWTP permits limits – Executive Director Pitolo informed the Board that the Authority has received the permits for the SRWWTP. The permits initially states that the plant will not have to do

any phosphorus or nitrogen removal, but further into the permits it seems to infer that the plant may have to, so this requirement is being investigated for clarification.

Electrical power increase approximately 18.3% beginning April 1, 2013 – estimated \$20,000 for balance of fiscal year – Executive Director Pitalo informed the Board of an overall 18.3% power increase. He will continue to monitor the budget closely and will inform the Board should the need to amend the Board arise.

Use of Line of Credit for Debt Service – Restructuring of 2010 Bond – Executive Director Pitalo explained to the Board that after a closer look, it will be necessary to only use the line of credit one time, in a estimated amount of \$9,500 dollars, and this will be done in May 2013 and pay off in June 2013, so there will be minimum interest expense.

Attorney Artigues informed the Board of a meeting with representatives of Butler Snow to discuss the restructuring of the principal of the SRF Loan, and will have an update at the next meeting.

Mr. John Harris of MDEQ continues to remind everyone of the need to complete the remaining project as soon as possible. He also suggested that a project priority list always be available so as monies, i.e. BP funds, become available there wouldn't be a delay in submitting the needs of the Authority.

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 project 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.

Mrs. Nancy Depreo of HCWSD informed the Board that by decision of the HCWSD Board, when Phase II of the Bayside Park Water project begins they prefer to connect all streets with the most houses on them, rather than their original request of the houses which are delinquent on their sewer bills.

(3) Discussion and developing a more accurate description of the area the City of Bay St. Louis is requesting to use as a lay down yard.

Director Fillingame pointed out for the record that there is not an actual transfer of ownership of the lagoon from the City of Bay St. Louis to Hancock County Utility Authority, but indefinite continuous use of the property for a one-time payment of \$1.00. Also, he presented the Board with a diagram of the area the City of Bay St. Louis will be using as a lay down yard. Also, the area will be fenced and with maintain a green buffer for the benefit of residents in the area.

Motion was made by Director Yarborough to approve the parcel as described in the diagram presented to the Board for the lay down yard, Director Fillingame seconded the motion; it was voted on and it carried with a majority vote, with Director Collard and Director Pro Tempe Baxter abstaining from the vote.

A workshop, to discuss the Phase II of the Bayside Park project and Master Plan progress, is scheduled for March 26, 2013 at 10:00AM.

Executive Session

Motion was made by Director Fillingame to consider going into Executive Session for the purpose discussion of a legal issue, Director Stahler seconded the motion; it was voted on and it carried with a majority vote, with Director Collard and Director Pro Tempe Baxter abstaining from the vote.

Motion was made by Director Stahler to go into Executive Session for the purpose of discussion of a legal issue, Director Fillingame seconded the motion; it was voted on and it carried with a majority vote, with Director Collard and Director Pro Tempe Baxter abstaining from the vote.

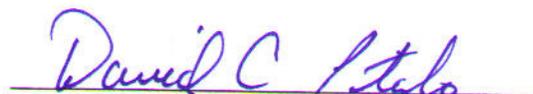
Motion was made by Director Fillingame to leave Executive Session with no action taken at 11:16AM, Director Stahler seconded the vote; it was voted on and carried with a majority vote, with Director Collard and Director Lamy abstaining from the vote.

Adjourn or Recess

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



HCUA Chairman/Vice Chairman



HCUA Executive Director