



HANCOCK COUNTY UTILITY AUTHORITY

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Monthly Board Meeting March 12, 2013

Call to Order - The meeting was called to order by Chairman Bill Johnson at 10:07 AM.

Attendees:

Mr. Bill Johnson Mrs. Lili Stahler
Mr. Mike Collard Mr. Les Fillingame
Mr. Jimmy Lamy Mr. David Yarborough

Not In Attendance: Mr. Al Smith

Pledge of Allegiance and Silent Prayer – lead by Director Jimmy Lamy

Request to Address the Board

None

Board Action Items

Motion was made by Director Yarborough to approve the minutes of February 14, 2013, Monthly Board Meeting, Director Stahler seconded the motion; it was voted on and carried unanimously.

Motion was made by Director Fillingame to approve the February 2013 Check Summaries as presented, Director Yarborough seconded the motion; it was voted on and it carried unanimously.

	<u>Expenses</u>	<u>Monthly Budget</u>	<u>Revenues</u>	<u>Difference</u>
O & MWastewater	\$ 127,239.82	\$ 137,562.75	\$ 140,737.20	\$ 3,174.45
O & M Water	\$ 2,945.13	\$ 29,315.00	\$ 6,678.49	\$ -22,636.51
Land Acquisition	\$ 35,856.62			
CDBG Projects	\$ 542.40			

Motion was made by Director Yarborough to approve the CDBG Request for Cash in the amount of \$718,491.48 as presented, Director Fillingame seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Yarborough to approve the Consent Agenda consisting of 1 item, Director Stahler seconded the motion; it was voted on and it carried unanimously.

- Approval to appoint Doyle Ladner as "Key Control Officer" in accordance to the "Key Control Policy" approved February 14, 2013.

- Approval of Contract Modification 2011-15/04 (\$6) to the Term Bid 2011-15 construction contract with Plaas Inc. for the Kiln Wastewater Collection System in the additive amount of \$58,581.00 contingent on final approval of MDEQ and Board Attorney Artigues. This change adjusts quantities based on those found in the field to date. There is sufficient funding for this change.

Motion was made by Director Fillingame to excuse the absences of Mr. Al Smith and Mr. Mike Collard, Director Yarborough seconded the motion; it was voted on and it carried unanimously.

Executive Director

Discussion on SRF loan - Executive Director Pitalo informed the Board that the opportunity for another year of forbearance on the SRF loan is very unlikely, and the Authority will have to begin payments of the SRF loan in October 2013. He presented the Board with various payment options.

Mr. Steve Pittman with Government Consultants explained to the Board in his opinion the Authority should continue pursuing forgiveness or other options with the State concerning the SRF loan, because if public bonds are issued forbearance is not an option and default of the loan/bonds becomes a much more serious issue. Also, concerning a 20, 25 or 30 year amortization, he felt that a 30 year is probably not an option, but should it be decided to pursue a 20 to 25 year amortization, it would take approximately 120 days to finish the process to restructure the loan. However, he did state that a 20 year issuance based upon a 30 year amortization could be an option.

Director Johnson asked Attorney Artigues if there were any "feelings" about Ms. Fishers' decision, he explained that she appears receptive to the idea of possibly forgiving the interest but not to complete forgiveness of the principal. Total forgiveness diminishes funds from the State's loan pool.

It was announced that Director Collard arrived to the meeting at 10:14am.

Reminder of Workshop to discuss (1) Phase II of water project for Bayside Park, and (2) Master Plan progress - Executive Director Pitalo reminded the Board of the upcoming workshop on Tuesday March 26 at 10:00.

Midge fly issue at lagoon - Executive Director Pitalo explained to the Board some fish options that may help control the midge fly problem

- Catfish and thread fin shad - \$40.00 per 100 fish

Discussion on the inter-connection of regional water system to member entities - Executive Director Pitalo explained to the Board the need for every entity to participate in the water service and that the need is that everyone will pay into the system whether or not they actually use the water; otherwise the water budget will never be met.

Mayor Fillingame indicated the City of Bay St. Louis will pay for what they use and will use the minimum amount required.

Monthly billing issues - Executive Director Pitalo explained to the Board, the need to use the 2012 yearly average for billing purposes for February 2013, he explained that there was 13 ½" of rain

for the month of February 2013, and numerous mechanical issues at the SRWWTP that made it difficult to get accurate flow readings.

Motion was made by Director Yarborough to approve the use of the 2012 yearly average for the purpose of billing for the February 2013 month wastewater treatment invoices, Director Fillingame seconded to the motion; it was voted on and it carried with a majority vote, with Director Collard abstaining from the vote.

Original MS Power 2013 rate increase was to be 18.3% - Executive Director Pitalo informed the Board of the upcoming rate increases for electricity with the amounts as shown below.

- new rate 2013 increase to be 12%,
- expected increase for 2014 to be 3%,
- expected increase for 2015 to be 4%

Motion was made by Director Yarborough to amend the 2012/2013 Annual Budget to increase the electricity budget in the amount of \$25,000 and to increase the maintenance budget in the amount of \$6,000 to cover the cost of fish for midge fly issue at the lagoon, Director Fillingame seconded the motion; it was voted on and it carried with a majority vote with Director Collard abstaining from the vote.

New Business

Kevin Mullen of Brown Mitchell and Alexander gave an overhead presentation to the Board concerning the progress of all the CDBG and CIAP projects. Each Board member was emailed a copy after the meeting.

Ms. Nancy Depreo presented several inquiries to the Board
(1) HCWSD asked the Board about the cost of water tap fees and who will actually make the taps on the sixteen inch line on Lower Bay Road.

Executive Director Pitalo informed the Board he could have some estimated prices available for the Board of discuss at the March 26, 2013 Special Workshop.

(2) Also, she inquired about the Over/Under payment being applied to the Capital Project Expense fund, the option was discussed at an earlier meeting but no action was taken by the Board.

(3) She informed the Board of her plan to put together a master map of the fire hydrants in the HCWSD area so they can identify the hydrants that would be maintained by the HCWSD.

(4) What is the current plan to work on the water budget deficient? Mayor Fillingame responded explaining the most efficient solution is to continue to connect as many water customers as possible.

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.

03/14/2013 - Ms. Depreo of HCWSD asked that a correction be made to Item #2, explaining the above was the original motion by their Board, but was later changed to say "as funds are available for Phase II, when the work begins, they will connect the streets with the most houses as opposed to the "front to back" approach."

Executive Director Pitalo requested a list of the streets the HCWSD would like to begin the work with. Ms. Depreo explained that she had provided Digital Engineering with the list and they have already begun estimating cost per street.

Motion was made by Director Yarborough to approve the change as requested by Ms. Depreo, Director Fillingame seconded the motion; it was voted on and it carried with a majority vote, with Director Collard abstaining from the vote.

(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.

02/14/2013 - 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.

03/14/2013 - Motion was made by Director Fillingame to remove Item #3 Finalize transfer of ownership of Webb Street lagoon, Director Yarborough seconded the motion; it was voted on and it carried by majority vote, with Director Collard abstaining from the vote.

Executive Session

Motion was made by Director Yarborough to consider entering into Executive Session for the purpose of discussing property acquisition and negotiation as well as legal issues, Director Fillingame seconded the motion; it was voted on and it carried with a majority vote, with Director Collard abstaining from the vote.

Motion was made by Director Yarborough to enter into Executive Session for the purpose of discussion property acquisition and negotiation as well as legal issues, Director Fillingame seconded the motion; it was voted on and it carried with a majority vote, with Director Collard abstaining from the vote.

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

Pittman Law Firm

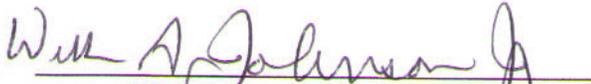
During executive session Attorney Jack Pittman presented the Board with an opportunity to review, on a per parcel basis, a total of two appraisals/review appraisals(s) for Project W7-Eastern Hancock County Regional Water Supply, for the purpose of establishing a basis for making a fair market value offer.

After leaving the executive session and a full discussion, a motion was made by Director Yarborough to authorize Attorney Jack Pittman 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 abstaining from the vote.

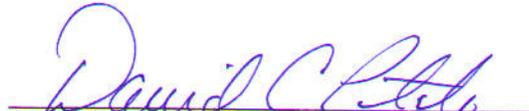
OIG Response – After leaving the executive session and a full discussion, a motion was made by Director Fillingame to authorize Executive Director Pitalo and Attorney Ronnie Artigues to respond the OIG Audit, Director Yarborough seconded the motion; it was voted on and it carried with a majority vote, with Director Collard abstaining from the vote.

Adjourn or Recess

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



HCUA Chairman/Vice Chairman



HCUA Executive Director