

HANCOCK COUNTY UTILITY AUTHORITY

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Monthly Board Meeting September 10, 2013

Call to Order – Meeting was called to order by Director Johnson at 10:01 A.M.

Attendees

Mr. Les Fillingame	Mrs. Lili Stahler
Mr. Al Smith	Mr. Bill Johnson
Mr. Mike Collard	Mrs. Betty Baxter

Absent

Mr. David Yarborough

Pledge of Allegiance and Silent Prayer – Lead by Director Betty Baxter

Request to Address the Board

Mr. Timothy P. Bonura and Mr. Stephen C. Smith of All South Consulting Engineers - introduced their company to the Board and gave each Director a packet of information concerning their company.

Mr. Geoffrey Clemmons of Compton Engineering - updated the Board on the situation with the lift station at the Arena. He explained that over the past several weeks they, along with employees from the Authority have done inspections of all of the air relief valves along the force main leading to the lift station, and found a couple with excessive trash and/or not working properly. They have installed some pressure gauges along the force main by some of the air relief valve, with hope to better monitor the line pressure. Also, he explained that after a review of the "As Built" it was determined that the pumps are on the border of being undersized for the application. The air relief valve company is sending in personnel to go over the force main to make sure the valves that are now in place are functioning properly and to determine if others may be needed in other areas. He also feels that the proper size pump has been determined and is looking into the available of it; he will keep Executive Director Pitalo informed on the acquisition of this pump.

Board Action Items

Motion was made by Director Fillingame to approve the minutes of August 20, 2013 Monthly Board Meeting, Director Smith seconded the motion; it was voted on and carried with a majority vote, with Director Collard abstaining from the vote.

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Motion was made by Director Fillingame to approve the minutes of August 29, 2013, Special Board Meeting, Director Baxter seconded the motion; it was voted on and carried with a majority vote, with Director Collard and Director Lili Stahler abstaining from the vote.

Motion was made by Director Fillingame to approve the August 2013 Check Summaries as presented, Director Stahler seconded the motion; it was voted on and it carried with a majority vote, with Director Collard abstaining from the vote.

	<u>Expenses</u>	<u>Monthly Budget</u>	<u>Revenues</u>	<u>Difference</u>
O & M Wastewater	\$ 165,516.71	\$139,946.08	\$185,916.96	\$ 20,400.25
O & M Water	\$ 3,619.42	\$ 29,315.00	\$ 5,995.89	\$ 2,376.45
Land Acquisition	\$ 51,795.05			
CDBG Projects	\$ 308,458.38			

Motion was made by Director Fillingame to approve the CDBG Request for Cash in the amount of \$114,654.47, Director Baxter 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 Fillingame to accept the Consent Agenda consisting of 5 items as presented, Director Stahler seconded the motion; it was voted on and it carried with a majority vote, with Director Collard abstaining from the vote.

- Approval of request by S. H. Anthony Construction Company to utilize the subcontractors as outlined in their letter dated August 20, 2013.
- Approval of The First as the successful bidder for the depository services for the Authority for a four year period, beginning October 1, 2013. *Two bids were submitted and the bids were opened and reviewed by Attorney Ronnie Artigues and Executive Director David Pitolo on August 30, 2013.*
- Approval of Contract Modification No. 1 to the W6 Phase 2 and S6 Phase 4 construction contract with SH Anthony, Inc. for the Jourdan River Shores project in the additive amount of \$1,000.00, contingent on approval of MDEQ, Board Attorney Artigues and the appropriate Budget Modification. This change order provides the required MDOT bonding to bore under Hwy 603 that was not included in the bid..
- Approval of contract modification SCADA-07 to the Regional SCADA System Contract in the additive amount of \$66,438.00, contingent on approval of MDEQ, Board Attorney Artigues and the appropriate Budget Modification. This change order provides and installs the SCADA equipment needed to control and monitor the system surrounding Stennis Airport and its interface with the Regional Water System.
- Approval of Revision No. 5 to work order SCADA-02 to the Regional SCADA System Contract with WaterTech Corp. adding 122 calendar days' time, contingent on approval of MDEQ, and Board Attorney Artigues. This revision is necessary due to issues in completing the integration of the software at the Crump Rd well site, due to construction issues outside the contractors' scope of work.

Motion was made by Director Baxter to approve the advertising for bids for the construction of W8- Bayside Park Water System, Phase 3 and S4- Pearlington Sewer Collection System, Phase 3, contingent on approval from MDEQ, MS Dept. of Health, and Board Attorney Artigues, Director Fillingame seconded the motion; it was voted on and it carried with a majority vote, with Director Collard abstaining from the vote.

Discussion – Mrs. Nancy Depreo requested that the Hancock County Water & Sewer District have an opportunity to review the plans prior to any decisions be finalized. She was agreeable to allow the advertisement proceeding. Mr. Bill Mitchell of Brown Mitchell and Alexander will coordinate plans with Pearlington and HCWSD.

Executive Director

Letter of resignation from Director Bill Johnson – Information only – no action taken

Water bills from the City of Waveland – Executive Director Pitalo informed the Board of the second water bill from the City of Waveland, which was \$2900+, and at this time it will be hard to determine an estimated monthly amount.

Mr. Brent Anderson of the City of Waveland informed the Board that the SRWWTP has, what is termed as a compound meter, which consists of a two inch meter and a six inch meter. He feels there may be an error in calculations, as all of the water for the SRWWTP is coming through the two inch meter and the six inch meter does not show any activity. Also, he has personnel reading the meter daily, and to date the six inch meter has not moved, so this indicates that all the water coming to the SRWWTP is coming in through the two inch meter, and he is doubtful the two inch meter can supply two million plus gallons of water.

Update on Arena lift station issues – Information only – no action taken – see information under “Request to Address the Board”

SRF Loan – Attorney Artigues informed the Board that Mr. Tommy Cardin has made another request to Ms. Trudy Fisher of MDEQ to allow another year of forbearance, no response from Ms. Fisher at this time. Also, Attorney Artigues reminded the Board that the restructuring options are still available, and one has a monthly payment of approximately \$59,000+, which is close to what the original payments were prior to Hurricane Katrina.

Mrs. Nancy Depreo informed the Board that she has spoken with Mr. Tony Caldwell in regards to the HCWSD's SRF loan and during the conversation he eluded to the fact that there will not be any other forbearance options, but that the EPA is looking into other options. Also, he informed her that Hancock County is the only county in the state that is not repaying the SRF loans at this time.

Motion was made by Director Stahler to move this item to Old Business, 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 Stahler to form a two member committee to continue to keep the SRF loan process moving – the committee will consist of Director Les Fillingame and Director Betty Baxter, Director Smith seconded the motion; it was voted on and it carried with a majority vote, with Director Collard abstaining from the vote.

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Set of plans for the 24" force main from the lagoon to the SRWWTP – Executive Director Pitalo informed the Board that a set of plans for the 24" force main from Bay St. Louis to the SRWWTP is near completion. Once the plans are complete they will be sent over to Mr. Buddy Zimmerman for his review and comments.

Approval of Fiscal Year 2013/2014 Budget (approximately \$105 to \$110 million dollars in assets) – Executive Director Pitalo asked the Board for final approval of the 2013/2014 annual budget. – See "Other Business"

New Business

Director Baxter asked to be updated on the status of the new Diamondhead treatment plant and if the HCUA has approve the project.

Director Mike Collard stated that the project is ready to go out for bid, and that the Authority has issued a Letter of No Objection prior to Director Baxter becoming a member of the Board – the letter is issued while Mr. Jack Cleveland was representing the Diamondhead Water & Sewer District.

Old Business

Water reuse system project - \$65,000 - \$70,000

Discussion: Director Baxter expressed concern that unless there is a solution to the metering issue it is money down the drain. Also, she feels with certain adjustments to the 2013/2014 budget the project can be realized. Some suggestions were to use the \$25K slated for Capital Improvement, and not fill the current Grounds Maintenance Technician position which is approximately \$25K, that would provide much of the estimated cost.

Director Johnson asked for an update on the chlorine project – Executive Director Pitalo explained that the old RBCs have been removed. With the \$25k that is in the new budget the first phase could be started, which would be the foundation work.

Director Baxter asked if the existing CIAP funds could be used to offset some of the cost for this project. Kevin Mullen with BMA explained that the CIAP funds are committed to the Ansley/Herron Bay project and has to be used in those areas.

Mrs. Nancy Depreo asked about the over/under monies being put in the Capital Improvement account – what the balance was. Executive Director Pitalo explained he wasn't sure, but would get the information for her.

Executive Director Pitalo asked the Board if they felt it was best to put the O/U money into Capital Improvements or would it be best to bring the Emergency Fund up to a three month reserve. Director Johnson felt with the estimated saving the chlorine project would bring – it may be best to continue putting the monies in the Capital Improvements account.

Director Baxter suggested the possibility of a short term loan, with the savings paying the monthly note. Executive Director Pitalo explained that it was valid idea, as long as the Board didn't continue to cut the annual budget.

Executive Session

Butler Snow – Ronnie Artigues

Motion was made by Director Fillingame to consider going into Executive Session for the purpose of land acquisition and personnel issues, Director Smith 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 Fillingame to go into Executive Session for the purpose of land acquisition and personnel issues, Director Smith 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 Baxter to leave the Executive Session, with no action taken, Director Fillingame seconded the motion; it was voted on and it carried with a majority vote, with Director Collard abstaining from the vote.

During executive session Attorney Ronnie Artigues presented the Board with an opportunity to review, on a per parcel basis, a total of one 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.

Other Business

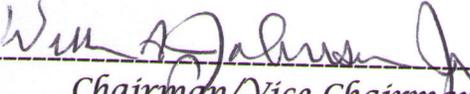
Motion was made by Director Johnson to accept the 2013/2014 Fiscal Budget for wastewater as presented, with an additional \$16,000 being added to the personnel expenses, as a budgeted item only, to possibly be used for cost of living adjustments, with the total budget for O & M wastewater being \$1,672,842, with the inclusion of the 2010 Bond debt service the total budget will be \$1,876,842, Director Smith 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 Fillingame to accept the 2013/2014 Fiscal Budget for water as presented with the total budget being \$240,538, Director Smith seconded the motion; it was voted on and it carried with a majority vote, with Director Collard abstaining from the vote.

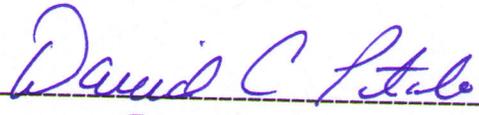
Motion was made by Director Fillingame to approve the 2013/2014 Holiday Schedule as presented, Director Stahler seconded the motion; it was voted on and carried with a majority vote, with Director Collard abstaining from the vote.

Adjourn or Recess

Motion was made by Director Fillingame to adjourn the meeting at 11:15 A.M., Director Smith seconded the motion; it was voted on and it carried with a majority vote, with Director Collard abstaining from the vote.



Chairman/Vice Chairman



Executive Director