



HANCOCK COUNTY UTILITY AUTHORITY

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Monthly Board Meeting October 14, 2015

Call to Order - Meeting was called to order by Chairman G. W. Graham 4:30 p.m.

Attendees

Mrs. Lili Stahler
Mrs. Patricia Cuevas
Mr. James Lamy
Mr. G. W. Graham
Mr. Les Fillingame
Mr. Steve Seymour

Absent

Mr. Charles H. Johnson

Pledge of Allegiance and Silent Prayer - Lead by Director Les Fillingame

Request to Address the Board

None

Board Action Items

Motion made by Director Lamy to accept the minutes of September 9, 2014 Monthly Board Meeting, Director Stahler seconded the motion; it was voted on and carried with a unanimous vote.

Motion made by Director Seymour to approve the September 2014 Check Summaries as presented, Director Lamy seconded the motion; it was voted on and carried with a unanimous vote.

	<u>Expenses</u>	<u>Monthly Budget</u>	<u>Revenues</u>	<u>Difference</u>
O & M Wastewater	\$104,616.35	\$139,403.50	\$141,840.14	\$ 37,223.79
O & M Water	\$ 18,160.38	\$ 20,044.83	\$ 8,806.90	\$ -9,353.48
CIAP-Pearlington	\$ 37,418.98			
CIAP-Kiln	\$100,741.80			
Land Acquisition	\$ 3,550.12			
CDBG Projects	\$337,224.48			

Motion made by Director Cuevas to approve the CDBG Request for Cash, as presented, in the amount of \$365,588.60; Director Fillingame seconded the motion; it was voted on and carried with a unanimous vote.

Motion was made by Director Fillingame to approve the Consent Agenda, as presented, consisting of **04** items, Director Cuevas seconded the motion; it was voted on and carried with a unanimous vote.

- Approval of revision of septage receiving ordinance – made change to cost per gallon
- Approval to spread on the minutes the response from Attorney Ladner concerning Director James Lamy's request for legal opinion concerning the entities obligation to pay for the operation and maintenance of the infrastructure
- Approval to spread on the minute the letter from MDEQ approving the Authority's request for another year of forbearance of the SRF loan.
- Approval to Pay App. #2 in the amount of \$72,342.50 from The Creel Company for work done on the Disinfection Modification project

Motion was made by Director Fillingame to approve the HCWSD modification to Exhibit A in Water Service Agreement, Director Stahler seconded the motion; it was voted on and carried with a unanimous vote.

Motion was made by Director Lamy to approve Payment Application No. 4, S4 CIAP Pearlinton Sewer Connection Project in the amount of \$22,342.84, contingent on approval by the Hancock County Board of Supervisors, Mississippi Department of Marine Resources and Board Attorney Ladner, Director Cuevas seconded the motion; it was voted on and carried with a unanimous vote.

Executive Director

Information from Sherelda Jones of MSDH concerning fluoridation program – Executive Director Pitalo informed the board that the current year's funds have been depleted, and the Authority has been placed on the MDOH list for the 1st quarter of 2015.

November 11, 2014 meeting – Veteran's Day Holiday – The board unanimously agreed to move the meeting to Monday November 10, 2015 at 5:00p.m., at the NRWTP.

Cost savings: - Executive Director Pitalo provided the board with information concerning the nitrogen testing as shown below, information only – no action taken.

- total nitrogen testing to be done in house
 - current initial cost \$1,560
 - first year setup cost \$712
 - annual cost afterward \$312

2013-2014 expenses under budget approximately \$23,000 – Executive Director Pitalo informed the board that the expenses for the 2013-2014 came in under budget by approximately \$23,000, information only – not action taken

New Business

Motion was made by Director Fillingame to amend the 2014-2015 Fiscal Year budget to \$1,901,669.00, this is due to the removal of the SRF Debt Service amount of \$606,063.00, Director Lamy seconded the motion; it was voted on and carried by unanimous vote.

Old Business

Motion was made by Director Fillingame to approve a 3.5% salary increase for all the employees of the Authority effective 12/01/2014, Director Lamy seconded the motion; it was voted on and carried by unanimous vote.

Motion was made by Director Fillingame to amend the 2014-2015 Fiscal Year wastewater budget to reflect an increase of \$16,257 due to the salary increase for all the employees with the total wastewater budget to be \$1,917,926.00, also amend the 2014-2015 water service budget to reflect an increase of \$3,275 with the total waster service budget to be \$257,661.75, Director Lamy seconded the motion; it was voted on and carried by unanimous vote.

Executive Session

Motion made by Director Fillingame to consider going into executive session to discuss personnel issued, Director Stahler seconded the motion; it was voted and carried with a unanimous vote.

Motion made by Director Fillingame to go into executive session, Director Lamy seconded the motion; it was voted and carried with a unanimous vote.

Motion made by Director Fillingame to leave Executive Session, with no action taken at 4:55p.m., Director Lamy seconded the motion; it was voted and carried with a unanimous vote.

No action was taken during executive session.

Other Business

Attorney Mike Haas asked if there were any results from the ongoing water rate studies, Director Fillingame explained that part of the study is complete, but the part from the wells/towers out, that information is not complete.

Attorney Haas expressed concern as to finding out what options are available should the rate study come back showing the City of BSL can produce its own water cheaper that it can buy from the Authority. He recommended getting some input from MDEQ as to what the Authority can and can't do.

Director Lamy expressed concern about the recent events surrounding the Authority, he feels that MDEQ should be involved and that maybe all the entities legal representative should be in discussion with MDEQ to discuss options.

Director Seymour pointed out that all the entities accepted the CDBG grant funds knowing that it was to be used to create a "regional" system, but now it seems some entities want to be selective in how they participate. He also expressed concern about any Restore Act funds the Authority may be in line to receive.

Director Fillingame stated he feels the Authority concept works and will continue to work. He feels that each entity has obligated itself to the success of the Authority by accepting and using the CDBG funds to create a regional system.

Director Seymour feels that in order for all the citizens in/on the regional systems to get the greatest rate benefits Diamondhead should be a participating member of the Authority.

Mr. Jack Cleveland explained to the Board that the FEMA monies that Diamondhead has been allocated for their new wastewater treatment facility can only be used to build the new facility, not for anything else.

Director Fillingame asked Mr. Cleveland if he felt that the citizens of Diamondhead would be better served to be a part of a regional system or as a standalone system, Mr. Cleveland explained that the issue was brought up to the DHWS and the citizens of Diamondhead, and the result was that the citizens of Diamondhead would rather pay a higher wastewater treatment rate than be a part of the regional system.

Motion was made by Director Seymour to send a letter to Diamondhead Water and Sewer District requesting their participation in a study to see what will benefit all the citizens of Hancock County as a whole, Director Fillingame seconded the motion; it was voted on and carried by unanimous vote.

Attorney J. P. Compretta gave the Board some history on the creation of the Authority; he explained that when it was created the understanding was that all entities were willing to participate as a whole. Also, that there is a new MDEQ Director and he appears to be more receptive to the idea of forgiveness of the SRF loan as a whole or to extend the payment term to a more realistic time period.

Mr. Josh DiSalvo explained that as a board member of HCWS he is in favor of the Authority and that one of the largest hurdles to overcome is the power struggle by each entity, not one wants to give up authority over their territory. He feels there is a lot of duplication of services to produce water in the regional system area and it would benefit all if the services were regional system, rather than breaking the system into designated areas.

Director Fillingame stated he didn't know where the concept of breaking the water system up came from, be he knows it wasn't from any member of the Authority Board.

Mr. Eddie Favre explained that in the beginning, there were a number of public hearings explaining how everyone would benefit from total participation of a regional system, and even in the beginning Diamondhead stated they didn't want to participate. He stated that initially there was discussion of borrowing approximately \$20,000,000+ to create a regional system, then the storm came and FEMA monies became available, it was made clear by MDEQ from the beginning all the monies that were available, had to be spent on a regional system. He recommended that contact be made with Lt. Governor Tate Reeves concerning the forgiveness of the SRF loan, that very early on after Hurricane Katrina he suggested SRWWTP pursue forgiveness of the SRF, that there had to be some way to for it to happen.

Executive Director Pitalo explained that MDEQ is aware of the current issues which are occurring, and they will be coming down sometime after the beginning of the year to meet with the entities to discuss ways to get everyone on board. Also, if there is no

resolution to the issues, then the BP Restore monies will be looked at hard before any are released to Hancock County.

Zoe Bowers with the PWSD stated she in favor of a regional system as long as everyone i.e. entities, legislators, operators etc., would be willing to meet and hammer out a plan to make the regional system successful.

Adjourn or Recess

Motion was made by Director Fillingame to adjourn the meeting at 5:59p.m., Director Cuevas seconded the motion; it was voted on and carried by a unanimous vote.



Chairman/Vice Chairman



Executive Director