



HANCOCK COUNTY UTILITY AUTHORITY

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Monthly Board Meeting December 10, 2013

Call to Order – Meeting was called to order by Chairman Bill Johnson at 10:00 A.M.

Attendees

Mrs. Betty Baxter	Mayor David Garcia
Mr. Al Smith	Mr. Bill Johnson
Mr. Les Fillingame	

Absent

Mr. Charles Johnson
Mrs. Lili Stahler
Mr. David Yarborough

Pledge of Allegiance and Silent Prayer – Lead by Mayor David Garcia

Request to Address the Board

None

Board Action Items

Motion was made by Director Baxter to approve the minutes of November 12, 2013 Monthly Board Meeting, Director Smith seconded the motion; it was voted on and carried by majority vote, with Director Fillingame and Mayor Garcia abstaining from the vote.

Motion was made by Director Fillingame to approve the minutes of November 12, 2013 Recess Board Meeting, Director Baxter seconded the motion; it was voted on and it carried by majority vote, with Mayor Garcia abstaining from the vote.

Motion was made by Director Fillingame to approve the November 2013 Check Summaries, Director Baxter seconded the motion; it was voted on and carried by majority vote, with Mayor Garcia abstaining from the vote.

	<u>Expenses</u>
O & M Wastewater	\$177,167.27
O & M Water	\$ 5,528.19
2004 Bond	\$333,650.75 (final payment)
2010 Bond	\$ 40,121.88
Land Acquisition	\$ 30,890.58

Monthly Board Meeting, December 10, 2013

Note: We are in the process of clarifying the Revenue vs. Expense breakdown, and will resume providing this information in January 2014.

Motion was made by Director Fillingame to approve the CDBG Request for Cash in the amount of \$204,623.36, Director Baxter seconded the motion; it was voted on and carried by majority vote, with Mayor Garcia abstaining from the vote.

Motion was made by Director Smith to approve spreading on the minutes the letter to Diamondhead Water & Sewer District concerning construction of new wastewater treatment plant, Director Baxter seconded the motion; it was voted on and carried with a majority vote, with Mayor Garcia abstaining from the vote.

Discussion: Attorney J. P. Compretta inquired if there had been a reply from Diamondhead concerning the letter/request. Attorney Artigues stated that he was informed by Mr. Charles Johnson that Diamondhead's first meeting since receiving the letter will be held Thursday December 12, 2013. Also, Mr. Johnson invited any of the HCUA Board members to attend the meeting for any discussion that may arise.

Attorney Jim Simpson, attorney for the City of Diamondhead, informed the board that he was attending the meeting in an information gathering capacity only, but that Diamondhead will indeed meet on Thursday and discuss the request and will issue a response.

Attorney Compretta expressed concern to the Board, on behalf of the HCWSD, of the issue of Diamondhead not being a participating member. He also informed the Board that based on the present statute, which created the Utility Authority, Diamondhead is indeed a member and as such is obligated to participate in the same capacity as the other entities, and if they desire not to be a member, they should have their Representative introduce a bill to delete them from the Authority.

Also, he informed the Board that Senator Moran attended the HCWSD's board meeting and is willing to introduce legislation to relieve the burden of the interest on the SRF loans. At this time, he is trying to arrange a meeting with Senator Moran, Mr. Lucien Bourgeois, Mr. Steve Pittman and Ms. Trudy Fisher to discuss this action and some latitude on refunding the current SRF loans.

Mayor Garcia inquired if when FEMA wrote the scope of work for Diamondhead's new treatment plant were they aware that Diamondhead was a member of the Authority and if they were not aware, should FEMA be informed of this.

Attorney Compretta explained that the Authority issued a Letter of No Objection for the construction on the new plant.

Director Baxter asked if at the time the letter was issued the NRWTP was not under construction would this affect the ultimate construction.

Executive Director Pitalo explained that it was his understanding that at the time the funds were allocated for the Utility Authority the monies set aside for Diamondhead was intended to be used to connect to the NRWTP, but Diamondhead refused the money and didn't want to be a member because they didn't want to incur additional debt and that the funds just rolled back into the other entities/projects.

Attorney Jim Simpson explained that Diamondhead is more than willing to discuss this project with any and all, but that some of the funds secured for building the new plant is bond money, and it is a much more complicated situation if the plant is not constructed.

Motion was made by Director Fillingame to approve spreading on the minutes the letter to MS Department of Environmental Quality concerning the MEMA Buyout Notice for Pearlinton, Director Smith seconded the motion; it was voted on and carried with a majority vote, with Mayor Garcia abstaining from the vote.

Discussion: Director Baxter asked when the work to complete all the final connections will begin. Mr. Kevin Mullen of BMA explained that the letter is in response to a letter from MDA when it was disclosed that the buyout had been funded. He explained MDA had some questions about the design, which had not been completed at the time of the funding, but all questions and concerns have been addressed and settled and a list of the final properties to be connected had been sent to the county and none of the connections are on the buyout list, so there shouldn't be any delays once MDEQ had approved the final design.

Motion was made by Director Fillingame to approve the revised Payment Request No. 23, S6 CIAP Kiln Sewer Connection Project, MSCIAAP Project No. MS.R.771-2, in the amount of \$144,197.04, contingent on approval by the Mississippi Department of Marine Resources and Board Attorney Artigues. This pay request only includes invoices from A. Garner Russell & Assoc. for \$21,994.24 and Jay Bearden Construction for \$122,202.80, Director Baxter seconded the motion; it was voted on and carried with a majority vote, with Mayor Garcia abstaining from the vote.

Motion was made by Director Fillingame to approve Amendment No. 18 to the engineering agreement with Neel-Schaffer, Inc. for the W7- Regional Water Supply System, in the net additive amount of \$53,000, contingent on approval by the MDEQ, Board Attorney Artigues and the appropriate budget modification. This amendment covers additional work requested by the owner as well as carries construction administration and RPR services through the end of April 2014, Director Baxter seconded the motion; it was voted on and it carried with a majority vote, with Mayor Garcia abstaining from the vote.

Motion was made by Director Fillingame to approve Contract Modification 2011-13/06 (W7) to the 2011-13 Construction Contract with SH Anthony, Inc. in the additive amount of \$13,184.19 contingent upon approval by MDEQ and Board Attorney Artigues. This change order performs the required material adjustment per the contract documents, Director Baxter seconded the motion; it was voted on and carried with a majority vote, with Mayor Garcia abstaining from the vote.

Motion was made by Director Fillingame to approve Contract Modification 2011-13/07 (W7) to the 2011-13 Construction Contract with SH Anthony, Inc., in the additive amount of \$15,091.71, contingent upon approval by MDEQ and Board Attorney Artigues. This change order adds in the additional cost for the required paving in and around the master meter stations, Director Baxter seconded the motion; it was voted on and it carried with a majority vote, with Mayor Garcia abstaining from the vote.

Executive Director

2004 Bond – Paid Off – Information only – no action needed

Erosion and concrete repairs at entrance of SRWWTP -

- a. Consider preliminary authorization for repairs up to \$15,000 to be determined by Executive Director based upon field condition
- b. Options for repairs:
 - (1) Unit price repair and replacement contract
 - (2) Change Order with City of Waveland's contractor

Motion was made by Director Fillingame to authorize repairs up to \$15,000 for the entrance to the SRWWTP, Director Smith seconded the motion; it was voted on and carried with a majority vote, with Mayor Garcia abstaining from the vote.

Review of amendment #1 to water supply agreement – Executive Director Pitalo asked that each entity have the amendment signed by the appropriate representative and return the signed document to the Authority.

Clarification and motion on billing entities required amount for water beginning with January 2014 usage – Motion was made by Director Smith to move this item to 'Old Business' and discuss it at the next monthly meeting, Director Fillingame seconded the motion, it was voted on and carried with a majority vote, with Mayor Garcia abstaining from the vote.

Report on recent issues at the lagoon – Executive Director explained that MDEQ was concerned about possible illegal dumping, after an inspection of the area, it was determined that there were only a few items that needed to be removed.

Update on Bayside/Pearlington project - BMA received plans and has forwarded to MDEQ for approval. Projects to be advertised when authorization from MDEQ is received.

Finalized O/U for fiscal year ending 09/2013 – Executive Director Pitalo explained the new amounts to the Board, and also, explained that the amounts are much lower due to the flow billing system.

Options for O/U monthly payments – Information only – no action required.

Water bills from the City of Waveland – back up over \$2,000 – Executive Director Pitalo explained that the monthly billings are erratic.

Mayor Garcia stated that the invoicing department is calculating some adjustments and will be in touch with the Authority within the next week.

Testing Services – Executive Director Pitalo explained that Eustus Engineering was the low bidder with an amount not to exceed \$30,000.

Motion was made by Director Fillingame to accept the recommendation of Eustus Engineering as low bidder for testing services with a bid amount not to exceed \$30,000, Director Baxter seconded the motion; it was voted on and carried with a majority vote with Mayor Garcia abstaining from the vote.

Loan Information – Chlorine system \$200,000 – Executive Director presented the Board the results of the request for a loan of \$200,000. For a three year period, The First was the lower bidder, but for the five and ten year Hancock Bank was the lower bidder.

Motion was made by Director Fillingame to authorize Executive Director Pitalo to proceed with securing a five year loan from Hancock Bank for the amount of \$200,000 for the purpose of upgrading the disinfectant system from UV to chlorine, Director Baxter seconded the motion; it was voted on and carried with a majority vote, with Mayor Garcia abstaining from the vote.

New Business

None

Old Business

- (1) SRF Forbearance extension status – Information only – Motion was made by Director Yarborough to table this item until the December 2013 meeting, Director Smith seconded the motion; it was voted on and it carried with a unanimous vote.

Executive Session

Attorney Ronnie Artigues

Motion was made by Director Fillingame to consider going into executive session concerning legal issues, Director Baxter seconded the motion; it was voted on and carried by majority vote, with Mayor Garcia abstaining from the vote.

Motion was made by Director Fillingame to go into executive session, Director Baxter seconded the motion; it was voted on and it carried with by majority vote, with Mayor Garcia abstaining from the vote.

Motion was made by Director Baxter to leave executive session with no action taken, Director Fillingame seconded the motion; it was voted on and carried by majority vote, with Mayor Garcia abstaining from the vote.

Other Business

Motion was made by Director Fillingame to accept, with deepest regrets, the resignation of Attorney Ronnie Artigues as Board attorney effective December 31, 2013, Director Smith seconded the motion; it was voted on and carried with a majority vote, with Mayor Garcia abstaining from the vote.

Motion was made by Director Baxter to appoint Attorney Patrick Kirby with Butler Snow as board attorney beginning January 1, 2014, Director Smith seconded the motion; it was voted on and carried with a majority vote, with Mayor Garcia abstaining from the vote.

Adjourn or Recess

Motion was made by Director Fillingame to adjourn the meeting at 11:25 A.M., Director Baxter seconded the motion; it was voted on and carried by a majority vote Mayor Garcia abstaining from the vote.



Chairman/Vice Chairman



Executive Director