HANCOCK COUNTY UTILITY AUTHORITY

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Recess Board Meeting
June 30, 2015

Call to Order – Meeting called to order by Chairman Fillingame at 4:31p.m.

Attendees
Mr. Tim Cameron
Mr. Joshua DeSalvo
Mr. Les Fillingame
Mr. Shane Finley
Mr. Tony W. Ladner
Mr. Shane LaFontaine
Mr. James Lamy

Absent

Pledge of Allegiance and Silent Prayer – Lead by Director Ladner

Request to Address the Board
None

Board Action Items
Motion was made by Director DeSalvo to approve the minutes the June 9, 2015 Monthly Board Meeting, **presented as EXHIBIT A,** Director LaFontaine seconded the motion; it was voted on and carried by majority vote, with the voting as follows:

Voting Yea:	Directors Cameron, DeSalvo, Fillingame, LaFontaine, Lamy
Voting Nay:	None
Abstaining:	Director Finley
Absent:	None

Motion was made by Director Lafontaine to accept Gulf Coast Underground of Mobile, AL the successful bidder for the *Influent Wet Well Rehabilitation at the NRWWTP*, with the best and lowest bid in the amount of $53,200.00, **presented as EXHIBIT B**, based on recommendation by Brown, Mitchell and Alexander, Inc., Director Lamy seconded the motion; it was voted on and carried by majority vote with the voting as follows:

Voting Yea:	Directors Cameron, DeSalvo, Fillingame, LaFontaine, Lamy
Voting Nay:	None
Abstaining:	Director Finley
Absent:	None

This item was tabled until a later date - **EXHIBIT C** – Approval to execute the **MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF WAVELAND, MISSISSIPPI AND THE HANCOCK COUNTY UTILITY AUTHORITY CONCERNING THE TRANSFER OF A MASTER METER**, located at Rainer Street.

Attorney Ladner recommended that this item be tabled due to the uncertainty of transfer of ownership from the City to the Authority, based on the terms of MDA grant funding. And that an operating agreement may be the best solution.
Director LaFontaine stated the City of Waveland will address the MOU again and will let the Authority know of their decision.

Motion was made by Director LaFontaine to approve spreading on the minutes the letter to Kiln Utility and Fire District concerning the interim operation/maintenance of the Kiln water distribution system and sewer collection system installed with CDBG funds – MOU#2, **presented as EXHIBIT D**, Director DeSalvo seconded the motion; it was voted on and carried by majority vote, with the voting as follows:

Voting Yea: Directors Cameron, DeSalvo, Fillingame, LaFontaine, Lamy
Voting Nay: None
Abstaining: Director Finley
Absent: None

Director DeSalvo asked Director Cameron if this was what the KUFD wanted to do; Director Cameron explained it would be in the best interest of the KUFD to agree to the MOU#2.

At this point during the meeting, Chancery Clerk Mr. Tim Kellar arrived to swear in Director Tony W. Ladner as HCUA Board representative for the Hancock County Board of Supervisors.
By this action Director Ladner will no longer abstain from the voting.

Motion was made by Director Ladner to approve spreading on the minutes the letter to Hancock County Board of Supervisors concerning the Stennis Airport Fire Loop, **presented as EXHIBIT E,** Director DeSalvo seconded the motion; it was voted on and carried by majority vote, with the voting as follows:

Voting Yea: Directors Cameron, DeSalvo, Fillingame, Ladner, LaFontaine, Lamy
Voting Nay: None
Abstaining: Director Finley
Absent: None

Executive Director

2015-2016 Budget Wastewater/Water – Executive Director Pitalo presented the Board with the proposed 2015-2016 Wastewater Budget.
Director LaFontaine stated he would like to see the O/U go away, Mr. Ty Necaise explained that the O/U couldn't go away unless the Authority went to a Fee based billing system, which could require new service contracts. He also explained that the O/U system is the best systems for all parties concerned because ultimately no entity pays more than their share, where with a fee based billing the budget would always have to be billed in surplus to insure the Authority doesn't run low on funding.
Director Fillingame inquired as to why the water system billing is not done the same as wastewater. He asked that the other board members give this some thought in the future.

Director LaFontaine expressed concern that the Emergency Funds are not adequate in the event of a major disaster. At present, the funds in the Emergency Fund account has approximately 75% of what is needed, and needs approximately $105,000 more to bring it to the amount needed for a three month period. He asked that the board consider using some of the O/U funds to bring the Emergency Funds up to approximately $414,000, which would support approximately three months of day to day operations.

Executive Director Pitalo explained to the Board that for several years the 2" / 6" combination water meter at the SRWWTP had not worked properly, but the City of Waveland has replaced the meter and now water bill is approximately $1900 per month. He asked the Board to consider approving the installation of a water reuse system, which would greatly reduce the amount of water purchased to operate the SRWWTP. The approximate cost would be $40,000 to $50,000, with an estimated three year payback.
Also, he reminded the Board of the SRF loan of which the 1st payment is due on October 1, 2015, and the need to start billing the entities about two months prior in order to have the funds available.

Director DeSalvo inquired about the Engineering Services expenses and wanted to know if this was a necessary expense. Executive Director Pitalo explained that besides the day to day issues, when there is an in house project the engineering firm will handle all the necessary paperwork, design, etc., which helps the Authority to avoid safety/legal issues that may arise when bidding new projects.

Director DeSalvo inquired about the part-time Administrative Assist., Executive Director Pitalo explained that Salina Perniciaro would be retiring at the end of the year and at this time he felt a full time person was not needed.

2015-2016 Water Budget – Executive Director Pitalo supplied each Board member with an allocation breakdown of operation/maintenance, and asked that each member review it for discussion possibly at the next board meeting.

Director LaFontaine inquired if the city does purchase water will there be a need for the City and the Authority both to have water operators. He also inquired about the cost of flushing lines; Executive Director Pitalo explained that there is no cost for flushing, that each entity is invoiced only for the water that is sold and there would be a need for each to have their own water operators, the Authority due to wholesale sales and the City due to retail sales.
Public Works Director Brent Anderson expressed concerns about maintaining their system if the City does purchase water. Executive Director Pitalo suggested a six month trial period. Director LaFontaine requested Mr. Anderson to get with the Authority's water operators to discuss all of his concerns
Also, he explained that is approximately 300 customers in the annexed area that could easily be brought into the Regional system, and this would help to offset the water budget.

Director DeSalvo informed the Board that since HCWSD has been purchasing all their water from the Authority, they have not received any complaints about their water/service.

Director Cameron informed the Board that the KUFD has discussed purchasing 100% of their water if all the entities begin to purchase their water.

Director Fillingame explained to the Board that after a meeting with MDEQ, it is felt that it's not in the best interest of the City of Bay St. Louis or the Authority to purchase 100% of their water from the Authority at this time, but the tentative goal is to purchase 25% initially.

Director DeSalvo expressed concern about approving the proposed water budget, if all the entities are not going to participate. He prefers a budget be passed on actual participation. Also, he asked that consideration be given to eliminating one position, Executive Director Pitalo explained that not only is it a question of the work getting done, but there is a safety issue by not having two people at a site, depending on the work that is being done at a given time.

New Business
None

Old Business
Update on Water Service participation

02/10/2015 – Lengthy discussion on Water Service participation with Mayor Fillingame stating that he would like to schedule a workshop after Mardi Gras with the City of Bay St. Louis Council to discuss the options available for the City to accept water services.

03/10/2015 – After a lengthy discussion none of the previous issues or concerns were resolved. A workshop will be scheduled soon to further discuss the water service issues.

04/14/2015 – Director LaFontaine provided the Board with a handout showing how the City of Waveland's wastewater expenses have fluctuated over the past five years and issues concerning the lack of funding for the water service budget.
After a lengthy discussion, a workshop was scheduled for Thursday April 23, 2015 at 4:30 to continue discussion efforts to resolve the water service issue

05/11/2015 – Discussion on Water Service participation, cost, and water budget, Director DeSalvo mentioned the possibility of the Diamondhead Water and Sewer District being turned over to the City of Diamondhead and a possible push for them to join the HCUA as paying participants asking the Board of Supervisors for a feasibility study. The Board then made a request that Board Attorney Ladner research the proposal of each entity assuming control of all water services.

06/09/2015 – No discussion

06/30/2015 – See above – Executive Director

Closed Session - determined not needed

Executive Session

Let the record show that Director Finley left the meeting prior to the Executive Session, due to recent legislation that deemed Diamondhead would no longer be a member of HCUA.

Motion was made by Director Cameron to consider going in to executive session for the purpose of potential litigation issues, Director DeSalvo seconded the motion; it was voted on and carried with a unanimous vote with the voting as shown below:
Voting Yea: Directors Cameron, DeSalvo, Fillingame, Ladner, LaFontaine, Lamy
Voting Nay: None
Abstaining: None
Absent: Director Finley

Motion was made by Director Cameron to go into executive session, Director DeSalvo seconded the motion; it was voted on and carried with a unanimous voted, with the voting as shown:
Voting Yea: Directors Cameron, DeSalvo, Fillingame, Ladner, LaFontaine, Lamy
Voting Nay: None
Abstaining: None

Absent: Director Finley

Motion was made by Director Cameron to leave executive session, with no action taken, Director DeSalvo seconded the motion; it was voted on and carried with a unanimous vote with the voting as follows:

Voting Yea: Directors Cameron, DeSalvo, Fillingame, Ladner, LaFontaine, Lamy
Voting Nay: None
Abstaining: None
Absent: Director Finley

Other Business

None

Adjourn or Recess

Motion was made by Director LaFontaine to adjourn at 7:20p.m., Director DeSalvo seconded the motion; it was voted on and carried by unanimous vote, with the voting as follows:

Voting Yea: Directors Cameron, DeSalvo, Fillingame, Ladner, LaFontaine, Lamy
Voting Nay: None
Abstaining: None
Absent: Director Finley

Chairman/Vice Chairman

Executive Director