HANCOCK COUNTY UTILITY AUTHORITY

401 Gulfside Street • Waveland, MS 39576
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Monthly Board Meeting
September 10, 2015

Call to Order – by Chairman Fillingame at 4:28p.m.

Attendees
Mr. Tim Cameron
Mr. Joshua DeSalvo
Mr. Les Fillingame
Mr. Tony W. Ladner
Mr. Shane LaFontaine
Mr. James Lamy
Mr. David C. Pitalo – Executive Director

Absent
None

Pledge of Allegiance and Silent Prayer – Lead by Director Ladner

Request to Address the Board
None

Board Action Items
Motion was made by Director LaFontaine to approve the minutes of the corrected minutes of August 11, 2015, **presented as EXHIBIT A,** 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, LaFontaine, Ladner, Lamy
Voting Nay: None
Abstaining: None
Absent: None

Motion was made by Director LaFontaine to approve the minutes of August 20, 2015, **presented as EXHIBIT B,** 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, LaFontaine, Ladner, Lamy
Voting Nay: None
Abstaining: None
Absent: None

Motion was made by Director LaFontaine to approve the August 2015 Check Summaries, **presented as EXHIBIT C**, Director Cameron seconded the motion; it was voted on and carried by unanimous vote, with the voting as follows:
Voting Yea: Directors Cameron, DeSalvo, Fillingame, LaFontaine, Lamy
Voting Nay: None
Abstaining: Director Ladner
Absent: None

	Expenses	Monthly Budget	Revenues	Difference
O & M Wastewater	$107,956.59	$137,907.42	$133,683.38	$ 25,726.79
O & M Water	$ 21,191.54	$ 21,512.67	$ 8,816.31	$ -12,375.23
CIAP –Kiln	$ 14,109.98			

Note: Director Ladner stated his vote will be considered "Abstained" on any expenses which include expenses/payment for Breaux Services.

Motion was made by Director Ladner to approve Pay App. No. 1, from The Creel Company for the Clarifier Rehabilitation project in the amount of $25,280.26, **presented as EXHIBIT D,** Director Lamy seconded the motion; it was voted on and carried by unanimous vote, with the voting as follows:
Voting Yea: Directors Cameron, DeSalvo, Fillingame, LaFontaine, Ladner, Lamy
Voting Nay: None
Abstaining: None
Absent: None

Motion was made by Director LaFontaine to approve Certificate of Substantial Completion, **presented as EXHIBIT E**, for work order 2011-14/S6-04 to the Term Bid 2011-14 Kiln Sewer Connection project contract with Jay Bearden Construction date April 27, 2015 contingent upon approval by board attorney Ladner, MS Department of Marine Resources and MDEQ. This date starts the one year warranty for items completed under this work order, Director Lamy seconded the motion; it was voted on and carried by unanimous vote, with the voting as follows:
Voting Yea: Directors Cameron, DeSalvo, Fillingame, LaFontaine, Ladner, Lamy
Voting Nay: None
Abstaining: None
Absent: None

Motion was made by Director LaFontaine to authorize the advertising for new bids for the Repair and Replacement Maintenance contract, **presented as EXHIBIT F**, Director Lamy seconded the motion; it was voted on and carried by unanimous vote, with the voting as follows:
Voting Yea: Directors Cameron, DeSalvo, Fillingame, LaFontaine, Ladner, Lamy
Voting Nay: None
Abstaining: None
Absent: None

Motion was made by Director LaFontaine to approve the Request for Cash in the amount of $129,559.73, **presented as EXHIBIT G**, Director Ladner seconded the motion; it was voted on and carried by unanimous vote, with the voting as follows:
Voting Yea: Directors Cameron, DeSalvo, Fillingame, LaFontaine, Ladner, Lamy

Voting Nay: None
Abstaining: None
Absent: None

Motion was made by Director Ladner to approve Budget Modification HANCUA-02 #47, **presented as EXHIBIT H**, Director Lamy seconded the motion; it was voted on and carried by unanimous vote, with the voting as follows:
Voting Yea: Directors Cameron, DeSalvo, Fillingame, LaFontaine, Ladner, Lamy
Voting Nay: None
Abstaining: None
Absent: None

Motion was made by Director Ladner to approve Budget Modification HANCUA-03 #38, **presented as EXHIBIT I**, 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, LaFontaine, Ladner, Lamy
Voting Nay: None
Abstaining: None
Absent: None

Executive Director

SRF Loan Forbearance – refund of any entity payments – Executive Director Pitalo informed the Board that MDEQ has granted the Authority's request for one year forbearance.
Pearlington Water and Sewer District requested their payment be used as payment for their September 2015 O & M billing.

2013-2014 Audit Review Meeting – a meeting is scheduled for October 7, 2015 @ 4:30 p.m.

2015-2016 FY Wastewater/Water Budgets -
Director Fillingame asked about the account balances for the O/U and Emergency Fund. Executive Director Pitalo informed the Board the approximate balance for the O/U account is $230,000 and the approximate balance for the Emergency Fund is $304,000.

Motion was made by Director DeSalvo to move $105,000 from the O/U account and deposit the funds into the Emergency Fund, this will bring the Emergency Fund balance to approximately $410,000, which is a three month reserve, in the event of an emergency, Director LaFontaine seconded the motion; it was voted on and carried by unanimous vote; with the voting as follows:
Voting Yea: Directors Cameron, DeSalvo, Fillingame, LaFontaine, Ladner, Lamy
Voting Nay: None
Abstaining: None
Absent: None

Motion was made by Director LaFontaine beginning October 1, 2015 all O/U funds collected will be deposited into the O & M District account, Director Lamy seconded the motion; it was voted on and carried by unanimous vote, with the voting as follows:
Voting Yea: Directors Cameron, DeSalvo, Fillingame, LaFontaine, Ladner, Lamy
Voting Nay: None
Abstaining: None
Absent: None

Director Ladner asked if there were in funds in the proposed budget to cover the cost for Dewberry Engineering to do the study concerning the BP Restore Funds. Executive Director Pitalo explained there are no funds in the budget for the study; also, he will ask Mr. Bryon Griffith to come to the October meeting so each Board member will have the opportunity to hear his complete presentation/discussion.

Director DeSalvo asked that no decision be made concerning the water reuse system until after the first of the year.

Executive Director Pitalo explained to the Board that the Kiln Utility and Fire District has opted not to purchase any additional water at this time.

Executive Director Pitalo presented the Board with some water purchase options and budget adjustments and after a full discussion the following decisions/motions were made:
Note – Director LaFontaine had to leave the meeting at 5:30p.m., due to a City of Waveland Budget meeting.

Motion was made by Director DeSalvo to increase the water rate to $1.00 per 1000 gallons, with no discount rate being considered, Director Ladner seconded the motion; it was voted on and carried by majority vote, with the voting as follows:
Voting Yea: Directors Cameron, DeSalvo, Fillingame, Ladner
Voting Nay: Lamy
Abstaining: None
Absent: LaFontaine

Motion was made by Director DeSalvo to make the following changes to the water budget:

- Eliminate the water supply operator position-effective 10/1/2015,
- Adjust percentage amounts on salaries to bring the budget to $202,593 – which should include a $9,934 reduction in the overall budget
- Adjust the following budget areas to the amounts shown below:
    - Engineering $2,000
    - Accounting $2,000
    - Legal $2,000
    - Info Systems $1,000
    - Office Expense $ 500
    - Miscellaneous $1,000
    - Travel/Trailing $2,000

- Move $1,500 Directors Fees expense to Wastewater
- Move $800 Uniforms expense to Wastewater

Director Ladner seconded the motion; it was voted on and carried by majority vote, with the voting as follows:
Voting Yea: Directors Cameron, DeSalvo, Fillingame, Ladner
Voting Nay: Lamy
Abstaining: None
Absent: LaFontaine

Motion was made by Director Ladner to transfer $7,000 from the O/U account into the water service account, this will be considered a loan until which time the water budget can repay the funds to O/U and this amount will balance the 2015/2016 water service budget, 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
Voting Nay: Lamy
Abstaining: None
Absent: LaFontaine

Motion was made by Director Ladner to make the following changes to the 2015/2016 wastewater budget:

- Eliminate the water supply operator salary and benefits expenses
- Add $800 to the Uniforms expense
- Add $1,500 to the Director Fees expenses
- Adjust the salary percentage to offset the elimination of the water supply operator expenses
- Reduce the Unanticipated Repairs line item by $2,300, with the total expense to be $137,700

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
Voting Nay: Lamy
Abstaining: None
Absent: LaFontaine

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

07/14/2015 – No discussion

08/11/2015 – No discussion

09/10/2015 – Motion was made by Director Ladner to remove "*Update on Water Service participation"* from the Old Business section, 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
Voting Nay: Lamy
Abstaining: None
Absent: LaFontaine

07/14/2015 – *MOU City of Waveland*
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 informed the Board she had consulted with Attorney Perniciaro-Yarborough concerning the MOU and to date the City of Waveland has not made a decision concerning operation of the master meter at Rainer Street.

08/11/2015 – No action taken

08/20/2015 – No action taken

08/10/2015 – No action taken

Closed Session - determined not needed

Executive Session

Other Business

Adjourn or Recess

Motion was made by Director Ladner to adjourn at 6:17p.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, LaFontaine, Ladner, Lamy
Voting Nay: None
Abstaining: None
Absent: None

Chairman/Vice Chairman

Executive Director