



HANCOCK COUNTY UTILITY AUTHORITY

401 Gulfside Street • Waveland, MS 39576
Telephone 228-467-3702 • Fax 228-467-6206 • E-mail: hcua@bellsouth.net

Monthly Board Meeting November 12, 2013

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

Attendees

Mrs. Betty Baxter	Mrs. Lili Stahler
Mr. Al Smith	Mr. Bill Johnson
Mr. Charles Johnson	Mr. David Yarborough

Absent

Mr. Les Fillingame

Pledge of Allegiance and Silent Prayer – Lead by Director Stahler

Request to Address the Board

Ms. Pansy Maddox of MS Department of Health – Commended the Utility Authority for all the work that has been done to improve the overall community health with the new water and wastewater projects. Also, she encouraged the Authority to keep in mind the need is still great for future improvements should the Authority be the recipient of addition funding i.e. Restore, FEMA, etc.

Director Smith informed the Board that he has been in communication with MS Rural Water Association and MDEQ requesting assistance in finding funds to install the infrastructure in the Shoreline Park area.

Board Action Items

Motion was made by Director Yarborough to approve the minutes of October 3, 2013 Monthly Board Meeting, Director Smith seconded the motion; it was voted on and carried by majority vote, with Director Stahler abstaining from the vote.

Motion was made by Director Yarborough to approve the minutes of October 15, 2013 Special Board Meeting, Director Smith seconded the motion; it was voted on and carried by a majority vote with Director Stahler and Director Bill Johnson abstaining from the vote.

Motion was made by Director Yarborough to approve the October 2013 Check Summaries, Director Stahler seconded the motion; it was voted on and carried by unanimous vote.

	<u>Expenses</u>	<u>Monthly Budget</u>	<u>Revenues</u>	<u>Difference</u>
O & M Wastewater	\$137,989.14	\$139,403.50	\$89,260.53	\$ -48,728.61

Monthly Board Meeting, November 12, 2013

O & M Water	\$ 3,773.22	\$ 20,044.08	\$ 2,830.41	\$ -942.81
2004 Bond	\$ 2,250.00			
Land Acquisition	\$ 37,638.44			
CDBG Project	\$465,995.94			

Discussion: Director Yarborough and Director Baxter inquired about the past due amounts from the City of Bay St. Louis, specifically, how is the lack of payment effecting the day to day operation of the Authority. Executive Director Pitalo informed the Board that cash on hand is at an all-time low, the cash on hand is less than \$100,000. Director Yarborough recommended a special meeting with Mayor Fillingame to find out what the intentions of the City of BSL are to bring the City current in its' payments. Attorney Artigues recommended that the Board recess rather than adjourn the current meeting once all the agenda items have been reviewed.

Motion was made by Director Yarborough to approve the CDBG Request for Cash in the amount of \$495,602.50, Director Stahler seconded the motion; it was voted on and carried by unanimous vote.

Motion was made by Director Baxter to approve the Consent Agenda consisting of 6 items as presented, Director Stahler seconded the motion; it was voted on and carried by a unanimous vote.

- Approval of revised Payment Request No. 22, S6 CIAP Kiln Sewer Connection Project, MSCIAAP Project No. MS.R.771-2, in the amount of \$107,608.94, contingent on approval by the Mississippi Department of Marine Resources and Board Attorney Artigues. This pay request only includes invoices from Brown, Mitchell & Alexander for \$2,311.30 and Jay Bearden Construction for \$105,297.64.
- Approval of Amendment No. 2 to the engineering agreement with A. Garner Russell & Assoc. for the S6-Kiln Wastewater Collection System Ph. 2, CIAP Sewer Connection Project, MSCIAAP Project No. MS.R.771-2, increasing the hourly not to exceed amount by \$75,000, contingent on approval by the Mississippi Department of Marine Resources and Board Attorney Artigues. This amendment will allow the engineer to continue providing Basic Services, Resident Project Representatives and ROW Acquisition Assistance through the end of February 2014. A. Garner Russell original contract was for a projected construction time of eight (8) months that began in December 2011. At that time, the CIAP construction portion of the project was anticipated to be 41% of the total whereas today it is projected to make up 54% of the total. In an effort to keep the funding balance correct and the time on the job the increase in fee is warranted.
- Approval of Revision 2 to Work Order 2011-14 S6-01 adding 107 calendar days, contingent upon approval by MDEQ, Mississippi Dept. of Marine Resources and Board Attorney Artigues. The contractor completed the work within the allotted time, but days are required to bring the work order into last fiscal year to process payment.
- Approval of CDBG Budget Modification HANCUA-01 #22
- Approval of CDBG Budget Modification HANCUA-02 #40

- Approval of CDBG Budget Modification HANCUA-03 #32

Motion was made by Director Stahler to approve, **with a correction in the total amount for CIAP to be \$143,990.40**, the contract modification number 2011-14/12 (S6) to the construction contract with Jay Bearden Construction for the S6-Kiln Sewer Collection System,, Phase 2 (CDBG & CIAP) in the additive amount of \$179,676.71 (\$35,686.31 CDBG and \$179,676.71 CIAP), contingent upon approval by MDEQ, Mississippi Dept. of Marine Resources and Board Attorney Artigues. This change order summarizes quantities to date and provides additional quantity of grinder stations. Also included in this change is additional air release valves that need to be installed to help alleviate the pressures on the Arena Lift Station. There are sufficient funds for this change, Director Yarborough seconded the motion; it was voted on and carried by unanimous vote.

Motion was made by Director Yarborough to approve Revision 4 to Work Order 2011-14 S6-04 for the S6-Kiln Wastewater Collection System Ph. 2 (CDBG & CIAP) project moving \$293,939.22 (\$66,307.48 CDBG and \$227,631.73 CIAP) from the Term Bid 2011-14 contract to the 2011-14/S6-04 Work Order and adds 90 Calendar days to complete the work, contingent upon approval by MDEQ, Mississippi Dept. of Marine Resources and Board Attorney Artigues. No additional funds are required for this revision, Director Stahler seconded the motion; it was voted on and carried with unanimous vote.

Motion was made by Director Yarborough to approve Amendment No.1 to the engineering agreement with Digital Engineering and Imaging, Inc. for the W8-Bayside Park Water Distribution System, Phase 3 adding construction phase services in the amount of \$79,000, contingent on approval by the MDEQ, Board Attorney Artigues and the appropriate budget modification. This amendment adds to the existing design agreement Bidding Phase, Construction Administration, Resident Project Representative and Post Construction Phase Services to administer the W8, Phase 3 project, Director Stahler seconded the motion; it was voted on and carried by unanimous vote.

Executive Director

Discussion and final decision on water rate reduction after required amounts purchased

– Motion was made by Director Yarborough to approve the reduction of the per thousand gallon water rate to .35 per thousand gallons once an entity has purchased the required amount as per the Water Service Agreement signed by each entity, Director Baxter seconded the motion; it was voted on and it carried with a unanimous vote.

Discussion on Exhibit 'A' of water service agreements – Motion was made by Director Yarborough to approve and accept the Exhibit A as presented with the indicated rates, Director Baxter seconded the motion; it was voted on and it carried with a majority vote, with Director Stahler voting NO.

Discussion: Director Stahler stated that in the early stages of the water project, she understood that each entity would inform the Authority how much water would need to be purchased. Also, that the water supply system was to be used as emergency only, as the City of Waveland had an adequate water supply system, but now

understands that the "as needed" approach is not a feasible option, but that they would be supplying water to the annexed area and would use the water purchased from the Authority for this purpose.

Attorney Gary Yarborough, attorney for the City of Waveland, informed the Board that at this time the City of Waveland does not have recognized minutes where the Waveland Board of Aldermen authorized the signing of the Water Service Agreement that the Authority currently holds, and as a result of this, no authorization can be given to purchase water from the Authority.

Attorney Artigues explained that regardless of whether there was approval by the Waveland Board of Aldermen, statutorily, each entity is responsible for a portion of the expense of operations and maintenance of the water system.

Discussion on City of Waveland connection to regional system – Executive Director Pitalo explained to the Board that the water connection is ready at the Dubuc Street site, but the Public Works Director for the City of Waveland has stated they do not want to accept water through this line. The question is does the Authority invoice the City of Waveland for water regardless if they are using it?

Motion was made by Director Baxter that once an entity has the ability to receive water from the Authority, invoicing should begin at that time, Director Yarborough seconded the motion; it was voted on and it carried by majority vote, with Director Stahler voting NO.

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.

Discussion: Attorney Artigues informed the Board that MDEQ has agreed to restructure the SRF loan for a longer period of time, but that the Authority will need to get a 'bridge' loan to pay off the current SRF loan and then get a new SRF loan.

Mr. Steve Pittman of Government Consulting, Inc., informed the Board that his understanding is much like Attorney Artigues that MDEQ has agreed to restructure the current SRF loan, but there is the need for a 'bridge' loan. Whatever private bank is used will probably require some type of written guarantee from MDEQ stating that they will in fact loan the Authority the money. Also, the other consideration is how long would it take for MDEQ to process a new loan and how much the 'bridge' loan would actually cost.

Mr. John Harris of MDEQ explained that when an application for a loan is received, it is entered to a priority list consisting of different categories and once an application is put on a 'fundable' priority list, the chances are much greater that the loan will be approved once funding has been received by MDEQ.

Information concerning energy savings – Information only – No Action Needed

Discussion on additional lift station between Wilderness and Arena – Executive Director Pitalo informed the Board that efforts continue to regulate the pressure as the lift station. Compton Engineering employees, along with Authority employees are monitoring and maintaining various air relief valves between the two lift stations. Ultimately, he feels that is a need to add an additional lift station between the two existing stations.

Discussion on SCADA connections to the individual entities – Information only – No Action Needed - Executive Director Pitalo informed the Board that the SCADA systems are being introduced at the master meter site and could be incorporated at the well sites. With SCADA at both sites this would help monitor the water usage by each entity and help prevent the entity from getting more water than was needed.

Road 546 issues – Executive Director Pitalo explained there are approximately eight parcels on the road with two parcels that will require litigation.

Motion was made by Director Yarborough to continue to make as many hookups as can be made and deal with the litigation issue as they arise, Director Smith seconded the motion; it was voted on and it carried with a unanimous vote.

Discussion: Ms. Pansy Maddox with the MS Department of Health informed the Board that the MSDOH would be willing issue enforcement notices to the property owners who are reluctant to connect to the sewer system.

Not on Agenda

Executive Director Pitalo asked the Board to give more consideration to funding the completion of the chlorine system. He explained that in the last two months the Authority has spent approximately \$20,000 in repairs for the current UV system.

Motion was made by Director Yarborough to authorize Executive Director Pitalo to gather information concerning a short term loan to complete the system and present it to the Board at the next meeting, Director Baxter seconded the motion; it was voted on and it carried by unanimous vote.

New Business

Director Baxter expressed concern about the new wastewater treatment plant being planned in Diamondhead. She feels that with the Northern Regional WWTP now being on line and could accommodate the Diamondhead wastewater; it would be in the best interest of the residents of Diamondhead and Hancock County not to build the new wastewater treatment plant.

Discussion: Executive Director Pitalo informed the Board that the entity obligation percentages could drop anywhere from .50% to 10.0% if the wastewater from Diamondhead was processed at the Northern plant. He feels it would be a tremendous cost savings to all current entities and to Diamondhead. The estimated Diamondhead payment would be approximately \$41,000 per month.

Director C. Johnson asked that the Board give him time to get together with the Diamondhead Water & Sewer Board and discuss this, and then both boards get together for a discussion. Also, the request for bids has already been advertised for and that before year end a contract will be signed.

Mr. Steve LaBarre of the Diamondhead Sewer & Water board asked how is the connection proposed to be made? Executive Director Pitalo explained that a 1.5 to 2.0 million gallon lift station would be constructed and would then pump wastewater under the river to the Northern plant; the estimated cost of construction for the lift station would be approximately \$3 million dollars.

Mr. Jack Cleveland explained that the monies being used to build the treatment plant is FEMA monies, and that the money can only be used to build the new treatment plant.

Motion was made by Director Baxter to authorize Executive Director Pitalo to issue a letter the Diamondhead Water & Sewer District, the City of Diamondhead Council and the Hancock County Board of Supervisors requesting the Diamondhead Water & Sewer District to consider using the Northern treatment plant for the sewer their sewer treatment in lieu of building a separate treatment plant, with the understanding that Diamondhead Water & Sewer District would not be obligated in any way to participate in the repayment of the outstanding HCUA SRF loan, Director Stahler seconded the motion; it was voted on and it carried by majority vote with Director Charles Johnson voting NO.

Old Business

Outstanding invoice – City of Bay St. Louis for repair to sewer main - \$13,751.97 – Motion was made by Director Yarborough to account for the invoice as uncollectable and to write off the amount of \$13,751.97, Director Smith seconded the motion; it was voted on and carried by a unanimous vote.

Executive Session

Attorney Ronnie Artigues

Motion was made by Director Yarborough to consider going into executive session for the purpose of land acquisition, Director Baxter seconded the motion; it was voted on and carried by unanimous vote.

Motion was made by Director Smith to go into executive session for the purpose of land acquisition, Director Baxter seconded the motion; it was voted on and it carried with by unanimous vote.

Motion was made by Director Yarborough to leave executive session with no action taken, Director Baxter seconded the motion; it was voted on and carried by unanimous 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 Yarborough 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 an it carried with a unanimous vote.

Other Business

Adjourn or Recess

Motion was made by Director Yarborough to recess the meeting until 3:00 p.m. at which time the meeting will reconvene at the City of Bay St. Louis Mayor's Conference Room to address the outstanding invoices for the City of Bay St. Louis, Director Smith seconded the motion; it was voted on and carried by a unanimous vote.



Chairman/Vice Chairman



Executive Director