



HANCOCK COUNTY UTILITY AUTHORITY

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Recess Board Meeting

February 23, 2010

The meeting was called to order by Director Pullman at 2:03 P.M.

Director Les Fillingame led the attendees in the Pledge of Allegiance and a moment of silent prayer.

Attendees:

Mr. Al Smith
Mr. Jack Cleveland
Mr. Rocky Pullman
Mayor Tommy Longo

Mr. Larry Ladner
Mr. Kevin Hill
Mayor Les Fillingame
Mr. Bryon Griffith – EPA Consultant

Approval of Minutes

Motion was made by Director Longo to approve the minutes from the February 09, 2010 Monthly Board Meeting, Director Ladner seconded the motion; it was voted on and it carried unanimously.

Request to Address the Board

Attorney Michael Haas, representing the Pearlinton Water and Sewer District, explained to the Board that based on recommendations from the MS Department of Health, that it would be in the best interest for the citizens of the Pearlinton community to have two water wells and tanks, in the event of a problem with one of the wells/tanks, it is hoped the other would be available to serve the needs of the community. He explained that the Corps of Engineers has approved funding for the project, which is estimated to cost \$1.5 to \$1.9 million, but that it has 25% local match stipulation, and he is asking on behalf of the PWSD that the Authority obligate the monies, \$475,000.00, for the 25% local match. It was explained to the Board that there is a time deadline that all the applicable application paperwork must be submitted to the Corps, by February 26, 2010.

Ms Betty Baxter of the PWSD explained to the Board that they have found other sources for a portion of the match, (a) Governor Barbour has granted the request to allow a maximum of \$250,000.00 CDBG funds to be used (b) the PWSD will apply for a RUS loan, in the estimated amount of \$57,894 to \$101,250, which would leave a remaining balance of approximately \$70,759 to \$123,750, the RUS loan is 45% grant and 55% loan @2.25% for a forty year period.

Director Rocky Pullman pointed out to the Board that it is time to make a decision concerning the true consolidation of the districts, and has requested the EPA Gulf of Mexico program to fund a study to determine the benefits, if any, for the districts to consolidate, and base the decision on the out come of the study.

Director Jack Cleveland explained to the Board that Diamondhead Water & Sewer District refused \$1.5 million dollars in the early days of the Authority and by doing so; they don't have an obligation to the Authority. Attorney Artigues explained that based on the current statues, the DWSD is a part of the Authority, and how MDEQ wants to enforce that is yet to be determined.

Director Les Fillingame agrees that consolidation is the ultimate goal, but expressed concern about the distribution of assets, and pointed out that for several years, there have been only three entities, City of Bay St. Louis, City of Waveland, and Hancock County Water & Sewer District, that have continually made an investment in the WWTP. He feels that what has been paid for by each of the three entities by taxpayer dollars would need to be handled differently than the CDBG investments.

Director Kevin Hill expressed the need to respond to the PWSD request for the Authority to obligate for the 25% match; he wanted to know if the Authority committed to the money until the PWSD could get the loan approved, could the PWSD make the payments? Ms Baxter felt the PWSD could afford to make the payments if an additional \$5 to \$6 was added to each customer based on 500 users.

See attachment for estimated cost calculations.

Motion was made by Director Fillingame to authorize the Board to obligate to the 25% match, with the understanding that if any of the funding comes from the pool loan funds, up to 25%, all the debt for such loan up to a maximum of \$225,000, will be borne by the entire Authority.

Director Rocky Pullman	Yes	Director Kevin Hill	Yes
Director Larry Ladner	Yes	Director Jack Cleveland	Abstained
Director Les Fillingame	Yes	Director Al Smith	Abstained
Director Tommy Longo	Yes		

The motion carried with a majority vote.

Motion was made by Director Pullman to request the EPA Gulf of Mexico Program to provide technical assistance to conduct a study to be performed by Mr. Bill Mitchell and the Stennis Institute for Government on the pros and cons of consolidation of all districts in Hancock County, to include drinking water, wastewater, stormwater and fire districts and mandate that each district will provide information as requested, Director Ladner seconded the motion; it was voted on and it carried unanimously.

Board Action Items

Request for Cash - \$57,700.62

Motion was made by Director Hill to approve the Request for Cash in the amount of \$57,700.62, Director Fillingame seconded the motion; it was voted on and it carried unanimously.

Approval of and to spread on the minutes the results of the Telephone Poll concerning the PWSD Corps projects – No Action Taken

Executive Session

Motion was made by Director Longo to consider going into executive session to discuss land acquisition, Director Hill seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Fillingame to go into executive session at 2:30 p.m., to discuss land acquisition, Director Longo seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Hill to leave executive session at 3:42 p.m., with no official action taken, Director Fillingame seconded the motion; it was voted on and it carried unanimously.

(Pittman, Howdeshell & Hinton)

On project W9, the Board, during executive session, was updated on the acquisition of the 3 commercial parcels; that 2 parcels have been acquired and the other is in negotiations; that the appraisals dated June 29, 2009 were presented during a previous executive session and fair market value offers were made. However, the minutes of the meeting did not show action of the Board as intended.

Now for the purpose of reconfirmation of the acquisition actions, on motion by Director Fillingame, seconded by Director Hill, the appraisals of parcel 138P-0-33-244.001 and parcel 138P-0-33-244.000, on file with HCUA are approved, and the fair market value offers made are confirmed, and the acceptance of the signed easements and resulting payment are approved by the Board. As to parcel 138P-0-33-244.002, all of the same is reconfirmed up to the point of acceptance of a signed easement, and because Whitney Bank, landowner, has not accepted the fair market value offer, and made a counter offer, the Board authorizes the Director to make an administrative settlement offer of \$12,455, a \$2000 increase over the appraisal, in an effort to acquire the property without litigation; that because this is the last parcel to acquire, time is of the essence, and if the offer is not accepted by March 15, 2010, that the Executive Director is authorized to sign an Order to condemn, and suit be filed. The motion was adopted by unanimous vote.

That during executive session waiver valuations on Project S4 were reviewed, and a letter from Global Valuations was made available which addressed the valuation of some of the connector easements (copy attached); that the Board had previously approved waiver valuations on 16 parcels, which were identified to the Board, parcel by parcel, and on motion by Director Hill, and seconded by Director Pullman, the waiver valuations on the identified parcels were amended to the extent of the value of the connector easement from the road to the STEP system location, and fair market value offers were authorized accordingly. The motion was adopted by unanimous vote.

(Butler Snow)

During executive session, Attorney Artigues presented the Board an opportunity to review, on a per parcel basis, a total of thirty-six 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 and gave the Board the opportunity to review, on a per parcel basis, a total of one appraisal/review appraisal 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 a full discussion, a motion was made by Director Fillingame 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 three pages**, and to allow Attorneys

Ronnie Artigues and Jack Pittman and Executive Director David Pitalo to review, recommend and proceed with FMVOs as needed to avoid delays in the project, Director Longo seconded the motion; it was voted on and it carried unanimously.

Let the record show that Director Kevin Hill voted NO on parcels CE5163, CE5187 and CE5235, and YES on all others.

Executive Director

Discussion to change from current formula for invoicing to a flow based formula

Executive Director Pitalo presented to the Board information concerning the current entity invoicing system vs. a new system using a formula based strictly on flow numbers. See Attached Presentation

After the presentation and a short discussion, motion was made by Director Hill to accept the new invoicing formula, to begin October 1, 2010, Director Longo seconded the motion; it was voted on and it carried unanimously.

Discussion of Pearlinton Water & Sewer District Corps projects – Request to Address the Board

Old Business

None

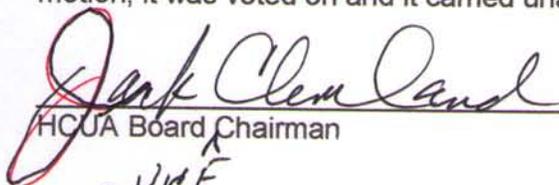
New Business

Director Kevin Hill inquired about a grace period on Pearlinton Water and Sewer District monthly payment, once their invoicing begins.

Mr. Bill Mitchell recommended that before a decision be made, that this be included as part of the consolidation study.

Adjourn or Recess

Motion was made by Director Cleveland to adjourn the meeting, Director Hill seconded the motion; it was voted on and it carried unanimously.



HCUA Board Chairman

VKE


HCUA Executive Director