



HANCOCK COUNTY UTILITY AUTHORITY

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Monthly Board Meeting December 11, 2012

Call to Order - The meeting was called to order by Vice-Chairman Al Smith at 10:08 A.M.

Attendees:

Mr. Tom Busenlener	Mr. Al Smith
Mr. Bill Johnson	Mr. David Yarborough
Mrs. Lili Stahler	Mr. Mike Collard

Motion was made by Director Johnson to excuse the absence of Director Les Fillingame, due to a family emergency, Director Yarborough seconded the motion; it was voted on and carried with a majority vote, with Director Collard abstaining from the vote.

Pledge of Allegiance and Silent Prayer – lead by Director Johnson

Request to Address the Board

Board Action Items

Motion was made by Director Stahler to approve the minutes of November 13, 2012, Monthly Board Meeting, Director Yarborough seconded the motion; it was voted on and carried with a majority vote with Director Collard abstaining from the vote.

Motion was made by Director Busenlener to approve the November 2012 Check Summary as presented, Director Yarborough seconded the motion; it was voted on and carried with a majority vote with Director Collard abstaining from the vote.

	<u>Expenses</u>	<u>Monthly Budget</u>	<u>Revenues</u>	<u>Difference</u>
O & MWastewater	\$ 142,351.46	\$166,522.83	\$48,573.77	\$-117,949.06
O & M Water	\$ 7,532.05	\$ 29,315.00	\$ 6,108.94	\$ -23,206.06
Land Acquisition	\$ 89,499.36			
CDBG Projects	\$1,443,300.92			

Motion was made by Director Johnson to approve the CDBG Request for Cash in the amount of \$577,235.70 as presented, Director Stahler seconded the motion; it was voted on and carried with a majority vote with Director Collard abstaining from the vote.

Motion was made by Director Johnson to approve the Consent Agenda consisting of 4 items as presented, Director Yarborough seconded the motion; it was voted on and it carried with a majority vote with Director Collard abstaining from the vote.

- Approval of Certificate of Substantial Completion for Work Order 2011-13/W8-01, as of 07-31-12, for the Hancock County Water Distribution System, Bayside Park project. This certificate covers the W8 portion of the Authority's contract with S.H. Anthony for Term Bid 2011-13, which includes the final flushing and chlorination of the water lines prior to the connection of customers to the system by others.
- Approval of "Resolution Authorizing and Recording of Cancellation of Service Connection Easement" for land parcel 069D-0-30-056.001, Project S6.
- Approval of Revision 5 to Work Order 2011-14/S6-03 for the Kiln Wastewater Collection System with Jay Bearden Construction in the additive amount of \$43,572.00 (36,072.00 CDBG and \$7,500.00 CIAP) and 52 calendar days' time, contingent on final approval of MDEQ, MS Dept. of Marine Resources and Board Attorney Artigues. This revision adds work to the work order that was approved in Term Bid Contract Modification 2011-14/06 (S6) and adjust the contract time to allow for completion of the work. There is sufficient funding for this change.
- Approval of Contract Modification 2011-14/06 (S6) to the Term Bid 2011-14 construction contract with Jay Bearden Construction for the Kiln Wastewater Collection System in the additive amount of \$43,572.00 (\$36,072.00 CDBG and \$7,500.00 CIAP), contingent on final approval of MDEQ, MS Dept. of Marine Resources and Board Attorney Artigues. This change provides the equipment and labor necessary to connect the National Guard Armory to the Kiln Sewer Collection System and allows for a modification to the existing connection at the East Hancock Elementary School. There is sufficient funding for this change.

Director Yarborough expressed concern about "bullet number one" that there was a punch list that had not been completed, and asked that this time not be approved.

Executive Director Pitalo and Mr. Kevin Mullen explained that the item pertained to a different contractor, the contractor (S. H. Anthony) which was used to flush and chlorinate the lines in Bayside Park.

Director Yarborough was then satisfied with the explanation and rescinded his original motion of not approving the item.

Motion was made by Director Yarborough to approve Payment Request No. 13, S6 CIAP Kiln Sewer Connection Project, MSCIAP Project No. MS.R.771-2, in the amount of \$79,957.60, contingent on approval by the Mississippi Department of Marine Resources and Board Attorney Artigues. This pay request includes invoices from A. Garner Russell & Assoc. in the amount of \$13,171.75, Brown, Mitchell & Alexander, Inc. in the amount of \$876.00 and invoices from Jay Bearden Construction in the total amount of \$65,909.85, Director Stahler seconded the motion; it was voted on and carried with a majority vote, with Director Collard abstaining from the vote.

Motion was made by Director Yarborough to approve Budget Modification HANCUA-01 #19, Director Stahler seconded the motion; it was voted on and it carried with a majority vote, with Director Collard abstaining from the vote.

Motion was made by Director Yarborough to approve Budget Modification HANCUA-02 #36, Director Stahler seconded the motion; it was voted on and it carried with a majority vote, with Director Collard abstaining from the vote.

Motion was made by Director Busenlener to approve Budget Modification HANCUA-03 #28, Director Yarborough seconded the motion; it was voted on and it carried with a majority vote; with Director Yarborough abstaining from the vote.

Executive Director

Last payment on lease of lagoon – ownership transfer – Executive Director Pitalo explained to the Board that HCUA has paid the last lease payment to the City of Bay St. Louis on the lagoon located on Webb Street, he explained that the provisions of the Wastewater Treatment Agreement allow that the lagoon ownership can be transferred to HCUA for the sum of \$1.00.

Attorney Artigues explained he would have to get with the City of BSL and see what their position is on this, but the conditions of the lease are explicit in that the lagoon is to be turned over to the authority.

Director Yarborough inquired as to the status of the dirt and debris that was stored at the lagoon site, wanted to know if the situation has been resolved.

Executive Director Pitalo explained that the situation hasn't changed much over the past few months.

Director Johnson recommended that the item be put back on the agenda as "old business" as it was added to the agenda by a motion of the board, and should have to come off the agenda the same way. The board agreed that it will be put back on the agenda.

Discussion on wastewater meter calibration schedule – Executive Director Pitalo explained to the board that the cost to have the wastewater meter(s) calibrated would double if the calibrations were done on a quarterly basis.

At this time in the meeting Executive Director Pitalo presented an overhead presentation concerning HCUA assets vs. the budget, which is approximately 2.4% of the total assets.

Also, he presented a proposal to reduce the 2012 – 2013 Budget in the amount of \$349,921.00.

After a short discussion, motion was made by Director Stahler to accept the proposed amended budget as presented and make the change retro-active to the beginning of the fiscal year 10/01/2012 and contingent upon all entities beginning to pay toward their respective Over/Under obligations, Director Yarborough seconded the motion; it was voted on and carried with a majority vote, with Director Collard abstaining from the vote.

Executive Director Pitalo continues to stress to the Board that the Cash on Hand is at an extremely low amount for what we are responsible for maintain every month (approximately \$148,000).

Director Stahler asked for an explanation on the bond payment. Executive Director Pitalo explained that the bond payments are made on a semi-annually – not monthly.

Attorney Artigues explained that the SRF negotiations as are still in the works, and the EPA has said that it can be forgiven, but the decision has to be made by MDEQ, but if they forgive all or

a portion, the monies will come out of their budget, not federal funds, and they don't want to bear the brunt of the forgiveness. At this time, the thought is to forgive all the accrued interest and refinance the balance of \$10.6 million dollars for a twenty year term.

New Business

Director Smith asked that if there are monies left to be used in Bayside Park after all the projects are complete, that when the work starts, that it start in the front of Bayside and work to the back. Executive Director Pitalo asked that the HCWSD issue a letter of request for the work as Director Smith explained to the board.

Old Business

(1) Director Pitalo explained that excess dirt, rubble and debris have been placed around the north perimeter of the equalization lagoon. In discussion with management personnel of the Bay St. Louis Department of Public Works months ago, it was stated this material would be removed. This has not been accomplished.

- Executive Director Pitalo met with Mayor Fillingame and BSL Public Works Director and notified them of contractors to take to take most of the excess dirt. Executive Director was informed by public works director of their plans on clearing a wooded area on the east side of the power substation to use as a lay down yard for dirt, gravel, sand, etc. There is a concern for liability issues.
- Director Pitalo explained he had met with a contractor during the week of May 7, 2012 and the contractor would begin hauling debris the week of May 14, 2012. Director Pitalo and Board Attorney Artigues advised the board that the Old Spanish Trail entry to the Lagoon site is not to be used due to liability issues.
- Director Fillingame recommended that the locks on the gates to be changed and only key people from HCUA and the City of Bay St. Louis have keys.

Motion was made by Director Ladner to issue a letter to the City of Bay St. Louis requesting the removal of the dirt, rubble and debris for the lagoon site, Director Johnson seconded the motion; it was voted on and carried by majority vote, with Director Fillingame voting NO.

Executive Session

None needed at this time.

Adjourn or Recess

Motion was made by Director Yarborough to adjourn the meeting, Director Stahler seconded the motion; it was voted on and carried with a majority vote with Director Johnson abstaining from the vote.



HCUA Chairman/Vice Chairman



HCUA Executive Director