

# 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* *October 9, 2012*

**Call to Order** - The meeting was called to order by Chairman Les Fillingame at 10:05 A.M.

### **Attendees:**

Mr. Tom Busenlener                      Mr. Al Smith  
Mr. Les Fillingame                      Mr. Bill Johnson  
Mrs. Lili Stahler

**Pledge of Allegiance and Silent Prayer** – lead by Director Al Smith

Motion was made by Director Johnson excusing the absence of Director Tony Wayne Ladner due to prior commitments, Director Smith seconded the motion; it was voted on and it carried unanimously.

### **Request to Address the Board**

#### **Board Action Items**

Motion was made by Director Stahler to approve the minutes of September 11, 2012, Monthly Board Meeting, Director Busenlener seconded the motion; it was voted on and carried unanimously.

Motion was made by Director Busenlener to approve the September 2012 Dockets as presented, Director Busenlener seconded the motion; it was voted on and carried unanimously.

- O & M Wastewater    \$ 119,569.51
- Land Acquisition       \$ 11,631.39
- CDBG Projects         \$1,383,325.62
- O & M Water            \$ 5,568.88

Motion was made by Director Busenlener to approve the CDBG Request for Cash in the amount of \$1,458,601.28 as presented, Director Stahler seconded the motion; it was voted on and carried unanimously.

Motion was made by Director Johnson to approve Budget Modification HANCUA-01 #18, Director Smith seconded the motion; it was voted on and carried unanimously.

Motion was made by Director Johnson to approve Budget Modification HANCUA-02 #35, Director Stahler seconded the motion; it was voted on and carried unanimously.

Motion was made by Director Stahler to approve Budget Modification HANCUA-03 #27, Director Busenlener seconded the motion; it was voted on and carried unanimously.

Motion was made by Director Johnson to approve the Consent Agenda consisting of 4 items as presented, Director Busenlener seconded the motion; it was voted on and carried unanimously.

- Approval to spread on the minutes the letter to HCWSD concerning "Liquid Waste Disposal in Hancock County".
- Approval of Contract Modification 2011-13/03(W7, W8) to the Term Bid 2011-13 construction contract with SH Anthony for the Eastern Regional Water Supply System, adding 365 calendar days' time at no change in contract price, contingent on final approval of MDEQ and Board Attorney Artigues. This change is needed to keep the contract open an additional one (1) year to allow time for the remaining easements to be acquired to construct the master meter stations. No additional funding is required for this change.
- Approval of Contract Modification 2008-04/34 (W8) to the Term Bid 2008-04 contract with Hudson Contracting, Inc., in the additive amount of \$68,764.27, contingent on final approval of MDEQ and Board Attorney Artigues. This change order to the term bid completes the fuel and material adjustment for work order 2008-04/W8-01 per the construction contract.
- Approval of Certificate of Substantial Completion for Work Order 2008-02/06, as of 01-31-12, for the Kiln Sewer Collection System project. This certificate covers the segments of the sewer system along the streets covered in punch list. This date will start the 1-year warranty for this work.

Approval of 2010/2011 Financial Audit - Motion was made by Director Johnson to table this item until the next board meeting – November 13, 2012, Director Smith seconded the motion it was voted on and carried unanimously. Approval of 2010/2011 Financial Audit

Motion was made by Director Johnson to approve the Payment Request No. 11, S6 CIAP Kiln Sewer Connection Project, MSCIAF Project No. MS.R.771-2, in the amount of \$64,114.35, 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 \$25,918.69, Brown, Mitchell & Alexander, Inc. in the amount of

\$5,773.50 and an invoice from Jay Bearden Construction in the total amount of \$32,422.16, Director Smith seconded the motion; it was voted on and carried unanimously.

### **Executive Director**

Septage Receiving Ordinance—signatures – Executive Director Pitalo explained to the board that the Septage Receiving Ordinance was originally approved at the March 13, 2012 meeting, but signatures on the document were not obtained at that time. Since then the board members have changed. Attorney Artigues explained the need to ratify and acknowledge the ordinance was duly approved previously.

Motion was made by Director Johnson to ratify and acknowledge the "Septage Receiving Ordinance was duly approved at the March 13, 2012 board meeting and authorize the resigning of the document with the effective date being March 13, 2012, Director Smith seconded the motion; it was voted on and it carried unanimously.

OIG Audit Update – Executive Director Pitalo explained to the board that the OIG audit is in the final report writing stage and at this point indications are there will be a recommendation to de-obligate approximately \$1.9 million of the \$3.2 million in FEMA work performed at the Southern Regional WWTP, this is a result of lack of proper paperwork immediately after Hurricane Katrina, most notably was the lack of soliciting minority and women owned business. Attorney Artigues explained the plant was in emergency status immediately follow the storm and the contractor, All South Electric, was instructed by a representative of the, Army Corps of Engineers to get the plant operational no matter what it takes. A copy of the report will be provided

Reminder for flow invoicing to begin – reminder only – no action taken

Report concerning Midge-insects at lagoon – Executive Director Pitalo explained to the board a Mississippi State Extension representative has investigated the bug problem around the lagoon area and confirmed it is midge flies. The representative offered a couple of options (1) spraying the area, but this may or may not be effective and (2) a type of fish in the lagoon. Executive Director Pitalo will compile some estimated cost to present to the board at the November meeting.

Quarterly Report Presentation – information only – no action taken

Request from Pearlington Water and Sewer District for Workshop to discuss their proposed well interacting with our water supply system – Executive Director Pitalo informed the board of a discussion with the PWSD and their engineers and explained the issues concerning the new proposed well, the main issue is the amount of chlorine that would have to be used in order to reach the further most customer and the negative effect it would have on the customers closest to the well. He feels everyone

now understands the concerns, so at this point the PWSD doesn't feel a workshop is need, but may at a later date.

Discussion of wastewater funds being depleted by water system expenses – what are we going to do - Executive Director Pitalo reminded the board of the issues concerning the wastewater budget supporting the water budget and requested some guidance on the matter. Director Fillingame requested a revenue report for the water budget each month.

Discussion of Over/Under – After a short discussion – Director Fillingame asked that Executive Director Pitalo provide the board with an estimated cost per 1000 gallons of wastewater treatment at the next board meeting.

### **New Business**

None

### **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**

Motion was made by Director Smith to consider going into Executive Session to discuss land acquisition and litigation issues, Director Stahler seconded the motion; it was voted on and carried unanimously.

Motion was made Director Stahler to enter into Executive Session to discuss land acquisition and litigation issues, Director Busenlener seconded the motion; it was voted on and carried unanimously.

Motion was made by Director Johnson to leave Executive Session with no action taken at 10:55 A.M., Director Smith seconded the motion; it was voted on and carried unanimously.

### **Butler Snow**

During executive session Attorney Ronnie Artigues presented the Board with an opportunity to review, on a per parcel basis, a total of seven waiver valuations for Project S6-Kiln Wastewater Collection System and a total of three appraisal/review appraisals for Project W7 Eastern Hancock County Regional Water Supply, 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 Johnson 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 two 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 and carried unanimously.

### **Pittman**

During executive session, Attorney Ronnie Artigues informed the board, on behalf of Attorney Jack Pittman, an amount of payment for the Bill Fricke easement has been agreed upon and also, Mr. Fricke will be donating additional easement area to the project.

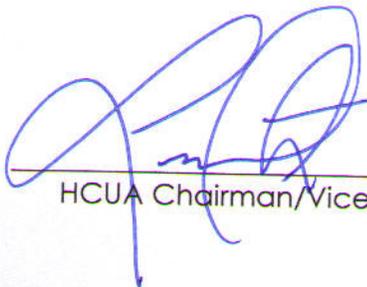
After leaving executive session and a full discussion, motion was made by Director Johnson to authorize Attorney Pittman to proceed with the attempt to acquire the easement as presented to the board, Director Stahler seconded the motion; it was voted on and carried unanimously.

Also, during executive session Attorney Ronnie Artigues presented the Board with an opportunity to review, on a per parcel basis, a total of three appraisal/review appraisals for Project W7 Eastern Hancock County Regional Water Supply, for the purpose of establishing a basis for making a fair market value offer.

After leaving the executive session and a full discussion, a motion was made by Director Johnson to authorize Attorney Jack Pittman 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 and carried unanimously.

**Adjourn or Recess**

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



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HCUA Chairman/Vice Chairman



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HCUA Executive Director