HANCOCK COUNTY UTILITY AUTHORITY

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Monthly Board Meeting
January 14, 2014

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

Attendees

Mr. G. W. Graham
Mr. David Yarborough
Mr. Les Fillingame
Mrs. Lili Stahler
Mr. Bill Johnson
Mrs. Betty Baxter
Mr. Charles Johnson

Absent

Pledge of Allegiance and Silent Prayer – Lead by Director Stahler

Director Bill Johnson reminded the Board that today was his last meeting as he has retired and introduced Mr. G. W. Graham as the new board representative for the Hancock County Water and Sewer District. *Director Graham will not be voting during this meeting as he is not yet bonded.*

Election of New Chairman and Vice Chairman

Director Bill Johnson asked for nominations for Board Chairman and Vice-Chairman.

Motion was made by Director Baxter to appoint Director David Yarborough as Chairman for the 2014 session, Director Fillingame seconded the motion; it was voted on and carried with a majority vote, with Director Graham abstaining from the vote.

Motion was made by Director Fillingame to appoint Director Lili Stahler as Vice-Chairman for the 2014 session, Director Yarborough seconded the motion; it was voted on and carried with a majority vote, with Director Graham abstaining from the vote.

Request to Address the Board

None

Board Action Items

Motion was made by Director Baxter to approve the minutes of December 10, 2013 Monthly Board Meeting as presented, Director Bill Johnson seconded the motion; it was voted on and it carried with a majority vote, with Director Stahler and Director Graham abstaining from the vote.

Motion was made by Director Bill Johnson to approve the December 2013 Check Summaries as presented, Director Baxter seconded the motion; it was voted on and carried with a majority vote, with Director Graham abstaining from the vote.

O & M Wastewater	$122,466.52
O & M Water	$ 5,763.34
CDBG Project	$208,505.33

Motion was made by Director Fillingame to approve the CDBG Request for Cash in the amount of $227,849.51 as presented, Director Stahler seconded the motion; it was voted on and it carried with a majority vote with Director Graham abstaining from the vote.

Motion was made by Director Baxter to approve revision 6 to Work Order SCADA-02 in the additive amount of $123,744.15 and 180 calendar days' time, contingent on approval by MDEQ and Board Attorney Kirby. This revision moves items from the SCADA construction Contract into work order SCADA-02 and allows 180 calendar days to complete the work. No additional funds are required to complete this change, Director Stahler seconded the motion; it was voted on and it carried with a majority vote, with Director Graham abstaining from the vote.

Motion was made by Director Fillingame to approve the revised Payment Request No. 24, S6 CIAP Kiln Sewer Connection Project, MSCIAP Project No. MS.R.771-2, in the amount of $92,136.47, contingent on approval by the Mississippi Department of Marine Resources and Board Attorney Kirby. This pay request only includes invoices from A. Garner Russell & Assoc. for $10,245.96, Brown, Mitchell & Alexander, Inc. for $1,104.20 and Jay Bearden Construction for $80,786.31, Director Bill Johnson seconded the motion; it was voted on and carried with a majority vote, with Director Graham abstaining from the vote.

Motion was made by Director Baxter to approve the payment of the $500 Easement Review Fee to United States Post Office – Kiln, MS, this will make the payment be a total of $10, 340.00, Director Bill Johnson seconded the motion; it was voted on and carried with a majority vote, with Director Graham abstaining from the vote.

Executive Director

Restore funds information – Executive Director Pitalo informed the Board that five of our requested projects for Restore funds have been put on the review list, and will keep the Board informed as information comes.

Clarifier #1 repairs – Rep. to come in this week – Executive Director Pitalo informed the Board of needed repairs at the SRWWTP clarifier #1. He explained that the unit is from when the plant was built in 1975 and that a rep. is coming in to assess the necessary repairs and issue a quote.

Letter from City of Waveland concerning Over/Under - Information only, not action needed.

Approval to use Gouras and Associates to look for funding sources for future projects – Motion was made by Director Baxter to authorize Gouras and Associates to search for funding, either in grant or funds match form for future projects, Director Stahler seconded the motion; it was voted on and carried with a majority vote, with Director Graham abstaining from the vote.

Update on W8 Phase II (Bayside & Pearlington) – Executive Director Pitalo informed the Board that the plans for the two projects has been sent to MDEQ for approval and has received assurance that MDEQ will not delay in reviewing the plans. Mr. John Harris of MDEQ recommended that the Authority go forward with placing the ads for bid, and should there be any unforeseen issue, then an addendum could be issued on the projects plans/specs.

Update on Chlorine Project at SRWWTP – Executive Director Pitalo informed the Board that the plans for the chlorine project is nearing completion and should be sent MDEQ for review. Also, he informed the Board that the Authority is having difficulty getting in contact with the Hancock Bank representative concerning the $200,000 loan for this project. He asked if we should continue to try to make contact or go to the other bank that submitted a bid. He was instructed to continue to try and make contact and members of the Board will also try to make contact with the representative.

Request to change meeting hours to 4:30 p.m. – Motion was made by Director Fillingame to change the monthly meeting time from 10:00 A.M. to 4:30 P.M., Director Bill Johnson seconded the motion; it was voted on and carried with a majority vote, with Director Graham abstaining from the vote.

Discussion/request each district submit copy of financial audit - Motion was made by Director Bill Johnson requiring each entity to provide the Authority with a copy of their respective financial audits each year upon final approval by their Boards, Director Baxter seconded the motion; it was voted on and carried with a majority vote, with Director Graham abstaining from the vote.

Report of delinquent accounts –

a. Should delinquent account incur a late payment fee?

Discussion: Director Baxter expressed concern about late payments from the entities; especially should a particular entity be two or more months behind.
Director Fillingame explained that the situation with the City of Bay St. Louis' recent financial difficulties is a very unique situation, and in the past have not been in arrears with payments. Also, he explained that the City of Bay St. Louis, the City of Waveland, and the Hancock County Water & Sewer District, for many years have shouldered the brunt of the expenses to operate the Authority. He explained that even during the time when Pearlington's infra-structure was under construction and afterwards when Pearlington was getting their invoicing process up and going the other entities helped cover the cost of operation.

It was the general consensus of the Board that reporting of delinquent accounts and late fees are not necessary at this point in time.

Discussion on low mod regulations – Executive Director Pitalo asked Attorney Artigues and Attorney Pittman to explain, to the newer Board members, how the process works for connections for low to moderate income property owners and who should cover the costs of the connections.
Attorney Artigues explained that when the CDBG funds were first made available to Hancock County, there was hesitation about accepting the funds due to the concern about connection cost after the projects were completed. He explained that the Authority was then asked by HUD/MDEQ to compare the cost of the additional connections after the fact to the benefits of receiving $140+ million dollars of free infra-structure. Also, there was the desire by the different entities to gain ownership of the infra-structure after construction. It was determined that an entity could gain ownership, but would have to abide by the stipulations of the original grant agreement. In addition, ownership of the infrastructure could be transferred only if it was not part of a regional system. He further explained that after consultation with HUD and MDEQ council it was determined that their (HUD) general policy and practice was to continue to make free connections for low to moderate income properties for a period of three years after the close out of the project.

New Business

Attorney Jack Pittman asked to confirm receipt of Amendment 5 - Project W7. Information only – No action needed

Old Business

1. SRF Forbearance extension status – Information only –
   11/12/2013 - 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.
   1/14/2014 – Executive Director Pitalo informed the Board he is waiting on a letter of commitment from MDEQ stating they will fund the bridge loan and extend the SRF payments for a twenty year period, until he has this information to present to the bank he can't go forward, but will keep the Board informed.

2. Clarification and motion on billing entities required amount for water beginning with January 2014 usage – Motion was made by Director Smith to move this item to 'Old Business' and discuss it a the next monthly meeting, Director Fillingame seconded the motion, it was voted on and carried with a majority vote, with Mayor Garcia abstaining from the vote.
   1/14/2014 – Executive Director Pitalo informed the Board there have been a few delays in making the City of Bay St. Louis water connection, but expects to begin invoicing in February 2014.
   Director Fillingame requested a workshop to discuss the water rates and commitments for each entity.
   A workshop is scheduled for Monday January 27, 2014 at 4:30 P.M.

Executive Session

Attorney Patrick Kirby

Motion was made by Director Fillingame to consider going into executive session concerning legal issues, Director Baxter seconded the motion; it was voted on and carried by majority vote, with Director Graham abstaining from the vote.

Motion was made by Director Bill Johnson to go into executive session, Director Fillingame seconded the motion; it was voted on and carried with by majority vote, with Director Graham abstaining from the vote.

Motion was made by Director Bill Johnson to leave executive session with no action taken, Director Fillingame seconded the motion; it was voted on and carried by majority vote, with Director Graham abstaining from the vote.

Other Business

Adjourn or Recess

Motion was made by Director Fillingame to adjourn the meeting at 11:25 A.M., Director Bill Johnson seconded the motion; it was voted on and carried by a majority vote, with Director Graham abstaining from the vote.

Chairman/Vice Chairman

Executive Director