

# HANCOCK COUNTY UTILITY AUTHORITY

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## Monthly Board Meeting January 10, 2012

The meeting was called to order by Chairman Les Fillingame at 2:00 P.M.

**Pledge of Allegiance and Silent Prayer** – Lead by Bill Johnson

### Attendees:

Mr. Tom Busenlener	Mr. Tony W. Ladner
Mr. Jack Cleveland	Mr. Al Smith
Mr. Les Fillingame	Mrs. Lili Stahler
Mr. Bill Johnson	

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

Jeff May of LPA Group – Introduced himself and his company to the Board and provided a packet of information to each Board member.

Dean Agee – Osceola Southern Homes and Property Management – Bayside Park – Expressed his appreciation to the Board for the water project beginning in the Bayside Park area, and his company will help in any way possible to get all the necessary paperwork completed in a timely manner.

### **Board Action Items**

Motion was made by Director Stahler to approve the minutes from the December 13, 2011 Monthly Board Meeting, Director Smith seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Johnson to approve the ratified minutes from the August 8, 2011 Monthly Board Meeting, Director Cleveland seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Cleveland to approve the December 2011 Dockets as presented, Director Stahler seconded the motion; it was voted on and it carried unanimously.

- O & M \$ 124,672.27
- Land Acquisition \$ 164,250.25
- CDBG Projects \$1,816,573.22
- O & M Water \$ 2,117.92

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Motion was made by Director Smith to approve the CDBG Request for Cash in the amount of \$2,799,815.79 as presented, Director Johnson seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Ladner to approve spreading on the minutes the results of the tally sheets for the Request for Engineering Qualifications for Project "Hancock County Utility Authority Project W8 Additional Water Distribution System and Project S6 Wastewater Collection Lift Station for Jourdan River Shores":

- (1) Digital Engineering
- (2) A. Garner Russell & Associates
- (3) NY & Associates – Alternate
- (4) Allen & Hoshall - Alternate

Director Cleveland seconded the motion; it was voted on and it carried unanimously.

Motion was made, with sincere regret, by Director Ladner to accept the resignation of Director Jack Cleveland, Director Johnson seconded the motion, it was voted on and it carried unanimously.

Chairman Fillingame introduced Mr. Tony Wayne Ladner as the newest Board member, who will be the representative for the Hancock County Board of Supervisors.

Motion was made by Director Ladner to approve Payment Application No. 9, S4 CIAP project, in the amount of \$88,865.25, to be paid by the Hancock County Board of Supervisors under the Pearlinton CIAP grant program, Director Cleveland seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Cleveland to approve Payment Request No. 2, S6 CIAP Kiln Sewer Connection Project, MSCIAF Project No. MS.R.771-2, in the amount of \$7,217.10, 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 total amount of \$6,040.74 and invoices from Jay Bearden Construction in the total amount of \$1,176.36, Director Stahler seconded the motion; it was voted on and it carried unanimously.

### **Executive Director**

Discussion with PWSD Board on transfer of assets – attending Board members from PWSD is Mr. Tom Busenlener, Mrs. Betty Baxter and Mrs. Rosa Jackson. Executive Director Pitalo explained the need to establish a date to transfer the assets for the water distribution and sewer collection systems to the PWSD for them to own, operate and maintain. He emphasized the fact the strict guidelines that must be followed in order to be in compliance with the CDBG regulation.

*Director Johnson asked what the general consensus of the PWSD was concerning the issue. Mrs. Baxter has several concerns and those concerns are referenced in a letter – to be mailed to the Authority, a summary of the concerns are (1) with the transfer of assets; there wouldn't be any funding for future water/sewer connections (2) requirement to provide free connection for low to moderate income homes for a period of the three years - can this requirement be waived and is this in writing anywhere. Attorney Artigues explained that this was an issue with the Authority prior to acceptance of any grant funds. The Authority had pursued getting a waiver of this requirement for several months – with no success, and it is in writing in the terms of the grant agreement (3) the requirement to pay for easements (4) and to date the PWSD has not received a set of "as built" plans for the systems – Executive Director Pitalo explained the final "as built" plans have not been completed.*

*Director Fillingame inquired as to when the three year period would begin – Attorney Artigues explained it begins at the close out of the grant phase.*

*Mrs. Baxter also express concern about the low to moderate survey forms – with the current form it would be very easy for someone to mis-represent their financial situation. She proposed creating a new version of the current document, which would have to be notarized and would contain a sworn statement indicating the information provided is true and accurate.*

*Attorney Jack Pittman explained that he and Attorney Artigues, in the beginning of the projects, had similar concerns as Mrs. Baxter's. They spent numerous hours discussing these with HUD and MDEQ, trying to eliminate the appraisal cost and possibly pay \$500.00 to each land owner for a Right of Entry, and they were given an emphatic no, that there had to be a perpetual or permanent easement acquired for each property, and all acquisition of property has to be based on the HUD guidelines, which is a waiver valuation process up to \$10,000 and the Board has to approve or an appraisal and review appraisal process for easement over \$10,000. Also, as to the low to moderate income survey, there was concern about receiving inaccurate information, but was told all that needed to be done was to have the property owner declaring their income status.*

*Director Johnson asked Mrs. Baxter if she truly felt the PWSD was in a position to accept and run/maintain the two systems, she felt that the PWSD would be successful in running and maintaining the systems.*

*Director Ladner inquired as to the PWSD, with their current customer base, if there happens to be major repairs needed, is the PWSD in a position, with their current O&M funds, able to absorb the cost and are there capital funds being established.*

*Mr. Bill Mitchell proposed a thought that with the connections, maybe, with non low/mod customers a 25% service fee could be charged to offset the cost of the low/mod connections, taking into consideration the county has provided seventy-five STEP tanks. Mrs. Baxter estimated the installation/connection cost to be \$4,000 per property.*

*Director Ladner inquired* as to who has the final decision concerning the two options for the water/sewer systems in Pearlington. Executive Director Pitalo explained that if the PWSD doesn't accept the assets and the grant requirement guidelines, then there is a possibility of the HCUA taking over the PWSD. At that point HCUA have to staff up to provide the additional services or possibly contracting the business out to one of the other districts or an outside contractor.

*Director Fillingame inquired* how the PWSD was being billed for sewer services. It was explained they are being billed by the "formula method" like all the other entities. He also inquired about the status of the City of Waveland changes from formula to flow. *Director Stahler explained* Executive Director Pitalo had presented actual numbers to the Waveland Board and Comptroller Janet Dudding. Ms Dudding and Mrs. Stahler are in agreement that it would benefit them to change, but the Mayor and other Alderman are hesitant and wants to wait and see the figures in the spring. Mrs. Stahler requested an update each month so she can continue to present it to her board.

Not on the Agenda – Executive Director Pitalo presented a graph concerning the electrical usage as the Waveland WWTP, with the equipment improvements and process changes the power bills have been extremely reduced.

Also, he brought Director Ladner up to date on the chlorination process. He explained with the excess funds from the consolidation of two loans to create the 2010 Bonds, he had requested permission from the Board to change from a UV process to chlorination/dechlorination process. He has received some quotes on the initial piping needs and an estimated cost is approximately \$80,000, and in order to complete the project, it would require approximately \$150,000 to be put into next year's budget. He explained that with the chlorination process, it would be as estimated yearly savings in operating expense of \$66,000 per year, which would equal to an approximate two and half year payback on the initial investment.

Director Cleveland pointed out to the Board that for every dollar that is saved on operating expense is trickled down to each entity.

Director Fillingame requested all the above information be presented to the Board in written form, for possible action at the next meeting.

Attorney Artigues explained that at a previous meeting there had been a request to purchase additional pumps that were brand specific, he has been in contact with the state auditor and they are comfortable with the purchase and it is proper to go forward with the purchase; the reason the brand specific purchase is for compatibility purposes, they have already been bid as a unit price and the supplier is honoring the unit price that was in the bid and the existing contract, and compatibility is a legitimate reason to continue to purchase this same brand.

Motion was made by Director Smith approve the purchase of brand specific pumps as explained by Attorney Artigues, Director Cleveland seconded the motion; it was voted on and it carried unanimously.

## **New Business**

Mrs. Nancy Depreo of the HCWSD asked that they work together with Agenda Item #5, once the project is awarded and before the work begins. Executive Director explained that they will definitely be included in the decision as to where additional water lines will be installed.

## **Old Business**

Director Johnson requested a list of old business items be developed by the Authority staff and submitted to the board as "Old Business" until such times as it is determined by the board to be removed from the agenda or acted on by the board.

Motion was made by Director Smith that any outstanding business be placed on the agenda as "Old Business" until such time as it is acted upon or determined by the Board to be removed, Director Johnson seconded the motion; it was voted on and it carried unanimously.

## **Executive Session**

Attorney Jack Pittman – Pittman Law Firm

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

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

Motion was made by Director Cleveland to leave Executive Session with no action taken at 3:27 PM, Director Smith seconded the motion; it was voted on and it carried unanimously.

## **Pittman**

During executive session Attorney Jack Pittman presented the Board with an opportunity to review, on a per parcel basis, a total of nine waiver valuations 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 Cleveland to approve and or confirm, for the purpose of establishing a basis for making a fair market value offer pursuant to the waiver valuation procedure and 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 Ladner seconded the motion; it was voted on and it carried unanimously.

Also, during executive session Attorney Jack Pittman presented the Board with an opportunity to review, on a per parcel basis, a total of one appraisal/review appraisal 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 Cleveland to authorize Attorney Jack Pittman to proceed with appraisal/review appraisal procedure, 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 it carried unanimously.

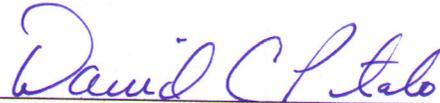
Executive Director Pitalo requested a workshop for the purpose of discussing funding of the water systems. A meeting is scheduled for January 30, 2012 at 2:00 P.M. at the NRWTP.

**Adjourn**

Motion was made by Director Johnson to adjourn the meeting at 3:40 PM, Director Cleveland seconded the motion; it was voted on and it carried unanimously.



HCUA Chairman/Vice Chairman



HCUA Executive Director