



HANCOCK COUNTY UTILITY AUTHORITY

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Monthly Board Meeting

November 8, 2011

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

Pledge of Allegiance and Silent Prayer – Lead by Director Fillingame.

Attendees:

Mr. Al Smith	Mr. Bill Johnson
Mr. Jack Cleveland	Mayor Les Fillingame
Ms. Lillian Stahler	Ms. Pamela Lonidier
Mr. Rocky Pullman	

Request to Address the Board

None

Board Action Items

Motion was made by Director Stahler to approve the minutes from the October 11, 2011 Monthly Board Meeting, Director Johnson seconded the motion; it was voted on and it carried unanimously.

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

- O & M \$ 95,634.91
- 2004 Bond-Capital \$ 22,600.33
- 2010 Bond \$ 2,000.00
- Land Acquisition \$ 57,565.00
- CDBG Projects \$ 2,292,105.48
- O & M Water \$ 2,133.84

Motion was made by Director Johnson to approve the CDBG Request for Cash in the amount of \$1,489,333.86 as presented, Director Pullman seconded the motion; it was voted on and it carried unanimously.

Motion was made by Director Pullman to approve the Consent Agenda, for a total of six items, the item concerning the employee handbook was removed and placed on the agenda as a separate item, Director Johnson seconded the motion; it was voted on and it carried unanimously.

- Approval of Substantial Completion Certificate for Work Order No. S4-02 for the S4 Pearlinton Wastewater Collection System project, Term Bid 2008-04. This begins the one-year warranty period for the STEP tank systems connected and placed into service for low-mod residences in Pearlinton under this work order. The warranty period for each STEP system begins on the last day of the month the system was placed into service, as itemized on the listing attached to the certificate.
- Approval of Payment Application No. 7, S4 CIAP project, in the amount of \$16,198.87, to be paid by the Hancock County Board of Supervisors under the Pearlinton CIAP grant program.
- Approval to spread on the minutes the response from MDEQ concerning the Authority's request for an additional one year of forbearance on repayment of the SRF loan.
- Approval to issue Request for Qualifications for engineering services for water and wastewater projects identified in the approved Gulf Region Water and Wastewater Plan, and other future projects as may be funded by other Federal, State or local funding sources. Proposals are to be received on December 15, 2011. We are advised by our CDBG administrators that the original procurement of engineering consultants by RFQ should no longer be used for additional projects. A new procurement is required if we are to complete the engineering for our remaining projects not yet under contract.
- Approval of Advertisement for Bids for Term Bid HANCUA 2011-15, Long Service Grinder Pumps for Project S6 - Kiln Wastewater Collection System, Phase 3. This project provides for the installation of 195 grinder pumps, with effluent force mains, at residences whose distance from the right-of-way, or structure elevation, will not allow a gravity service from the structure to the right-of-way. Following review and approval of the contract documents, the project is proposed for advertisement later this month, with bids to be received in December.
- Approval of Fats, Oils, and Grease Ordinance
This ends the consent agenda items with a total of six.

Motion was made by Director Stahler to approve the revised Employee Handbook with an amendment to the "Holiday" list, two days are to be removed from the list, "the day after Thanksgiving and the day after Christmas, these days may be given by proclamation from the Governor of Mississippi, Director Lonidier seconded the motion; it was voted on and carried unanimously.

Executive Director

Select RFQ Committee – Executive Director asked for volunteers to serve on the RFQ selection committee. Director Al Smith and Director Jack Cleveland volunteered to serve on the committee, as well as Executive Director Pitalo.

Update on SRF Loan Forgiveness – Attorney Ronnie Artigues gave the Board an update on the progress of the SRF loan forgiveness. In essence the EPA has approved the language that was developed last year, but MDEQ feels there is a need for more clarification. The EPA attorneys feel there is sufficient language in what was approved and they will be putting this in a letter. Another meeting is being scheduled with Tommy Cardin is setting up another meeting with Trudy Fisher and MDEQ attorneys in hopes of getting all the attorneys in agreement of the interpretation of the language that was approved by EPA. Also, MDEQ has granted our request for one year of deferment.

OIG Conference Call and Site Visit – Executive Director Pitalo informed the Board of an upcoming visit from OIG. He will keep the Board informed of any developments.

Hancock County Water and Sewer District Payment Issues – Executive Director Pitalo informed the Board of the decision by the HCWSD's Board to pay all future invoices from the Authority by Flow only. – This item was tabled and a special meeting was suggested.

Director Al Smith explained to the Board that this decision was in part a result of non collectable sewer payments that they were about one thousand customers short from pre Katrina numbers and also there were approximately four hundred customers that are not paying their bills. He also explained to the Board that in addition to the invoice payment decision, they have cut personnel hours and benefits in an effort to meet all their financial obligations.

Ms. Libby Garcia of the HCWSD board offered support to Mr. Al's explanation of the dire financial situation the District is presently facing. She also explained that they were contacted by the Rural Development urging the District to pay their loan above all others.

Attorney Artigues suggested that a special meeting be held very soon to discuss the legal issues concerning this decision. A meeting is scheduled for Monday November 21, 2011 at 2:00 P.M., to discuss the issue further.

Not on the Agenda:

Proposed amendment from MS Commission of Environmental Quality to Commission Regulation LW-2 – Executive Director Pitalo gave the Board a brief explanation of the amendment “The Permit Board will have the authority to reject any application for proposed water withdrawal from a publicly owned utility in circumstances where consolidation between publicly owned utility will be less costly to the public than proposed water withdrawal from within the area of the county in north Hancock, Harrison, Pearl River, George and Stone and will require permitting of ground water replacement wells within any area of the county. Also, the Commission will have the authority to require the consolidation of water supply in circumstances where consolidation by and between publicly owned utility will reduce cost to the public.” The public hearing was held at Pearl River Community College on October 25, 2011. There was strong opposition to the change, but it seems the regulation will change as proposed. The Board discussed several concerns and requested Attorney Artigues and Executive Director Pitalo to compile a letter to the Commission expressing concerns of the Board, a copy of the letter will be distributed to each Board member.

Pearlington Area – Turn-over Ownership – Executive Director Pitalo proposed to the Board a date of January 1, 2012 to turn over ownership of the water distribution and sewer collection systems to the Pearlington Water and Sewer District, with the understanding that from that date forward they would handle all future connections.

Director Pullman asked if the Authority would be giving the PWSD funds from the CDBG project to pay for the future connections. Attorney Artigues said he has explained to Attorney Mike Haas that at this point in time it is the responsibility of the Authority to pay for these connections in accordance with the CDBG grant agreement and for a period of three years after completion of the project. If the PWSD does assume ownership the assets, then they will be taking on the obligation and expense to make future connections, these connections apply only to those properties which are classified as low to moderate income.

Director Pullman inquired about the remaining connections from the original project; Executive Director Pitalo explained that the Authority will connect all the original properties. Also, Mr. Kevin Mullen of Brown, Mitchell and Alexander explained that at this point there are approximately fifteen properties that easements have not been acquired on, and another ten that is on the current work order to be installed. When the contractor completes the current work order he will leave Pearlington until April at which time they will make the connections for all properties that have been acquired at that point. Also, if anyone makes application for services prior to January 1, 2011, then the Authority will be responsible for those installations.

Motion was made by Director Pullman to authorize the transfer of ownership of assets for the Pearlington area from the HCUA to the PWSD effective January 1, 2012, Director Lonidier seconded the motion; it was voted on and it carried unanimously.

Ribbon cutting at the Northern Regional Wastewater Treatment Plant – Executive Director Pitalo made a proposal to the Board of having a ribbon cutting ceremony after the January 10, 2012 Board meeting and to have that meeting at the NRWTP. The Board is in agreement of this.

New Business

Director Al Smith informed the Board that the HCWSD is not able to handle the new sixteen inch line to the new jail site, that their current largest line is twelve inches. He requested that the Authority retain ownership of the line and the fire hydrants.

Executive Director Pitalo explained that the line from the jail to Bay Side Park is actually a county CDBG project, but if necessary the Authority could maintain the line. After Executive Director Pitalo mentioned that the Authority could handle maintenance on the fire hydrants, he was reminded by the Authority's engineer that the previous recommendation and motion was to be responsible for maintaining the line up to the valve before the hydrant.

Director Smith also explained to the Board the District is not able to assume the maintenance and up keep of the new fire hydrants being installed and asked that the Authority assume responsibility for them.

Ms. Libby Garcia referenced the minutes from May 10, 2010 concerning the ownership of the new fire hydrants, she stated that the District did not want to accept the maintenance of any fire hydrants attached to the sixteen inch line, due to their current financial situation and because they are a different type of hydrant than they currently have on their twelve inch line.

Old Business

Executive Session

Attorney Ronnie Artigues – Butler Snow

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

Motion was made Director Cleveland to enter into Executive Session to discuss land acquisition and litigation issues, Director Pullman 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 3:24 PM, Director Johnson seconded the motion; it was voted on and it 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 eight 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.

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

Adjourn

Motion was made by Director Pullman to adjourn the meeting at 3:35 PM, Director Cleveland seconded the motion; it was voted on and it carried unanimously.



HCUA Chairman/Vice Chairman



HCUA Executive Director