

**PEARLINGTON WATER & SEWER DISTRICT
BOARD OF COMMISSIONERS REGULAR MONTHLY MEETING MINUTES**

February 18, 2015

The Board of Commissioners of the Pearlington Water and Sewer District met in official session on Wednesday, February 18, 2015, in the Pearlington Community Center.

In Attendance:

Absent:

Betty Baxter, Commissioner

Cabrina Bell, Commissioner

James Lamy, Chairman

Rosa Jackson, Commissioner

Denise Wilkinson, Commissioner

Zoe Bretzius-Bowers, PWSD General Manager

Ty Necaise, CPA

Mike Haas, Jr., Attorney

Chairman Lamy called the meeting to order at 4:01 p.m. The Pledge of Allegiance was said, followed by a moment of silent reflection. Attorney Haas then administered the Oath of Office as Chairman to Commissioner Lamy.

PUBLIC REQUEST TO SPEAK

None

OLD BUSINESS

- Motion was made by Commissioner Jackson, seconded by Commissioner Baxter, to approve January 21, 2015 minutes. Motion passed.
- Motion was made by Commissioner Baxter, seconded by Commissioner Jackson, to approve the January 2015 Docket. Motion passed.
- Motion was made by Commissioner Jackson, seconded by Commissioner Baxter, to approve the January 2015 minutes. Motion passed.

CHAIRMAN REPORT

HCUA Activity Summary: Those member entities not currently purchasing water from HCUA are continuing to delay as feasibility is being discussed by their governing boards. Mr. Lamy explained to new HCUA board members the history of the discussions regarding member participation and expressed his concern that the discussions have lingered for years and it is time to get the issue resolved. He also mentioned that litigation might be needed to persuade the non-participating entities whose budgets are in planning and approval stages. It is anticipated that HCUA will

**PEARLINGTON WATER & SEWER DISTRICT
BOARD OF COMMISSIONERS REGULAR MONTHLY MEETING MINUTES**

encounter financial difficulty and may collapse if all member entities do not follow the original agreement to purchase water from HCUA.

Chairman Lamy discussed the HCUA Over/Under Billings spreadsheet distributed at the HCUA meeting. Mr. Necaïse was asked to explain the spreadsheet to the PWSD Board. In his presentation, he expressed concern that the spreadsheet may contain errors. He was assigned by the Board to continue to investigate the over/under billing. The Board also authorized him to meet with the executive director of HCUA to resolve questions regarding the billing.

In other activity discussed, Mr. Lamy mentioned attending another meeting in which a decision was made to put another auto flusher, to be provided by PWSD, on a customer's property.

CPA' S REPORT (TY NECAISE) (2 Attachments)

- Monthly Budget Report was presented by Mr. Necaïse.
- A letter should be forthcoming from RUS. The interest payment due on the Rural Development Loan/Grant is due next month, and Mr. Necaïse intends to attach the letter to the payment. Mr. Necaïse will call Walter Dillon if the letter is not received in a timely manner.
- Changes have been made to "Payable" procedures. Mrs. Carolyn Wilkinson is handling Payables. As bills come in, she is reviewing them, entering them into the accounting system. A true review and approval system is in place now. Purchases are approved by Zoe when they are made to make sure PWSD is actually getting what is required. Carolyn is reviewing it, putting it into the billing system, doing the payable side of it. Zoe is approving and stamping "approve for payment" and such, making it a true review and approval system. Mr. Necaïse commended Carolyn for a job well done
- The Audit binder was submitted to Gerald Rigby. Mr. Necaïse is waiting to be contacted. He expects several months will pass before receiving any audit findings.

ADMINISTRATIVE REPORT (Betty Baxter)

- Mrs. Baxter repeated that the Rural Development annual "interest only" payment is coming up.
- The MDA final grant closeout is completed and PWSD received the \$2500 reimbursement, and Zoe submitted the check to Gouras. Mrs. Baxter offered several options for handling the Construction Account. Mr. Necaïse suggested redefining the account as a restricted account for customer deposits with a current obligation of \$2400. **Motion** was made by Commissioner Baxter, seconded by Commissioner Jackson, to leave the existing funds in the account and rename it Customer Deposit Account as a restricted account. Discussion: Mrs. Baxter emphasized the account would need to be changed from non-interest bearing to interest bearing. Mr. Necaïse added that the interest from the account would need to go into the Operations Account. Motion passed.

ATTORNEY'S REPORT

- No liens or court action is currently being conducted.
- Attorney Haas spoke about the HCUA issue of individuals on the HCUA Board of Directors not being chairmen of their respective member entities. A member of the Kiln Water & Sewer District asked him to look at the statute. He orally read an excerpt from the statute that applied to the Pearlington Water and Sewer District, noting that the wording is not consistent for the various member entities.

**PEARLINGTON WATER & SEWER DISTRICT
BOARD OF COMMISSIONERS REGULAR MONTHLY MEETING MINUTES**

His recommendation was for impacted districts to ask the legislative delegation from Hancock County to change statute wording to allow a member entity's representative director to be a chairman or his or her designee. That change would allow for consistency among the entities. Attorney Haas asked for permission from the PWSD Board to ask the legislature to change the wording for its representative HCUA director to include "chairman, or his or her designee." He emphasized the importance of the change in legislation for future circumstances. **Motion** was made by Commissioner Baxter, seconded by Commissioner Jackson, to authorize Attorney Haas to contact the appropriate representatives to see if he can get the wording of the legislation changed to include "or his or her designee." Motion passed.

- Attorney Haas revisited his written response to the Board's request that he look at the user agreement and/or ordinance to see if changes were needed for clarification regarding required utility fees. Expressing that wording could be clearer, he referred to his previously distributed memo. He requested the board review the draft for further discussion and consideration at a future meeting.

GENERAL MANAGER'S REPORT (2 Attachments)

- General Manager Bowers looked into possible membership in the Hancock County Chamber of Commerce at a cost of \$185 a year. It was thought that such membership would promote PWSD. Following Board discussion, it was determined that membership would not benefit the PWSD as a governmental entity. Commissioner Wilkinson asked if the membership request could be taken into consideration. Chairman Lamy stated that the Board would hold off on a decision.
- A recent Mississippi Rural Water Association Rate Study performed by Kirby Mayfield was presented for Board review. The review was inconclusive. **Motion** was made by Commissioner Baxter, seconded by Commissioner Bell, to take no action regarding rate changes based upon Board review of the MRWA Rate Study. Motion passed. Mr. Necaie offered to do an analysis to determine the accuracy of the presented rate study.
- General Manager Bowers asked for Board direction regarding amounts owed to customers who should not have been taxed. It was determined by consensus of the Board that the customers should receive a credit to their accounts.
- A request was made to change the category of customer churches from commercial to residential. Commissioner Baxter asked Attorney Haas if he would look into the matter. He stated he would. No Board action was taken upon the request for category change.
- Commissioner Jackson asked about the progress of collections on delinquent accounts. General Manager Bowers stated that she had a 68% response on the last round of letters sent. Mr. Necaie added that the newly implemented notification procedures have positively impacted the collections.
- Following a question about new customers versus customers moving away, Commissioner Baxter brought up the issue of buyouts. Commissioner Lamy stated that there were only 40 potential buyouts remaining in Hancock County, with a large number not accepting their offers. General Manager Bowers explained that one tank was stripped this week, but she had three installs pending. The installs were awaiting paperwork and drier weather. A discussion followed regarding the destruction of the tanks on property affected by the buyouts. It was noted that the liability of the destroyed tanks was the responsibility of the county.

**PEARLINGTON WATER & SEWER DISTRICT
BOARD OF COMMISSIONERS REGULAR MONTHLY MEETING MINUTES**

NEW BUSINESS

Commissioner Lamy discussed the recent activity of Diamondhead Water and Sewer District, as reported in the Sea Coast Echo, which may impact Diamondhead's participation in HCUA.

Date of next regular monthly meeting is March 18, 2015, at the PWSD Maintenance Building. Dedication of the building will precede the meeting at 3:30 p.m.

EXECUTIVE SESSION

Motion was made by Commissioner Baxter, seconded by Commissioner Bell, to enter into Executive Session to discuss personnel issues. Motion passed with Commissioners Baxter, Bell, Lamy, Jackson, and Wilkinson voting "Yea." Executive Session entered at 5:27. p.m.

Motion was made by Commissioner Baxter, seconded by Commissioner Jackson, to leave executive session. Motion passed with Commissioners Baxter, Bell, Lamy, Jackson, and Wilkinson voting "Yea." Executive Session ended at 5:59 p. m.

NEW BUSINESS (CONT'D)

Motion was made by Commissioner Baxter, seconded by Commissioner Bell, to extend the employment term of the temporary field employee four weeks after the return of the permanent field employee who is currently out on medical leave. Commissioners Bell, Baxter, Lamy, and Wilkinson voted "Aye." Commissioner Jackson voted "Nay." Motion passed.

Motion was made by Commissioner Baxter, seconded by Commissioner Jackson, to adjourn the meeting. Motion passed.

There being no further business, the Chairman adjourned the meeting at 6:02 p.m.

Denise Wilkinson, Secretary/Treasurer

James Lamy, Chairman