

HARRISON COUNTY UTILITY AUTHORITY
BOARD MEETING
April 6, 2017

Be it remembered that a meeting of the Harrison County Utility Authority Board of Directors was held on April 6, 2017, at 9:00 a.m. at the Harrison County Utility Authority Board Room, at 10271 Express Drive in Gulfport, Mississippi. In attendance were:

BOARD AND STAFF:

Supervisor Marlin Ladner, Harrison County (1), Director
Mayor Billy Hewes, City of Gulfport, Director
Mayor Andrew "Fofu" Gilich, City of Biloxi, Director
Mayor Billy Skellie, City of Long Beach, Director
Mr. Al Gombos, representing the City of D'Iberville
Supervisor Angel Kibler-Middleton, Harrison County (2), Director
Mayor Chipper McDermott, City of Pass Christian, Director
Mr. James Simpson, Wise Carter Attorneys, Esquire
Mr. Donald Scharr, Executive Director, HCUA
Ms. Patra Roberts, Office Manager, HCUA
Ms. Julie Christian, Chief Financial Officer, HCUA
Mr. John Wilson, O & M Manager, HCUA
Mr. Alan Lane, Solid Waste Coordinator, HCUA

ABSENT:

AUDIENCE:

Mr. Bruce Newton, Digital Engineering
Mr. Dax Alexander, BMA Engineering
Mr. Russ Nobile, Wise Carter
Mr. Bobby Knesal, Utility Partners
Mr. Derrel Wilson, Utility Partners
Mr. Jon Bierd, Waste Pro
Mr. Tim Herman, Waste Pro
Mr. Steve Brubert, Waste Pro
Ms. Cindy Lamb, Pickering Engineering
Mr. Kris Riemann, City of Gulfport
Mr. Hugh Keating, City of Gulfport
Mr. Bernie Parker, City of Long Beach
Ms. Jenna Bennett, Team Waste
Mr. Andrew Densing, Team Waste
Mr. Paul Foley, Michael Baker International
Mr. Charles Curcio, Michael Baker International

Letters of designation are attached hereto as exhibit "A".

There being a quorum sufficient to transact business of the Authority, Supervisor Ladner called the meeting to order. The following proceedings were had and done.

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A. Opening Prayer and Pledge of Allegiance

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B. Public Comments

Supervisor Ladner opened the floor for public comments.

Tim Herman, Chief Development Officer, of Waste Pro addressed the Board. Mr. Herman reported the relationship and negotiations between HCUA and Waste Pro has been improved, since he last addressed the Board in December 2016.

Mr. Herman advised that Waste Pro has no position on whether HCUA chooses to bid the contract now or exercises the additional year. He stated Waste Pro does plan to participate in the bid.

He advised that Waste Pro has formally rescinded their notice to reduce the grapple truck service from five trucks to one truck. The notice was to become effective on April 1, 2017. He stated Waste Pro will continue to provide the grapple truck service on the same basis, indefinitely.

Mr. Herman stated Waste Pro takes no position regarding the possibility of the City of Gulfport going out for a separate solid waste collection bid.

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C. Approval of Corrected Board Meeting Minutes dated March 2, 2017

Mr. Scharr advised that a correction was made to item I 2 b 2 – Declaration of Emergency Repairs for South D’Iberville Pump Station. The motion states the repairs were for Pineville Road Force Main, when it should read for Emergency Repairs for South D’Iberville Pump Station.

Mr. Gombos made a motion to approve the Corrected Board Meeting Minutes dated March 2, 2017, seconded by Mayor Gilich. A roll call vote resulted in the following votes:

Biloxi	voted	aye
Gulfport	voted	aye
D’Iberville	voted	aye
Long Beach	voted	aye
Harrison County (1)	voted	aye

Harrison County (2)	voted	aye
Pass Christian	voted	aye

The motion passed.

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D. Approval of Board Meeting Minutes dated March 16, 2017

Mr. Scharr advised that a correction was made to item D. 1 a – Pineville CIAP Sewer Project – Saunders Construction Invoice No. 9 – Request for Release of Retainage (\$10,000). Mr. Scharr stated the first paragraph does not accurately reflect what was discussed. He recommended removing “and withholding the funds until the issues are resolved” from the second sentence.

Mr. Gombos stated if it was said during the discussion, it should be included in the minutes.

Mr. Simpson stated if Donald did not make that recommendation, then the sentence is incorrect. Mr. Scharr stated withholding the funds was not a part of his recommendation.

Mayor Hewes stated the minutes reflect there were some unresolved issues and a recommendation to release the funds despite that is counterintuitive. Mr. Scharr advised the issues were punch list items and the discussion was had in terms of getting the punch list completed. He stated that was when the discussion was had regarding potentially holding the check. Mr. Scharr stated the Board specifically decided during those discussions to not make that part of the motion.

Mr. Gombos stated holding the check will be the action that takes place, so that action should be reflected in the minutes.

Mayor Hewes stated removing that portion of the sentence makes the discussion inconsistent. He asked, why bring up unresolved complaints if you intend to pay the contractor?

Mr. Scharr advised that he wanted to address the issues because he knew Supervisor Ladner had been contacted regarding some of them.

Mr. Scharr advised that language can be added to indicate there was discussion regarding withholding the release of funds to the contractor, but he states that it was not part of his recommendation.

Mr. Gombos also noted that a correction needs to be made to item D. 1 c – Pineville CIAP Sewer Project Amendment No. 5 – J. Levens Builders Invoice

No. 5 –Request for Release of Retainage to reflect his affirmative vote on the motion. The correction will be made to the minutes.

Mr. Scharr advised the minutes will be reviewed and brought back at the April 20, 2017 meeting.

Mayor Hewes made a motion to table the Board Meeting Minutes dated April 16, 2017, until the audio transcript is reviewed, seconded by Mr. Gombos. A roll call vote resulted in the following votes:

Biloxi	voted	aye
Gulfport	voted	aye
D'Iberville	voted	aye
Long Beach	voted	aye
Harrison County (1)	voted	aye
Harrison County (2)	voted	aye
Pass Christian	voted	aye

The motion passed. The item is tabled.

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E. Approval of Special Board Meeting Minutes dated March 30, 2017

Mayor Hewes asked if his request for the contractors to provided pricing for the individual municipalities was added to the Request for Proposals as an alternate proposal.

Mr. Scharr stated there was no formal motion. The Board agreed that he would incorporated the requested changes into the RFP, which has been done.

Supervisor Middleton made a motion to approve the Special Board Meeting Minutes dated March 30, 2017, seconded by Mayor Hewes. A roll call vote resulted in the following votes:

Biloxi	voted	aye
Gulfport	voted	aye
D'Iberville	voted	aye
Long Beach	voted	aye
Harrison County (1)	voted	aye
Harrison County (2)	voted	aye
Pass Christian	voted	aye

The motion passed.

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F. Approval of HCUA Claims Docket dated April 7, 2017

Mayor McDermott made a motion to approve the HCUA Claims Docket dated April 7, 2017, seconded by Mr. Gombos. A roll call vote resulted in the following votes:

Biloxi	voted	aye
Gulfport	voted	aye
D'Iberville	voted	aye
Long Beach	voted	aye
Harrison County (1)	voted	aye
Harrison County (2)	voted	aye
Pass Christian	voted	aye

The motion passed. A copy of the Claims Docket is attached hereto as exhibit "B".

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G. Approval of Technical Committee Minutes dated March 29, 2017

Supervisor Middleton made a motion to approve the Technical Committee Meeting Minutes dated March 29, 2017, seconded by Mayor Skellie. A roll call vote resulted in the following votes:

Biloxi	voted	aye
Gulfport	voted	aye
D'Iberville	voted	aye
Long Beach	voted	aye
Harrison County (1)	voted	aye
Harrison County (2)	voted	aye
Pass Christian	voted	aye

The motion passed.

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H. a — Financial Reports – Non-CDBG

Ms. Christian provided a brief overview of the current budget status. She advised the Board that changes have been made to the format of the financial report.

She advised that line items F & G are the funds that were left over from the release of the reserve funds, as a result of the bond refinancing.

Mr. Scharr requested each member agency provide written notification indicating how they want those funds distributed.

Ms. Christian advised that she provided a new report for each member agency with a break down by wastewater, water, solid waste, and debt service. This report is found on page 4 of the financial report.

Mr. Scharr advised that a summary of administrative costs can be found on this page also.

Ms. Christian stated Page 5 shows the money left over from the bond. She advised that she needed to conduct additional review before she finalized the information on this page.

Page 6 lists the remaining money from the FEMA loan forgiveness. Ms. Christian noted that there was a change to the amount because a \$25,000 contingency was added for the North D'Iberville Interceptor. Approximately \$139,000 remains un-obligated.

There was some discussion regarding the amounts listed related to the additions made to the HCUA office. Supervisor Ladner requested a correction be made to the "amount needed column" to reflect zero, since the work is completed.

Mr. Hewes made a motion to table the Financial Report dated April 6, 2017 until the corrections are made, seconded by Mayor McDermott. A roll call vote resulted in the following votes:

Biloxi	voted	aye
Gulfport	voted	aye
D'Iberville	voted	aye
Long Beach	voted	aye
Harrison County (1)	voted	aye
Harrison County (2)	voted	aye
Pass Christian	voted	aye

The motion passed. The item is tabled.

A copy of the Non-CDBG Financial Report is attached hereto as exhibit "C".

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Old Business

I. 1 a – Solid Waste Collection Request for Proposals

Mr. Simpson recommended this this item be moved to item I. 2 b 7, because of its relationship to the notice from the City of Gulfport.

The Board agreed to move item I. 1 a – Solid Waste Collection Request for Proposals to item I. 2 b 7 and item I. 2 b.7 – Notice from City of Gulfport – Solid Waste Service Agreement to item I. 2 b 8 on the agenda.

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New Business - CDBG

I. 2 a 1 – S18 Engineering Services Contract Modification No. 9 – Knesal Engineering

Mr. Newton advised the modification represents an increase of \$5,000 for work previously completed several years ago, prior to the beginning of construction. The modification was requested by MDEQ to balance the S18 project for close out.

Mayor McDermott made a motion to approve S18 Engineering Services Contract Modification No. 9 – Knesal Engineering, seconded by Mayor Gilich. A roll call vote resulted in the following votes:

Biloxi	voted	aye
Gulfport	voted	aye
D'Iberville	voted	aye
Long Beach	voted	aye
Harrison County (1)	voted	aye
Harrison County (2)	voted	aye
Pass Christian	voted	aye

The motion passed. A copy of the modification is attached hereto as exhibit "D".

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New Business – Non-CDBG

I. 2 b 1 – North D'Iberville Sewer Interceptor Project – Payment Application No. 7 – W. C. Fore Trucking (\$161,951.58)

Mr. Alexander recommended payment of this invoice for work already completed. He advised that \$75,000 is still withheld for retainage.

Mr. Gombos suggested the Board should vote against releasing payment because it reduces the incentive for the contractor to complete the outstanding issues.

Mr. Simpson advised that HCUA is not allowed to withhold payment for work properly completed.

Mr. Gombos requested to see the MDOT road standards applied with consideration for age and wear.

Mayor Hewes made an alternate motion to table this item until the next Board Meeting, seconded by Supervisor Middleton. A roll call vote resulted in the following votes:

Biloxi	voted	nay
Gulfport	voted	aye
D'Iberville	voted	aye
Long Beach	voted	nay
Harrison County (1)	voted	nay
Harrison County (2)	voted	aye
Pass Christian	voted	aye

The motion failed.

Mayor Skellie made a motion to approve North D'Iberville Sewer Interceptor Project – Payment Application No. 7 – W. C. Fore Trucking (\$161,951.58) based on the recommendation of Mr. Alexander, seconded by Mayor Gilich. A roll call vote resulted in the following votes:

Biloxi	voted	aye
Gulfport	voted	aye
D'Iberville	voted	nay
Long Beach	voted	aye
Harrison County (1)	voted	aye
Harrison County (2)	voted	aye
Pass Christian	voted	aye

The motion passed. A copy of the payment application is attached hereto as exhibit "E".

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I. 2 b 2 - North D'Iberville Sewer Interceptor Project – Request for Payment - BMA Consulting Engineers (\$40,274.05)

Mayor McDermott made a motion to approve North D'Iberville Sewer Interceptor Project – Request for Payment – BMA Consulting Engineers (\$40,274.05) base on the recommendation of Mr. Scharr, seconded by Mayor Gilich. A roll call vote resulted in the following votes:

Biloxi	voted	aye
Gulfport	voted	aye
D'Iberville	voted	nay
Long Beach	voted	aye
Harrison County (1)	voted	aye

Harrison County (2)	voted	aye
Pass Christian	voted	aye

The motion passed. A copy of the invoice attached hereto as exhibit "F".

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I. 2 b 3 - Utility Partners Annual Benchmark Report – CY 2016

Mr. Scharr stated the review of the benchmarks has been completed. Utility Partners has met the requirements set forth. He recommended release of full retainage to Utility Partners in the amount of \$135,344.73.

Mayor Skellie made a motion to approve the Utility Partners Annual Benchmark Report – CY 2016 and release payment of retainage (135,344.73) based on the recommendation of Mr. Scharr, seconded by Mayor Hewes. A roll call vote resulted in the following votes:

Biloxi	voted	aye
Gulfport	voted	aye
D'Iberville	voted	aye
Long Beach	voted	aye
Harrison County (1)	voted	aye
Harrison County (2)	voted	aye
Pass Christian	voted	aye

The motion passed. A copy of the report attached hereto as exhibit "G".

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I. 2 b 4 – SRF Project List

Mr. Scharr presented the Board with a list of eight projects that he has recommended for submission of loan applications for funding.

Mayor McDermott made a motion to approve the SRF Project List based on the recommendation of Mr. Scharr, seconded by Mayor Skellie. A roll call vote resulted in the following votes:

Biloxi	voted	aye
Gulfport	voted	aye
D'Iberville	voted	aye
Long Beach	voted	aye
Harrison County (1)	voted	aye
Harrison County (2)	voted	aye
Pass Christian	voted	aye

The motion passed. A copy of the list attached hereto as exhibit "H".

I. 2 b 5 - Master Plan Funding Consulting Contract Amendment – Raley & Raley Consulting (\$36,000)

Mr. Scharr stated HCUA has worked with Raley & Raley over the past year to pursue potential funding opportunities. Mr. Scharr advised that specific funding opportunities have been identified and believes continued consulting services would prove beneficial to securing these funds.

Supervisor Ladner does not find the value of hiring consultants to convey the needs of HCUA. He believes that the Executive Director and Board of Directors are more effective in conveying the needs to legislators.

Mayor Hewes requested a report detailing if Ms. Raley identified new sources of funding that the Executive Director was unaware of and what is the likelihood of HCUA being awarded funding.

Mayor Gilich requested a recap of previous efforts and an executive summary detailing the consultants plan for the next twelve months.

Mr. Scharr suggested the item be tabled until Elizabeth Raley can address the Board.

Mayor Hewes made a motion to table the Master Plan Funding Consulting Contract Amendment – Raley & Raley Consulting (\$36,000), seconded by Mayor McDermott. A roll call vote resulted in the following votes:

Biloxi	voted	aye
Gulfport	voted	aye
D'Iberville	voted	aye
Long Beach	voted	aye
Harrison County (1)	voted	aye
Harrison County (2)	voted	nay
Pass Christian	voted	aye

The motion passed. The item is tabled.

A copy of the amendment attached hereto as exhibit "I".

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I. 2 b 6 - HCUA Staffing Recommendation – Purchasing Agent

Mr. Scharr stated HCUA has not had a purchasing agent on staff, since he came on board. He stated this had basically been done by committee. He advised the latest fiscal audit highlighted some weaknesses in our purchasing system. Mr. Scharr noted that auditors recommended hiring a purchasing agent in response to their audit findings.

Mr. Scharr is requesting approval to add the position to HCUA staffing and pursue advertising. He would come back to the Board with a report on the candidate pool, prior to hiring. Mr. Scharr stated he believes HCUA will be able to fund the position without any budgetary adjustments.

Mayor Hewes noted the growth of HCUA personnel in the last four years. Mr. Scharr stated the staff has grown from 8 or 9 to 18 employees.

Mr. Gombos made a motion to authorize the Executive Director to advertise for the Position of Purchasing Agent and report back to the Board before the position is approved and a job offer is extended, seconded by Supervisor Middleton. A roll call vote resulted in the following votes:

Biloxi	voted	aye
Gulfport	voted	aye
D'Iberville	voted	aye
Long Beach	voted	aye
Harrison County (1)	voted	aye
Harrison County (2)	voted	aye
Pass Christian	voted	aye

The motion passed. A copy of the job description attached hereto as exhibit "J".

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I. 2 b 7 – Solid Waste Collection Request for Proposals

Mr. Simpson suggested I.2 b 7 and I. 2 b 8 be heard together.

Mr. Simpson stated that as of the last board meeting, HCUA was working to develop a request for proposals for solid waste collection.

As of last week, the City of Gulfport has notified HCUA that they consider the solid waste agreement with HCUA to be null and void. Mr. Simpson advised that the notice from the City of Gulfport also provides 6 month notice of withdrawal from the solid waste agreement.

Mr. Simpson stated Gulfport's notice challenges HCUA's authority to enter into long-term contracts.

Mr. Simpson advised the City of Gulfport must retract their challenge or every contract going forward must have a caveat stating at least one member agency is not in agreement. He stated the impacts will be far-reaching.

Mr. Simpson stated the member agencies can agree to let the City of Gulfport out without the challenge.

Mayor Hewes advised that the City of Gulfport takes a different interpretation than Mr. Simpson. He advised the letter was crafted based on the provisions of HCUA membership agreement that indicates a member agency must provide the Board with notice if a member agency wishes to get out of an agreement.

Mayor Hewes stated Gulfport's requests to add separate pricing to the RFP were ignored or received push back. Mayor Hewes advised that since it did not appear that their requests were going to be included in the RFP, the City of Gulfport was in a position to make a decision to decide if they were going to get this information on their own.

Mr. Simpson stated that Mayor Hewes' request to have proposers provide individual pricing for the member agencies was added to the RFP.

Mr. Simpson stated the current RFP will request one bid for all member agencies and one bid for all member agencies, excluding Gulfport.

Mr. Simpson noted that there are some areas of the RFP that the language will need to be changed to address the changes with Gulfport.

Mr. Gombos made a motion to authorize Advertisement for the Request for Proposal for Solid Waste Collection, seconded by Mayor Gilich. A roll call vote resulted in the following votes:

Biloxi	voted	aye
Gulfport	voted	aye
D'Iberville	voted	aye
Long Beach	voted	aye
Harrison County (1)	voted	aye
Harrison County (2)	voted	aye
Pass Christian	voted	aye

The motion passed. A copy of the request for proposal is attached hereto as exhibit "K".

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I. 2 b 8 - Notice from City of Gulfport – Solid Waste Service Agreement

The item was previously discussed with item I. 2 b 7 – Solid Waste Collection Request for Proposals. The motion passed.

A copy of the notice is attached hereto as exhibit "L".

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J. Executive Director's Report

No Executive Director's Report.

K. Executive Session

Mayor Skellie made a motion to enter into closed session to determine the need for Executive Session, seconded by Mayor Gilich. A roll call vote resulted in the following votes:

Biloxi	voted	aye
Gulfport	voted	aye
D'Iberville	voted	aye
Long Beach	voted	aye
Harrison County (1)	voted	aye
Harrison County (2)	voted	aye
Pass Christian	voted	aye

The motion passed.

Mr. Simpson stated the need to discuss settlement litigation and a personnel matter.

Mayor McDermott made a motion to enter Executive Session, seconded by Mayor Skellie. A roll call vote resulted in the following votes:

Biloxi	voted	aye
Gulfport	voted	aye
D'Iberville	voted	aye
Long Beach	voted	aye
Harrison County (1)	voted	aye
Harrison County (2)	voted	aye
Pass Christian	voted	aye

The motion passed. The Board entered into Executive Session.

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Mayor McDermott made a motion to exit Executive Session and return to Open Session, seconded by Mayor Skellie. A roll call vote resulted in the following votes:

Biloxi	voted	aye
Gulfport	voted	aye
D'Iberville	voted	aye
Long Beach	voted	aye
Harrison County (1)	voted	aye
Harrison County (2)	voted	aye
Pass Christian	voted	aye

The motion passed. The Board returned to Open Session.

No action was taken during Executive Session.

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Mr. Simpson requested the Board suspend the rules and add consideration of a settlement resolution for the ongoing litigation between HCUA and NY & Associates.

Mayor McDermott made a motion to suspend the rules and add the Settlement Resolution for Litigation with NY & Associates for consideration, seconded by Mayor Skellie. A roll call vote resulted in the following votes:

Biloxi	voted	aye
Gulfport	voted	aye
D'Iberville	voted	aye
Long Beach	voted	aye
Harrison County (1)	voted	aye
Harrison County (2)	voted	aye
Pass Christian	voted	aye

The motion passed.

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Mayor Gilich made a motion to adopt the Settlement Resolution for Litigation with NY & Associates, seconded by Mayor Skellie. A roll call vote resulted in the following votes:

Biloxi	voted	aye
Gulfport	voted	aye
D'Iberville	voted	aye
Long Beach	voted	aye
Harrison County (1)	voted	aye
Harrison County (2)	voted	aye
Pass Christian	voted	aye

The motion passed. A copy of the resolution is attached hereto as exhibit "M".

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L. Adjourn - At this time Mayor McDermott made a motion to adjourn, seconded by Mayor Skellie. A roll call vote resulted in the following votes:

Biloxi	voted	aye
Gulfport	voted	aye
D'Iberville	voted	aye
Long Beach	voted	aye
Harrison County (1)	voted	aye
Harrison County (2)	voted	aye
Pass Christian	voted	aye

The motion to adjourn passed.




Harrison County Utility Authority


Harrison County Utility Authority