

HARRISON COUNTY UTILITY AUTHORITY
SPECIAL BOARD MEETING
August 10, 2017

Be it remembered that a meeting of the Harrison County Utility Authority Board of Directors was held on August 10, 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 "Fofa" Gilich, City of Biloxi, Director
Mayor George Bass, City of Long Beach, Director
Supervisor Angel Kibler-Middleton, Harrison County (2), Director
Mr. Al Gombos, representing the City of D'Iberville
Mayor Chipper McDermott, City of Pass Christian, Director
Mr. James Simpson, Wise Carter Attorneys, Esquire
Mr. Donald Scharr, Executive Director, HCUA
Mr. John Wilson, O & M Manager, HCUA
Ms. Julie Christian, Chief Financial Officer, HCUA
Ms. Patra Roberts, Office Manager, HCUA
Mr. Alan Lane, Solid Waste Coordinator, HCUA

ABSENT:

AUDIENCE:

Mayor Rusty Quave, City of D'Iberville
Mr. Billie Skellie, Long Beach Resident
Mr. Hugh Keating, City of Gulfport
Mr. Wayne Miller, City of Gulfport
Mr. Ron Robertson, City of Long Beach
Mr. Dwight Gordon, City of Pass Christian
Mr. Derrel Wilson, Utility Partners
Mr. Jon Bierd, Waste Pro
Mr. Steve Bubert, Waste Pro
Mr. Wally Carter, Team Waste
Ms. Paige Carter, Team Waste
Mr. Cody Waters, Team Waste
Ms. Jenna Bennett, Team Waste
Mr. Tim Callahan, Team Waste
Mr. Michael Yarbrough, Waste Management
Mr. Sam Williams, Waste Management
Ms. Brynn Joachim, The Focus Group

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

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

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A. Invocation and Pledge of Allegiance

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B. Public Comments

Mayor McDermott opened the floor for public comments. There were no public comments.

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C. 1 a - Old Business

None

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New Business

C. 2 a – Solid Waste Performance Update

Mr. Scharr advised the board that he sent a letter to Mr. Tim Herman on July 21, 2017, expressing concerns regarding deteriorating performance by Waste Pro.

He stated HCUA has received a significant increase in calls coming our office. During the month of July, HCUA received 805 calls regarding Waste Pro services.

Mr. Scharr advised he received a letter in response from Mr. Herman on August 2, 2017. He stated Mr. Herman's comments in his letter are consistent with the comments he made to the Board at the August 3, 2017 board meeting. Mr. Herman primarily based their poor performance on being inundated with calls/requests from HCUA staff. Mr. Herman also stated that he instructed his staff to ignore the requests from HCUA staff.

Mr. Scharr advised there are several other issues, such as hydraulic oil leaks. There was discussion regarding a specific hydraulic leak in Gulfport on August 8, 2017. Mr. Scharr stated the hydraulic leak was identified during the truck inspection, but the truck was still sent out on a route.

Mr. Scharr advised the Board of the number of complaints that were not resolved within the allotted time. For the months of May, June, and July there are 444 complaints that were not resolved within the allotted time.

Mr. Scharr recommended assessing fines to Waste Pro for these 444 instances, subject to consideration of any additional information provided by Waste Pro and to authorize the preparation of a letter to provide Waste Pro formal notice for these violations.

Mayor Hewes asked if there is an acceptable margin of error that HCUA should expect regarding complaints. Mr. Scharr advised that HCUA has tried to work with Waste Pro. He stated that the violations were carefully reviewed and instances where violations were just outside of the allotted time were not included in this number.

Mr. Hewes stated in terms of the house count and total number of service opportunities, Waste Pro has less than a 1 percent margin of error. Mr. Simpson stated that the tolerance for error has been 100 percent because HCUA has not assessed any fines to Waste Pro to date. Mr. Simpson stated these actions are in response to direction from the member agencies to make Waste Pro perform.

Mr. Gombos made a motion to authorize assessing fines to Waste Pro for the 444 violations, subject to consideration of any additional information provided by Waste Pro and to authorize preparation of the letter to Waste Pro for formal notice, seconded by Mayor Bass. A roll call vote resulted in the following votes:

Biloxi	voted	aye
Gulfport	voted	nay
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 memorandum is attached hereto as exhibit "B".

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C. 2 b – Gulfport’s Request to Withdraw from the Solid Waste Contract

Mr. Simpson presented the Board with the Memorandum of Understanding submitted by the City of Gulfport for their withdrawal from the HCUA Solid Waste Agreement.

Motion

Mr. Gombos made a motion to accept the Memorandum of Understanding with a revision to include the amount of \$1,470,483.32 to be paid by the City of Gulfport for the increased costs to the remaining member agencies because of Gulfport's withdrawal, seconded by Supervisor Middleton for discussion.

Mr. Gombos stated the City of Gulfport would pay the \$1,470,483.32 to HCUA over a period of six years. Mr. Gombos provided the Board with a handout detailing the breakdown of these costs.

There was significant discussion regarding whether the HCUA Solid Waste Agreement allows for consideration for the loss on future contracts. Mr. Simpson stated the contract does not address that event specifically. He said the contract stipulates that if a member agency leaves they cannot prejudice HCUA contract rights. The contract does not state whether that applies to present or future contracts.

Mayor Hewes stated Gulfport's dissatisfaction with the administrative functioning of the solid waste contract is what prompted Gulfport's decision to get out of the solid waste contract. He stated because of the cost and for the benefit of the residents, he thought HCUA would have chosen to extend the Waste Pro contract for one year.

Mayor Hewes stated several concerns were expressed where harm to HCUA was inferred or expected. He advised that the City of Gulfport sufficiently addressed each of those concerns.

Mayor Hewes referenced the letter from Mr. Scharr assessing the conference call with MDEQ. He stated Mr. Scharr's letter is presented in a manner that indicates there was never any goodwill or intent to let Gulfport out of the contract. Mayor Hewes provided the Board with his response to Mr. Scharr's letter.

Mayor Hewes stated that this request has no merit because HCUA is not being done any harm. He stated these numbers are based on a new contract that the Board negotiated and adopted with the acknowledgement that Gulfport would be excluded. He stated that he knows that Gulfport is not going to agree to this revision.

Mr. Gombos stated the MOU only makes HCUA whole with regards to the lawsuits, not expenses. He stated the timing is based on the time the board members received the MOU for review and consideration.

Mr. Simpson advised that his draft MOU was to address the five items. Mr. Simpson stated he never attempted to address this issue.

Mayor Hewes stated Gulfport will review the revised MOU, but he is not optimistic that the council will accept it.

Mr. Gombos recommended hiring third party legal counsel to evaluate the matter and provide the Board with an opinion.

Motion

Mayor Hewes made a substitute motion to accept the Memorandum of Understanding as presented, 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	nay
Harrison County (1)	voted	nay
Harrison County (2)	voted	nay
Pass Christian	voted	nay

The motion failed.

Motion

Mr. Gombos made a motion to accept the Memorandum of Understanding with a revision to include the amount of \$1,470,483.32 to be paid by the City of Gulfport for the increased costs to the remaining member agencies because of Gulfport's withdrawal, seconded by Supervisor Middleton. A roll call vote resulted in the following votes:

Biloxi	voted	nay
Gulfport	voted	nay
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 memorandum of understanding is attached hereto as exhibit "C".

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Executive Session

No Executive Session was needed.

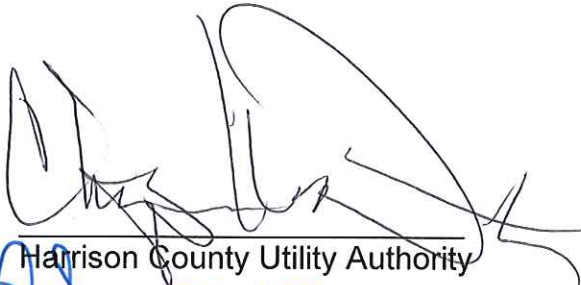
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Adjourn - At this time Mayor Bass made a motion to adjourn, seconded by Mayor Gilich. A roll call vote resulted in the following votes:

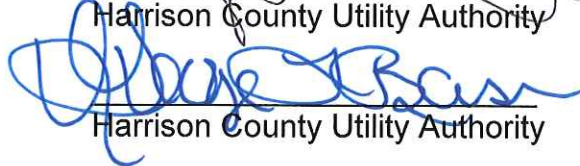
Biloxi	voted	aye
Gulfport	voted	aye
D'Iberville	voted	aye
Long Beach	voted	aye
Harrison County (1)	voted	aye
Harrison County (2)	voted	aye
Pass Christian	voted	aye

The motion to adjourn passed.

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Harrison County Utility Authority



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