

HARRISON COUNTY UTILITY AUTHORITY

March 5, 2015

Be it remembered that a meeting of the Harrison County Utility Authority Board of Directors was held on March 5, 2015, 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 Joe Meadows, Harrison County (2), Director
Mr. Kris Riemann, representing the City of Gulfport
Mr. Damon Torricelli, representing the City of Biloxi
Mr. Al Gombos, representing the City of D'Iberville
Mayor Billy Skellie, City of Long Beach, Director
Mayor Chipper McDermott, City of Pass Christian, Director
Mr. Donald Scharr, Executive Director, HCUA
Mr. John Wilson, O&M Manager, HCUA
Ms. Merri Ann Testa, Procurement Specialist, HCUA
Mr. Michael VanCourt, Comptroller, HCUA
Mr. Bart Clover, Water/WW/IT Coordinator, HCUA
Mr. David Perkins, Solid Waste Coordinator, HCUA
Ms. Patra Roberts, Office Manager, HCUA
Mr. James Simpson, Wise Carter Attorneys, Esquire

ABSENT:

Mayor Billy Hewes, City of Gulfport, Director
Mayor A.J. Holloway, City of Biloxi, Director
Supervisor Marlin Ladner, Harrison County (1), Director

AUDIENCE:

Mr. Bruce Newton, Vice President, Digital Engineering
Mr. Jeff Riopelle, Vice-President, Knesal Engineering
Mr. Russ Nobile, Associate, Wise Carter Attorneys
Ms. Lisa Verhovshek, Paralegal, Wise Carter Attorneys
Ms. Christiana Suggs, Gouras & Associates
Ms. Candice Cox, Digital Engineering
Mr. Derrel Wilson, Utility Partners
Mr. Bobby Knesal, Utility Partners
Mr. Tim Callahan, Waste Pro

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

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

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A. Public Comments – Mayor Hewes opened the floor for public comments. There were none.
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B. Approval of Board Meeting Minutes dated February 5, 2015

Mr. Gombos made a motion to approve the Board Meeting minutes dated February 5, 2015 as amended, 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	absent
Harrison County (2)	voted	aye
Pass Christian	voted	aye

The motion passed.

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C. Approval of Board Meeting Minutes dated February 19, 2015

Mr. Gombos made a motion to approve the Board Meeting minutes dated February 19, 2015, seconded by Supervisor Meadows. 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	absent
Harrison County (2)	voted	aye
Pass Christian	voted	aye

The motion passed.

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D. Approval of Wastewater Claims Docket dated March 6, 2015

Mr. Gombos made a motion to approve the March 6, 2015 Wastewater Claims Docket, 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	absent
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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E. Technical Committee Minutes

Mr. Gombos made a motion to approve the Technical Committee Minutes dated February 25, 2015, 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	absent
Harrison County (2)	voted	aye
Pass Christian	voted	aye

The motion passed. A copy of the Technical Committee minutes is attached hereto as exhibit "C".

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F. a — Financial Reports – Non-CDBG

Mr. VanCourt stated that wastewater, water, and solid waste operations are currently under budget. Most member agencies are operating under budget, except D'Iberville.

Mayor McDermott made a motion to receive the Financial Report, 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	absent
Harrison County (2)	voted	aye
Pass Christian	voted	aye

The motion passed.

F. b – Financial Reports – CDBG

Mr. Newton stated that the CDBG grant projects are proceeding within budget with no major changes. He stated that most grant projects are on schedule for closed out by the end of 2015.

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

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Old Business

G. 1 a - S14 Bid Protest Hearing

Mr. Simpson provided a brief re-cap of the S14 bid process. HCUA bid two projects, S14 and W19/S21 on the same day. Regarding the S14 project, 2 of the 5 bidders appeared to be Section 3 qualified. Jay Bearden Construction has filed a bid protest for the award of the S14 project. Jay Bearden Construction was declared a non-responsive bidder because they failed to meet the Section 3 requirements based on the documentation submitted at time of bid. As the lowest bidder, Jay Bearden contends that they should be allowed to submit additional documentation confirming their Section 3 eligibility if the HCUA allowed the next lowest bidder, Hemphill to submit new information.

Mr. Simpson stated that the matter has been discussed with Gouras & Associates and MDA. He stated that contractors are required to demonstrate their Section 3 eligibility at the time of bid submission. Otherwise, the bid has to be considered as non-responsive. Jay Bearden Construction did not submit the necessary documents at the time of bid.

HCUA awarded the contract to Hemphill Construction, as they were deemed to be the lowest Section 3 qualified bidder. Mr. Simpson stated that while conducting research into Hemphill regarding the bid protest, it was determined

that they also were not currently Section 3 eligible. At time of bid, Hemphill listed 45 employees that were Section 3 employees. Once Gouras & Associates requested the supporting data to confirm the number of Section 3 employees, the number fell to 41 employees. This makes Hemphill ineligible as a Section 3 contractor. Mr. Simpson stated that Hemphill was notified of their ineligibility.

He also stated that Hemphill Construction did not provide sufficient documentation to qualify them as a Section 3 contractor. There is a third bidder, W.C. Fore, which appears to be Section 3 qualified. W.C. Fore's bid was never evaluated because of the top two qualified bids.

Mr. Simpson recommended that the Board uphold the protest, state that Hemphill Construction is not a Section 3 contractor based on the information provided and cannot be awarded the contract on the S14 project. Mr. Simpson stated that the decision to award to W.C. Fore will be based on the recommendation of the program manager and engineer, which they are not ready to provide. Mr. Scharr stated that the W.C. Fore bid is approximately \$300,000 higher than the Hemphill bid. The engineers and program manager will evaluate the W.C. Fore and provide their recommendation to the Board at the next Board meeting.

Mayor McDermott made a motion to revoke the award to Hemphill Construction based on the recommendation of the grant administrator, program manager, legal counsel and staff, 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	absent
Harrison County (2)	voted	aye
Pass Christian	voted	aye

The motion passed.

W19/S21 Project Contract Award

Mr. Simpson stated the HCUA bid the S14 and W19/S21 projects on the same day. The bid opening for both projects were also held on the same day. Hemphill Construction was also the lowest bidder on the W19/S21 projects. Hemphill was awarded the contract. The Section 3 determination for the Hemphill on this project was based on the same information that was submitted on S14. Hemphill is not Section 3 contractor. The second lowest bidder was Jay Bearden who is also not Section 3 qualified. Mr. Simpson recommends that the Board revoke the Hemphill's contract for the W19/S21 project and re-bid the project.

Mr. Simpson requested that all documents related to the bid protest and the Section 3 eligibility findings be added to the record.

Supervisor Meadows made a motion to revoke the W19/S21 contract award to Hemphill Construction and rebid the project based on the recommendation of the grant administrator, legal counsel and staff, 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	absent
Harrison County (2)	voted	aye
Pass Christian	voted	aye

The motion passed.

There was discussion on whether the re-bid of the W19/S21 project will cause the project to go past the December 31, 2015 completion date. Mr. Newton indicated that the project will still be under construction at the end of the year. Mr. Simpson stated that Chuck Beerman, the Compliance Officer for MDA, agrees that the HCUA is doing the right thing regarding Section 3 compliance requirements. He is aware that the re-bid will cause the project to go past the deadline and that MDA should give us a deadline extension. Mr. Simpson stated that Mr. Beerman did not give a definitive answer on whether a project extension would be granted.

Mr. Torricelli asked if HCUA could ask the contractor to provide an alternate bid with an accelerated schedule and cost, in addition to the base bid. This would allow HCUA to present MDA with both options. Mr. Scharr stated that this option would be taken under consideration.

A copy of the bid protest documents and supplemental Section 3 documentation is attached hereto as exhibit "D".

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G. 1 b - Keesler AFB Easement Renewal #USAF-AETEC-MAHG-15-2-0054

Mr. Simpson stated that this an easement for a gas pipeline that goes under Mill Road in Gulfport. The new easement documents differ from the previous easement documents because the federal government has revised its form. Mr. Simpson stated the terms of the easement are still the same and recommended approval of the easement renewal.

Mayor McDermott made a motion to approve the Keesler AFB Easement

Renewal #USAF-AETEC-MAHG-15-2-0054 based on the recommendation of legal counsel, seconded by Mr. Torricelli. 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	absent
Harrison County (2)	voted	aye
Pass Christian	voted	aye

The motion passed. A copy of the easement renewal is attached hereto as exhibit "E".

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G. 2 b 1 – 2014 Performance Audit Report

Mr. Scharr provided a detailed report of the 2014 Performance Audit for the O & M contract. Mr. Scharr stated the 2013 O & M contract included a 5 percent retainage and benchmark performance standards to establish how much of the retainage will be paid or withheld. The benchmarks have been audited and are recommended for payment or nonpayment as follows:

Benchmark	Pass	Fail
1) WWTF Operations/Compliance		
a) Orders/Fines	\$8,773.27	
b) Testing	\$17,546.54	
c) Permit	\$17,546.54	
Sub-Total	\$43,866.34	
2) WWTF Reporting/Communication		
a) Weekly Reports	\$3947.97	\$1315.99
b) DMR Reports	\$3,509.31	
c) Renewal Permit	\$3,509.31	
d) 3 rd Party/Internal Audit	\$8,422.34	
e) Permit Non-Compliance	\$3,509.31	
f) Spills & Equipment Failure	\$3,509.31	
Sub-Total	\$26,407.54	\$1315.99

Benchmark	Pass	Fail
3) Water Systems Operations		
a) Site Visits & Log Book	\$7,018.61	
b) Sampling Plan	\$1,754.66	\$1,754.66
c) SOP's	\$1,315.99	\$3,947.97
d) Master Meter	\$1,754.66	\$1,754.66
e) Annual Inspection	\$7,018.61	
Sub-Total	\$18,862.53	\$7,457.29
4) Pump Stations Operations		
a) Site Visits & Documentation	\$5,702.63	\$3,070.64
b) Draw down Test	\$8,773.27	
c) SOP's	\$8,773.27	
Sub-Total	\$23,249.17	\$3,070.64
5) WWTF Facilities Maintenance/Management		
a) Asset Management Report	\$7,018.61	
b) Locates	\$5,614.89	
c) Complaints	\$8,773.27	
d) Jobcal/Preventive Maintenance	\$17,546.54	
e) Corrective Maintenance	\$12,282.57	
Sub-Total	\$51,235.88	
Total		
Pass	\$163,621.43	
Fail		\$11,843.92

After review of the audit and meeting with Utility Partners, Mr. Scharr stated that he will recommend to the Board that Utility Partners be paid \$163,621.43 of the \$175,465.35 retainage. The remaining amount being \$11,843.92 is recommended to be withheld due to a failure to achieve all performance standards as provided in the Service Contract. Utility Partners achieved an overall 93 percent pass rate.

Mayor McDermott made a motion to approve payment of retainage to Utility Partners in the amount of \$163,621.43 and withhold \$11,843.92 based on the recommendation of the Executive Director, 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	absent
Harrison County (2)	voted	aye
Pass Christian	voted	aye

The motion passed. A copy of the performance audit is attached hereto as exhibit "F".

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G. 2 b 2 – 2015 Retainage Benchmarks

Mr. Gombos made a motion to approve the 2015 Retainage Benchmarks, 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	absent
Harrison County (2)	voted	aye
Pass Christian	voted	aye

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

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Mr. Gombos made a motion to amend the agenda order, present agenda item G. 2 b 7 – Procedure for the Approval and Payment of Invoices for Professional Services, 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	absent
Harrison County (2)	voted	aye
Pass Christian	voted	aye

The motion passed.

Mr. Simpson stated that this policy allows the HCUA to pre-pay invoices for professional services, unless the contract stipulates payment upon reimbursement.

Mr. Gombos made a motion to approve the Procedure for the Approval and Payment of Invoices for Professional Services, seconded by Supervisor Meadows. 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	absent
Harrison County (2)	voted	aye
Pass Christian	voted	aye

The motion passed.

Mr. Gombos made a motion to amend the Claims Docket dated March 6, 2015 to include payment of the following agenda items: G. 2 b 3 – Approval of Wise Carter Invoice #174976 (\$724.00) for Pineville CIAP Project, G. 2 b 4 – Approval of Wise Carter Invoice #174978 (\$302.60) for Adjust Sewers MDOT SR601-008, G. 2 b 5 – Approval of Knesal Engineering Invoice #15-108 (\$3,080.37) for Adjust Sewers MDOT SR601-008, G. 2 b 6 – Approval of Volkert Invoice #01601090 (\$3,199.29) for Adjust Sewers MDOT SR601-008, 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	absent
Harrison County (2)	voted	aye
Pass Christian	voted	aye

The motion passed.

Mr. Gombos made a motion to approve the amended the Claims Docket dated March 6, 2015, 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	absent

Harrison County (2)	voted	aye
Pass Christian	voted	aye

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

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H. Executive Director's Report.

Mr. Scharr stated HCUA sent a notice to River Bend and Robinwood Forrest Utility Districts providing notice that our system will be available to them effective by the end of 2015. Copies were sent to the Public Service Commission and MDEQ. HCUA requesting MDEQ begin to take action to revoke their permits and establish a schedule for the districts to tie-in to our system within 30 days of it becoming available for use.

Mr. Scharr stated that he will be presenting an overall progress review of the HCUA at the next Board meeting.

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I. Executive Session

Mayor Hewes requested that the Board enter into Closed Session to determine the need for an Executive Session.

Mayor McDermott made a motion to go into closed session, seconded by Mayor Skellie.

Mr. Simpson stated that there are pending litigation and contractual matters that need to be discussed in Executive Session.

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

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

The motion passed. The Board entered into Executive Session.

Mayor McDermott made a motion to exit the Executive Session and return to normal Open Session, 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	absent
Harrison County (2)	voted	aye
Pass Christian	voted	aye

The motion passed. No action was taken during Executive Session.

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

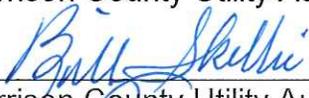
Biloxi	voted	aye
Gulfport	voted	aye
D'Iberville	voted	aye
Long Beach	voted	aye
Harrison County (1)	voted	absent
Harrison County (2)	voted	aye
Pass Christian	voted	aye

The motion to adjourn passed.

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Harrison County Utility Authority



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