

HARRISON COUNTY UTILITY AUTHORITY  
SPECIAL BOARD MEETING  
March 23, 2016

Be it remembered that a meeting of the Harrison County Utility Authority Board of Directors was held on March 23, 2016, 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:

Mayor Andrew "Fofu" Gilich, City of Biloxi, Director  
Mayor Billy Hewes, City of Gulfport, Director  
Mayor Billy Skellie, City of Long Beach, Director  
Mr. Al Gombos, representing the City of D'Iberville  
Supervisor Marlin Ladner, Harrison County (1), Director  
Mayor Chipper McDermott, City of Pass Christian, Director  
Mr. Donald Scharr, Executive Director, HCUA  
Mr. James Simpson, Wise Carter Attorneys, Esquire  
Ms. Patra Roberts, Office Manager, HCUA  
Mr. Michael VanCourt, Comptroller, HCUA

ABSENT:

Supervisor Angel Kibler-Middleton, Harrison County (2), Director

AUDIENCE:

Mr. Jerry Levens, AVL CPA Firm  
Ms. Deborah Aiken, AVL CPA Firm  
Ms. Kim Marman, AVL CPA Firm

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

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

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**A. Public Comments** – Mayor Gilich opened the floor for public comments.

There were no public comments.

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**Old Business**

**B. 1 a – 2015 Draft Audit Report**

Mr. Jerry Levens, of Alexander Van Loon, Sloan Levens, and Farve, presented a summary of the draft audit report. The summary included a review of the Management’s Discussion and Analysis. Mr. Levens stated the audit yielded an unmodified or clean opinion. The unmodified opinion is the highest opinion an auditor can offer on financial statements.

Mr. Levens stated that there was one audit finding in the area of compliance and internal control because the D’Iberville facility should have been taken off of the books in 2014 when the property was transferred.

Mr. Levens stated AVL made the following recommendations:

- the accounting staff be afforded opportunities for further training
- the accounting department should be expanded to accommodate the growth of the organization
- implementation of a fully integrated accounting software system
- utilize the billing system to manage receivables for the grease generator permits.

Supervisor Ladner made a motion to accept the 2015 Draft Audit Report, seconded by Mayor McDermott. 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	aye
Harrison County (2)	voted	absent
Pass Christian	voted	aye

The motion passed. A copy of the draft audit report is attached hereto as exhibit “B”.



**B. 1 b – Agreement with the City of Biloxi for the Operation of the S21/W19 System**

Mr. Simpson presented the Board with a copy of the lease agreement to allow the City of Biloxi to operate the S21/W19 system at their own expense.

Mr. Gombos made a motion to approve the Agreement with the City of Biloxi for the Operation of the S21/W19 System, seconded by Mayor McDermott. 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	aye
Harrison County (2)	voted	absent
Pass Christian	voted	aye

The motion passed. A copy of the lease agreement is attached hereto as exhibit "C".

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There was a discussion regarding a recent state Supreme Court ruling preventing entities from entering into long-term contracts beyond the term of the officials who presided at the time of contract execution. The new ruling becomes effective April 1, 2016.

Mayor Hewes and Mr. Simpson advised the Board members to consult with their respective legal counsel regarding this matter.

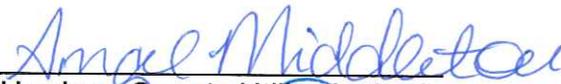
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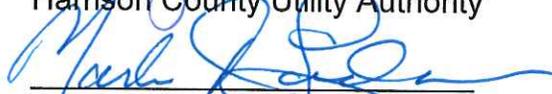
**L. Adjourn** - At this time Mayor McDermott made a motion to adjourn, seconded by Mayor Skellie. A roll call vote resulted in the following votes:

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

The motion to adjourn passed.

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 Harrison County Utility Authority

  
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