HARRISON COUNTY UTILITY AUTHORITY
BOARD MEETING
November 5, 2015

Be it remembered that a meeting of the Harrison County Utility Authority Board of Directors was held on November 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. Wayne Miller, representing the City of Gulfport
Mayor Andrew "Fofo" Gilich, City of Biloxi, Director
Mayor Billy Skellie, City of Long Beach, Director
Mr. Al Gombos, representing the City of D'Iberville
Mayor Chipper McDermott, City of Pass Christian, Director
Supervisor Marlin Ladner, Harrison County (1), Director
Mr. Donald Scharr, Executive Director, HCUA
Mr. Russell Nobile, Wise Carter Attorneys
Ms. Merri Ann Testa, Procurement Specialist, HCUA
Ms. Patra Roberts, Office Manager, HCUA
Mr. Michael VanCourt, Comptroller, HCUA
Mr. Bart Clover, Wastewater/IT Coordinator, HCUA
Mr. John Wilson, O & M Manager, HCUA
Mr. Seren Ainsworth, Solid Waste Coordinator, HCUA
Mr. Reed Bryant, Staff Engineer, HCUA

ABSENT:

Mayor Billy Hewes, City of Gulfport, Director
Mr. James Simpson, Wise Carter Attorneys, Esquire

AUDIENCE:

Mr. Bruce Newton, Vice President, Digital Engineering
Mr. Chris Williams, BMA Consulting Engineers
Mr. Dan Gaillet, PW Director, City of Biloxi
Mr. Danny Boudreaux, Engineer, Harrison County
Mr. Jeff Riopelle, Knesal Engineering
Ms. Lisa Verhovshek, Wise Carter
Mr. Derrel Wilson, Utility Partners
Mr. Bobby Knesal, Utility Partners
Ms. Cindy Lamb, Pickering Engineering Firm
Ms. Elizabeth Raley, Raley & Raley

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.

A. Public Comments – Mayor Gilich opened the floor for public comments. Supervisor Connie Rocko introduced Mr. Greg Ryland of Aquiom, LLC. Mr. Ryland presented the Board with a brief presentation regarding his company and their services.

Supervisor Ladner stated he has been contacted by the owner of the property where HCUA has installed a custody transfer station and a chlorine booster station at Beatline Road and 28th Street. The owner contends that HCUA built outside of the easement and built above ground.

Chris Williams of BMA stated that the building is in the right of way not on the easement. Mr. Scharr asked Mr. Williams to set up a meeting with the owner to discuss the matter.

Agenda Amendment

Mr. Scharr requested to amend the agenda to add the Re-authorization of Sutter Agreement as Item G. 2 b 1.

Mr. Nobile stated the Board originally approved the execution of the agreement with Sutter on March 20, 2014. All parties have executed the contract and are operating under the contract. Sutter is going before the Public Services Commission. The Public Services Commission is requesting to have an original copy of the signed agreement. Currently all parties have only copies. Mr. Nobile is requesting the Board re-authorize the execution of the contract.

Mayor McDermott made a motion to amend the agenda to add item G. 2 b 1 – Re-authorization of Sutter Agreement, seconded by Supervisor Ladner. 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.

B. Approval of Board Meeting Minutes dated October 1, 2015

Mr. Gombos made a motion to approve the Board Meeting minutes dated October 1, 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	aye
Harrison County (2)	voted	aye
Pass Christian	voted	aye

The motion passed.

C. Approval of Board Meeting Minutes dated October 15, 2015

Mr. Gombos made a motion to approve the Board Meeting minutes dated October 15, 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	aye
Harrison County (2)	voted	aye
Pass Christian	voted	aye

The motion passed.

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

There was discussion regarding the cost of the UV lights for the disinfection system at the treatment plants. Mr. Gombos asked if HCUA utilized a sole source vendor.

Mayor Skellie made a motion to approve the November 6, 2015 Wastewater Claims Docket contingent upon verification of a sole source certification for the vendor - E. Tech, seconded by Supervisor Ladner. 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".

E. Technical Committee Minutes

There was discussion regarding issues with the Pineville CIAP Project No. 2 and the engineering and acquisition costs.

Mr. Gombos made a motion to approve the Technical Committee meeting minutes dated October 28, 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	aye
Harrison County (2)	voted	aye
Pass Christian	voted	aye

The motion passed.

F. a — Financial Reports – Non-CDBG

Mr. VanCourt provided an overview of the financial report for FY 2016. Mr. Gombos inquired about a cost to the North D'Iberville Interceptor in the amount of $543.00. Mr. VanCourt stated that is the budgeted cost of operations to Utility Partners spread out over the 12 month period. Mr. Gombos requested a report of what the City of D'Iberville received for that cost.

Mayor McDermott made a motion to accept the Financial Report – Non-CDBG, seconded by Mr. Miller. 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 Non-CDBG Financial Report is attached hereto as exhibit "C".

F. b – Financial Reports – CDBG

Mr. Newton stated the CDBG is moving along. He stated that most projects are on schedule for close out by December 31, 2015. The remaining 2-3 projects will be completed by summer of 2016.

There was a discussion regarding the completion of the Red Creek Road pump station.

Supervisor Ladner made a motion to accept the Financial Report – CDBG, 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.

Old Business
G. 1 a – None

New Business
CDBG

G. 2 a 1 – W13 – Term Bid 2008-07 Certificate of Substantial Completion for Work Orders No. 1, 2, 3 & 4

Mr. Newton stated substantial completion certificates have been issued for the W13 Project Work Orders No. 1-4 with a substantial completion date of September 22, 2015.

Mayor McDermott made a motion to approve the W13 – Term Bid 2008-07 Certificate of Substantial Completion for Work Orders No. 1, 2, 3 & 4 seconded by Supervisor Ladner. 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. Copies of the work orders are attached hereto as exhibit "D".

G. 2 a 2 – W13 – Term Bid 2008-07 Summary Change Orders (Work Orders No. 1, 2, 3 & 4)

Mr. Newton stated the change orders represents:

Work Order No. 1 – increase of $26,838.31

Work Order No. 2 – increase of $43,410.12

Work Order No. 3 – decrease of $52,724.33

Work Order No. 4 – decrease of $53,621.64

Mayor McDermott made a motion to approve the W13 – Term Bid 2008-07 Summary Change Orders (Work Orders No. 1, 2, 3 & 4) seconded by Mr. Miller. 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. Copies of the work orders are attached hereto as exhibit "E".

Non – CDBG
Amended Agenda Item
G. 2 b 1 – Re-Authorization of Sutter Agreement

Mr. Nobile requested that the Board authorizes Mr. Scharr to execute the Sutter agreement previously approved on March 20, 2014 to provide the Public Services Commission with an original document.

Mr. Scharr stated the agreement is for HCUA to provide water services to Sutter in their certificated area. Mr. Scharr stated that this agreement does not include the provision of Sutter enforcing collections of delinquent sewer accounts by shutting off the water.

There was a discussion regarding getting an agreement in place with Sutter where they enforce collections of delinquent sewer accounts by shutting off the water.

Mr. Gombos made a motion to table the re-authorization of the Sutter Agreement, seconded by Supervisor Ladner. 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 failed. A copy of the Agreement is attached hereto as exhibit "F".

G. 2 b 2 – MDOT SR601-008 Project Payment Request No. 6 – Miller Enterprises for $121,811.00 (contingent upon MDOT approval)

Mayor McDermott made a motion to approve MDOT SR601-008 Project Payment Request No. 6 – Miller Enterprises for $121,811.00 (contingent upon MDOT approval) based on the recommendation of Mr. Bryant,

seconded by Supervisor Ladner. 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 Payment Request is attached hereto as exhibit "G".

G. 2 b 3 – MDOT SR601-008 Relocation of Sewer Project Modification of Payment Request No. 22 – Volkert, Inc. for $3,358.89 (contingent upon MDOT approval)

Mr. Scharr stated that the Board previously approved this payment request on September 3, 2015 for $1,543.89. The payment request has been amended for the amount of $3,358.89, subject to MDOT approval.

Mr. Gombos made a motion to approve MDOT SR601-008 Relocation of Sewer Project Modification of Payment Request No. 22 – Volkert, Inc. for $3,358.89 (contingent upon MDOT approval, 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	aye
Harrison County (2)	voted	aye
Pass Christian	voted	aye

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

G. 2 b 4 – FEMA Hurricane Katrina Disaster Relief Projects – Henderson Point

Mr. Scharr stated FEMA overpaid several items to the Henderson Point system and are requesting repayment in the amount of $244,013.27. He is recommending this amount be paid out of the funds HCUA received as a result of the acquisition of the Henderson Point system.

Supervisor Ladner made a motion to approve the payment to FEMA in the amount of $244,013.27 for overpayments received for Hurricane Katrina Disaster Relief Projects in Henderson Point, 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. A copy of the Memo is attached hereto as exhibit "I".

G. 2 b 5 – HCUA and Harrison County Board of Supervisors Inter-local Agreement

Mr. Scharr stated this agreement authorizes the sharing of resources between Harrison County and HCUA on an as needed basis.

Mr. Gombos opposes the agreement on the grounds that the agreement puts the county on record for being involved in the utilities business.

There was discussion on whether the Attorney General will give an opinion on the agreement before or after the adoption of the agreement.

Mayor Skellie made a motion to approve the HCUA and Harrison County Board of Supervisors Inter-local Agreement seconded by Supervisor Ladner. 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 Agreement is attached hereto as exhibit "J".

G. 2 b 6 – Sewer Connection for Mr. Jamie Jenkins

Mr. Scharr stated Mr. Jamie Jenkins has formally requested to have his home located on Meyers Lane, connected to the HCUA system for water and sewer. HCUA is unable to provide Mr. Jenkins with water, as his residence is located in Sutter's certificated area. Mr. Scharr is recommending that the Board authorize the installation of a grinder system to service Mr. Jenkins and potentially another neighbor. The total estimated cost of the project is just under $13,000. Mr. Jenkins will pay a connection fee of $4,000.00. HCUA will utilize Harrison County's equipment to bore the hole and HCUA staff will perform the installation and connection of the line.

There was a discussion regarding whether this project utilizes public funds to benefit one individual and the lack of collection enforcement methods.

Mayor McDermott made a motion to approve the Sewer Connection for Mr. Jamie Jenkins, seconded by Supervisor Ladner. 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	aye
Harrison County (2)	voted	aye
Pass Christian	voted	aye

A unanimous vote is required. The motion failed.

The question was called again for a re-vote.

Mr. Gombos made a motion to recall the vote to approve the Sewer Connection for Mr. Jamie Jenkins, 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 memo is attached hereto as exhibit "K".

G. 2 b 7 – HCUA Policy Amendments

Mr. Scharr stated the policy amendments are to incorporate actions taken by the Board previously with regards to job descriptions, compensation tables, and employee performance reviews.

Mr. Gombos made a motion to approve the HCUA Policy Amendments, seconded by Supervisor Ladner. 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 policy amendments is attached hereto as exhibit "J".

G. 2 b 8 – Funding Master Plan Status Update – Quarterly Milestones/Deliverables

Mr. Scharr presented the Board with the schedule of activities and deliverables for the first six months of the Funding Master Plan agreement with Raley & Raley.

Mr. Gombos made a motion to receive and approve the Funding Master Plan Update and Quarterly Milestones, 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	aye
Harrison County (2)	voted	aye
Pass Christian	voted	aye

The motion passed. A copy of the quarterly milestones is attached hereto as exhibit "K".

G. 2 b 9 – Bond Refinancing Status Updates

Mr. Scharr stated that he has been working with Mr. Simpson, and Mr. Demery Grubbs on creating a plan of action and timeline for the bond refinancing process.

Mr. Grubbs provided a brief historical overview of the financing of the HCUA bonds. He explained the variable rate and the swap rate agreement. The swap agreement expires in 2018. HCUA must review refinance options and determine which method to use for the refinance. Mr. Grubbs recommends evaluating all possible finance options and present the Board with options in December 2015.

Mr. Scharr noted that the Board will also need to consider whether any additional money will be included in the bonds for upcoming projects.

Mayor McDermott made a motion to receive and approve the Bond Refinancing Status 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	aye
Harrison County (2)	voted	aye
Pass Christian	voted	aye

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

H. Executive Director's Report.

Mr. Scharr stated HCUA has received the annual evaluations on the water systems. The East and West systems received a 4.7 out of 5, as a result of an administrative policy change that is required. Traditions received 4.0 out of 5, due to a lack of a redundant water source. The North system was not graded this year, due to a lack of users.

I. Executive Session

Mayor Gilich asked if there was a need for Executive Session.

Mr. Nobile stated that there was no need for an Executive Session.

K. 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