

HARRISON COUNTY UTILITY AUTHORITY
BOARD MEETING
January 5, 2017

Be it remembered that a meeting of the Harrison County Utility Authority Board of Directors was held on January 5, 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
Mr. Bernie Parker, representing the City of Long Beach
Mr. Al Gombos, representing the City of D'Iberville
Mr. Jody Spires, representing Harrison County (2)
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:

Mayor Billy Skellie, City of Long Beach, Director
Supervisor Angel Kibler-Middleton, Harrison County (2), Director

AUDIENCE:

Mr. Bruce Newton, Digital Engineering
Mr. Kris Riemann, City of Gulfport
Mr. Bill Knesal, Knesal Engineering
Mr. Bobby Knesal, Utility Partners
Mr. Derrel Wilson, Utility Partners
Mr. Tim Herman, Waste Pro
Mr. Jon Bierd, Waste Pro
Mr. Ruppert Jemmott, Waste Pro
Mr. John Baptiste, Waste Pro
Ms. Cindy Lamb, Pickering Engineering
Ms. Pamela Ducas, Waste Management
Mr. Alan Duda, Team Waste

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.

There were no public comments.

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C. Approval of Board Meeting Minutes dated December 1, 2016

Mr. Gombos made a motion to approve the Board Meeting Minutes dated December 1, 2016, 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.

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D. Approval of Board Meeting Minutes dated December 15, 2016

Mr. Gombos made a motion to approve the Board Meeting Minutes dated December 15, 2016, 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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E. Approval of HCUA Claims Docket dated January 6, 2017

Mayor Gilich made a motion to approve the HCUA Claims Docket dated January 6, 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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F. a — Financial Reports – Non-CDBG

Ms. Christian provided a brief overview of the current budget status.

Mayor Gilich made a motion to accept the Financial Report – Non-CDBG, 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 Non-CDBG Financial Report is attached hereto as exhibit "C".

F. b – Financial Reports – CDBG

Mr. Newton stated S14 and S18 are the only two projects that remain open. The S18 project is substantially complete and work is ongoing on the S14 project.

No action required.

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Old Business

G. 1 a - None

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New Business - CDBG

G. 2 a 1 – S18 Engineering Services Modification No. 8 – Knesal Engineering Services

Mayor McDermott made a motion to approve S18 Engineering Services Modification No. 8 – Knesal Engineering Services (\$6,700) based on the recommendation of Mr. Newton, 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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G. 2 a 2 – CDBG Grant Closeout – S14 Issues/Update

Mr. Newton reported 52 manholes need to be vacuum tested. The contractor is able to mobilize the testing equipment via four-wheelers. Four-wheelers will be used to inspect and vacuum test the manholes. MDEQ/MDA indicated that they will work with HCUA to get the project completed. Mr. Scharr stated MDEQ indicated they may be able to extend the project by a week or two in January. Mr. Newton stated his office is providing MDEQ/MDA with daily updates.

No action required.

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Mayor Hewes requested the order of the agenda be suspended to hear the remaining agenda items before item G. 2 b 1 – Waste Pro Discussion is brought before the Board.

H. Solid Waste Report

Mr. Lane provided the Board with the Waste Pro complaints received by HCUA for December 2016.

- There were a total of 115 calls received by HCUA
- 72 were complaints
- 43 were requests.

I. Executive Director's Report

Mr. Scharr advised the Focus Group will attend the January 19, 2017 Board meeting seeking approval for the logo and the public outreach and media plan.

Mr. Scharr requested Board members submit any comments regarding the Solid Waste RFP draft as soon as possible. He anticipates presenting a revised version of the draft to the technical committee at the January 11, 2017 meeting.

Mr. Scharr advised he was contacted by the Harrison County Development Commission with a request to divert their flow from their Long Beach Industrial Park facility to the Johnson Road pump station, while repairs are being made. The repairs are expected to be completed within one week. The Board authorized Mr. Scharr to determine the cost less debt service and only charge them for the operational costs to treat their flow.

J. Executive Session

Mayor McDermott made a motion to enter into closed session to determine the need for Executive Session.

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 potential litigation, a contractual dispute, and a personnel matter in Executive Session.

Mayor McDermott made a motion to enter Executive Session, seconded by Mr. Spires. 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 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. The Board returned to Open Session.

No action taken in Executive Session.

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Non-CDBG

G. 2 b 1 – Waste Pro Discussion

Mr. Scharr advised the Board of the chronological lists of events regarding the Waste Pro issue.

- HCUA assessed fines to Waste Pro, in the amount of \$85,000, on November 4, 2016. Waste Pro responded to the notification stating their disagreement with the assessment of the fine, with no justification. No attempts were made to resolve the matter.
- At the December 1, 2016 Board meeting the Board voted to withhold the amount of the fine from Waste Pro's December payment.
- HCUA received a Notice of Breach of Contract on December 22, 2016. The notice stated Waste Pro would consider suspension of service on December 29, 2016 if the payment of \$85,000 was not received.
- Waste Pro agreed to continue service until the matter could be brought before the Board for consideration at today's meeting.

Mr. Tim Herman, Sr. Vice-President of Waste Pro, addressed the Board to present Waste Pro's position on the breach of contract matter. Mr. Herman stated:

- Waste Pro does not agree with the assessment of \$85,000 in fines
- Waste Pro does not believe HCUA has the right to withhold the amount of a fine from a payment
- Waste Pro would remove the breach of contract without further comment if HCUA would remit payment of the \$85,000.
- Recommended the matter of the August 2016 fines be dismissed
- Waste Pro has significant concerns with HCUA and the contract interpretation
- Waste Pro has done work that has exceeded the terms of the agreement, without compensation
- Section 24 of contract stipulates Waste Pro will pick up an unlimited amount of rubbish. He contends that rubbish does not include bulk debris, construction debris, trimmings, or yard waste excess.

Mr. Scharr provided an overview of the initial contract discussion that led to the amendment to include section 24.

There was significant discussion regarding HCUA waiving the rights to levy any fines related to violations from August 2016.

Mr. Herman contends most of the occurrences in August 2016 were requests, not complaints. He stated four of the 170 occurrences were complaints.

There was discussion regarding Waste Pro's inaccurate reporting of complaints, requests, and resolutions through the TracEZ system, as required by the contract.

Mr. Herman recommended HCUA drop any legal arguments to assess fines related to August 2016 occurrences and Waste Pro will withdraw the breach of contract, to allow for continued discussions of business operations.

Mr. Herman advised if HCUA would not release the \$85,000, Waste Pro would not suspend collection services, but would pursue legal remedy to collect it.

Executive Session

Mayor Hewes made a motion to enter Executive Session for further discussion of the contractual/legal matter with Waste Pro, 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 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 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 Board returned to Open Session.

Mr. Simpson gave a report of the actions taken during Executive Session.

Mr. Simpson stated the Board took no action on the Waste Pro matter, during executive session.

Mr. Simpson stated the Board took action on the Personnel matter listed on the agenda. The Executive Session minutes will be prepared regarding the Board action.

Mr. Gombos made a motion to reconsider the assessment of the August 2016 fines to Waste Pro, release the \$85,000, and resume discussions with Waste Pro without limitations, seconded by Mayor Gilich. A roll call vote resulted in the following votes:

Biloxi	voted	aye
Gulfport	voted	aye
D'Iberville	voted	aye

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Long Beach	voted	aye
Harrison County (1)	voted	aye
Harrison County (2)	voted	aye
Pass Christian	voted	aye

The motion passed. A copy of Mr. Herman's biography is attached hereto as exhibit "E".

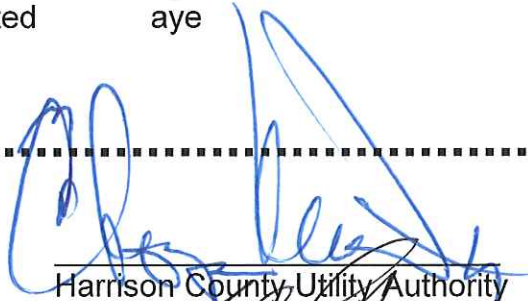
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K. Adjourn - At this time Mayor McDermott made a motion to adjourn, seconded by Mayor Gilich. A roll call vote resulted in the following votes:


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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