

HARRISON COUNTY UTILITY AUTHORITY
BOARD MEETING
November 3, 2016

Be it remembered that a meeting of the Harrison County Utility Authority Board of Directors was held on November 3, 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:

Supervisor Marlin Ladner, Harrison County (1), Director
Mayor Billy Hewes, City of Gulfport, Director
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
Supervisor Angel Kibler-Middleton, Harrison County (2), Director
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
Mr. Michael VanCourt, Comptroller, HCUA
Mr. John Wilson, O & M Manager, HCUA
Mr. Seren Ainsworth, Solid Waste Coordinator, HCUA

ABSENT:

AUDIENCE:

Mr. Bruce Newton, Digital Engineering
Mr. Kris Riemann, City of Gulfport
Mr. Chris Anthony, City of Pass Christian
Mr. Derrel Wilson, Utility Partners
Mr. Truett Schiel, Utility Partners
Ms. Cindy Lamb, Pickering Engineering Firm

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 October 6, 2016

Mr. Gombos made a motion to approve the Board Meeting Minutes dated October 6, 2016, seconded by Supervisor Middleton. 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 October 20, 2016

Mr. Gombos made a motion to approve the Board Meeting Minutes dated October 20, 2016, seconded by Supervisor Middleton. 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 November 4, 2016

Mayor McDermott made a motion to approve the HCUA Claims Docket dated November 4, 2016, 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 Claims Docket is attached hereto as exhibit "B".

F. CDBG – Requests for Cash

On behalf of the CDBG Grant Administrator, Gouras and Associates, Mr. Newton recommended the approval of the Request for Cash in the amount of \$308,604.52.

Mayor McDermott made a motion to approve the Request for Cash in the amount of \$308,604.52 based on the recommendation of the Grant Administrator and Mr. Newton, seconded by Mayor Hewes. 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 Request for Cash Summary is attached hereto as exhibit "C".

G. Technical Committee Minutes – October 31, 2016

Mr. Gombos made a motion to approve the Technical Committee meeting minutes dated October 31, 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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H. a — Financial Reports – Non-CDBG

Mr. VanCourt provided a brief overview of the current budget status.

Mr. Gombos 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.

H. b – Financial Reports – CDBG

Mr. Newton stated that S14 and S18 are the only two projects that remain open. Both projects are scheduled for substantial completion by November 30, 2016.

A copy of the Non-CDBG Financial Report is attached hereto as exhibit "D".

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Old Business

I. 1 a – Bond Refinancing Update

Mr. Simpson advised that Mr. Demery Grubbs was unable to attend today's meeting. He will address the Board at the November 17, 2016 Board Meeting.

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New Business - CDBG

I. 2 a 1 – HARCUA-02 Budget Modification No. 70

Mayor McDermott made a motion to approve HARCUA-02 Budget Modification No. 70 based on the recommendation of Mr. Newton, 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 modification is attached hereto as exhibit "E".

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I. 2 a 2 – S14 Change Order No. 5 – Jay Bearden Construction

Mayor Skellie made a motion to approve S14 Change Order No. 5 – Jay Bearden Construction 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 change order is attached hereto as exhibit "F".

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I. 2 a 3 – SCADA Engineering Contract Amendment No. 6 – CH2M Hill

Mayor Skellie made a motion to approve the SCADA Engineering Contract Amendment No. 6 – CH2M Hill based on the recommendation of Mr. Newton, 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 amendment is attached hereto as exhibit "G".

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Non-CDBG

I. 2 b 1 – Acceptance of Love's Truck Stop Pump Station Operation and Maintenance

Supervisor Middleton made a motion to approve the Acceptance of Love's Truck Stop Pump Station Operation and Maintenance based on the recommendation of Mr. Scharr, 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 memorandum is attached hereto as exhibit "H".

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I. 2 b 2 – Long Beach/Pass Christian WWTF Headworks Rehabilitation - RPR Services - Pickering Firm, Inc.

Mayor Gilich made a motion to approve the award for Long Beach/Pass Christian WWTF Headworks Rehabilitation – RPR Services – Pickering Firm, Inc. based on the recommendation of Mr. Scharr, 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 proposal is attached hereto as exhibit "I".

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I. 2 b 3 - Long Beach/Pass Christian WWTF Headworks Rehabilitation – Contract Award – Gulf Coast Underground, Inc.

Mayor Skellie made a motion to approve the Long Beach/Pass Christian WWTF Headworks Rehabilitation – Contract Award – Gulf Coast Underground, Inc. based on the recommendation of Mr. Scharr, 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 bid tabulation is attached hereto as exhibit "J".

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I. 2 b 4 – Biloxi/D'Iberville Water Improvements – Contract Award Recommendation – Hemphill Construction

Mr. Gombos made a motion to approve the Biloxi/D'Iberville Water Improvements – Contract Award Recommendation – Hemphill Construction based on the recommendation of Mr. Scharr, 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 bid tabulation is attached hereto as exhibit "K".

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I. 2 b 5 – AVL Water Audit & Report

Mr. Scharr advised the AVL Water Audit was presented to the Technical Committee on October 31, 2016, as requested by the Board. The committee voted to accept the audit with a 5-1 vote.

Mayor Hewes stated he would have liked to have more narratives and comments from the individuals that were surveyed.

Mr. Gombos made a motion to accept the AVL Water Audit & Report, 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 audit is attached hereto as exhibit "L".

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I. 2 b 6 – In-House Pump Station Operations

Mr. Scharr presented the Board with his recommendation to assume the operation of the HCUA pump stations from Utility Partners, effective January 1, 2017.

Mr. Scharr advised the Board had previously requested the evaluation of current HCUA in-house operations, prior to moving forward with the pump station operations. He stated HCUA has successfully assumed in-house operations of the water system, within the last year. He stated HCUA has performed these services at a lower cost than Utility Partners. AVL's water audit and report confirmed satisfactory operations and a cost savings of \$130,000 in FY 2016, with projected savings of \$248,000 in FY 2018.

Mr. Scharr stated the estimated cost savings for assuming in-house operations of the pump stations will be \$25,000 in FY-2017 and \$157,000 in FY-2018.

Mr. Scharr advised three additional personnel would be required for pump station operations.

There was significant discussion regarding the additional overhead costs that Utility Partners is asking to recover if pump station operations are assumed by HCUA. Mr. Simpson provided a letter advising his legal interpretation of the amendment indicating HCUA has no legal obligation to incur those additional costs.

Mr. Scharr advised the Technical Committee voted 4-2 not to recommend assuming in-house operations. Mr. Scharr advised he still recommends assuming in-house operations because HCUA can provide the same level of quality at a much lower cost.

Mayor Hewes asked about the possibility of going out for bid. Mr. Scharr advised that there is not enough time to complete the bid process before the contract expires on December 31, 2016.

There was discussion regarding HCUA having sufficient personnel and the future growth.

There was discussion regarding the comparable levels of accountability and quality standards.

Mayor Hewes recommended extending the contract with Utility Partners and bidding out all services when the contract expires. Mr. Scharr stated he believes all costs will go up if the services go out for bid.

No action was taken.

Mr. Gombos made a motion to authorize the Executive Director to exercise the one-year option with Utility Partners for the operations of the pump stations and prepare specifications to advertise for operations of the pump stations and treatment facilities, seconded by Mayor Hewes. 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 memorandum is attached hereto as exhibit "M".

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J. Solid Waste Report

Mr. Ainsworth provided the Board with the Waste Pro complaints received by HCUA for October 2016 and the Waste Pro holiday schedule for Thanksgiving. He advised the schedule will be distributed to all member agencies.

Mr. Simpson stated Biloxi's City Council is very dissatisfied with Waste Pro services. Biloxi's City Attorney, Peter Abide, has requested a copy of the

notification of fines assessed to Waste Pro. Mr. Scharr stated that he will also distribute a copy of the notice to all Board members.

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K. Executive Director's Report

There was no Executive Director's Report.

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L. Executive Session

Mr. Simpson stated there was no need for an Executive Session.


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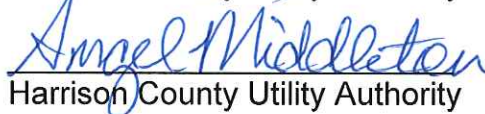
M. Adjourn - At this time Mayor Skellie made a motion to adjourn, seconded by Mayor McDermott. A roll call vote resulted in the following votes:

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 to adjourn passed.

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