

HARRISON COUNTY UTILITY AUTHORITY  
BOARD MEETING  
August 17, 2017

Be it remembered that a meeting of the Harrison County Utility Authority Board of Directors was held on August 17, 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 Chipper McDermott, City of Pass Christian, Director  
Mr. Wayne Miller, representing the City of Gulfport  
Mayor George Bass, City of Long Beach, Director  
Mr. Mike Leonard, representing the City of Biloxi  
Supervisor Angel Kibler-Middleton, Harrison County (2), Director  
Mr. Al Gombos, representing the City of D'Iberville  
Mr. James Simpson, Wise Carter Attorneys, Esquire  
Mr. Donald Scharr, Executive Director, HCUA  
Mr. John Wilson, O & M Manager, HCUA  
Ms. Patra Roberts, Office Manager, HCUA  
Ms. Julie Christian, Chief Financial Officer, HCUA  
Mr. Alan Lane, Solid Waste Coordinator, HCUA

**ABSENT:**

Mayor Billy Hewes, City of Gulfport, Director  
Mayor Andrew "Fofa" Gilich, City of Biloxi, Director

**AUDIENCE:**

Mr. Bruce Newton, Digital Engineering  
Mr. Derrel Wilson, Utility Partners  
Mr. Hugh Keating, City of Gulfport  
Mr. Jon Bierd, Waste Pro  
Mr. Tommy Thibodeaux, Pelican Waste  
Ms. Lavada Johnson, Pelican Waste  
Ms. Cindy Lamb, Pickering Engineering  
Mr. Jason Overstreet, A. Garner Russell  
Ms. Buford Clark, Waste Management  
Mr. Sam Williams, Waste Management  
Mr. Kevin Powell, Waste Management  
Ms. Jenna Bennett, Team Waste  
Mr. Andrew Densing, Team Waste  
Mr. Cody Waters, Team Waste  
Mr. Tim Callahan, Team Waste

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

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

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**A. Invocation and Pledge of Allegiance**

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**B. Public Comments**

Mayor McDermott opened the floor for public comments. There were none.

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**C. Approval of HCUA Claims Docket dated August 18, 2017**

Mr. Gombos made a motion to approve the August 18, 2017 HCUA Claims Docket, seconded by Mayor Bass. 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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**D. Acceptance of Technical Committee Minutes August 9, 2017**

Mr. Gombos made a motion to accept the Technical Committee Meeting Minutes dated August 9, 2017, seconded by Mayor Bass. 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 minutes is attached hereto as exhibit "C".

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**New Business**

**E. 1 a – S14 Change Order No. 6 – Jay Bearden Construction**

The change order represents an increase of 282 days with a new substantial completion date of September 8, 2017. This change order also represents an increase of \$9,500.00 to the contract amount for additional equipment needed to complete the project.

Mayor Bass made a motion to approve S14 Change Order No. 6 – Jay Bearden Construction, 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. A copy of the change order is attached hereto as exhibit "D".

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**E. 1 b – Eagle Point Lagoon Closure – Engineering Services Contract – A. Garner Russell & Associates**

Mr. Leonard made a motion to approve Eagle Point Lagoon Closure – Engineering Services Contract – A. Garner Russell & Associates based on the recommendation of Mr. Scharr, 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 contract is attached hereto as exhibit "E".

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**E. 1 c – Chemical Contract Award (SHC, SBS & Caustic Soda) – Water & Waste Specialties, LLC.**

Mr. Gombos made a motion to approve Chemical Contract Award (SHC, SBS & Caustic Soda) – Water & Waste Specialties, LLC. based on the recommendation of Mr. Scharr, seconded by Mayor Bass. 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 recommendation is attached hereto as exhibit "F".

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**E. 1 d – Budget Discussions/Considerations**

Mr. Scharr advised the Board that a public hearing needs to be scheduled for the Fiscal Year 2018 Budget. He advised that he has met with each board member individually regarding the budget.

Mr. Scharr advised that there are several budgetary considerations that he is requesting clear direction from the Board on for incorporation into the final budget. The list of issues are listed below:

- Establishment of an HCUA O & M Reserve
- Distribution of Water Costs
- Confirmation of Allocations by Each Member Agency
  1. O & M Reserve Refund
  2. Over/Under Money
  3. Renewal and Replacement
- Confirmation of Solid Waste Cost Allocation
- Confirmation of Projects/Professional Services.

Mr. Scharr recommended reducing the O & M Reserve from \$1.5 million to \$1 million.

Mr. Scharr advised he made a recommendation to the Board, in May 2017 to allow the City of Gulfport to take over the operations of the Three Rivers water tank, well, and line. The Board approved this request. Mr. Scharr's recommendation letter noted that there would be a re-distribution of costs to operate the water system. The other member agencies' percentages increased as result of the reduced flow in the system. The draft budget indicated the increased amount to be distributed to the other member agencies would be approximately \$63,000. He stated Harrison County's share would be approximately \$33,000 and D'Iberville's share would be slightly over \$15,000. Mr. Scharr advised the prepared budget was consistent with what was approved by the Board. He stated that concerns were raised during some of the individual budget meetings and he felt the matter should be brought back before the Board for clarification.

Mr. Simpson stated removing the well and tank from the HCUA system reduces capacity and will result in a re-allocation of costs. He advised the Board did approve this change. Mr. Simpson stated he wanted to make sure that the Board understood that it would be unintentionally costing itself \$60,000 by accommodating Gulfport's request.

Mr. Simpson suggested to hire Gulfport to operate that section of line without reallocation of costs.

Mr. Scharr stated allowing Gulfport to assume operation of the line itself so they could directly serve customers would solve the real problem that they initially had. This is not what they requested, but that would solve the practical problem. Mr. Scharr stated If HCUA leased the line to Gulfport so they could actually make it a part of their permitted system, then they could serve people directly off of that line and they would be able to issue notices if they have boil water notices. We would no longer be the middle man.

Mr. Scharr stated if the tank and well remained with the Authority, we could continue the distribution of costs the way we've been doing it. This would be consistent with what we are doing at Traditions. If the Board chose to do this, the Board attorney can develop an agreement so we can lease the line to Gulfport so that they could service the people they want to service and maintain the well and tank as part of the HCUA system.

Jim Simpson stated the motion would be to create a proper O & M agreement to operate the line and HCUA maintain the tank and well, without a redistribution of costs.

Mr. Gombos made a motion to authorize development of an agreement with the City of Gulfport for operation of the water lines associated with the Three Rivers Well and Tank and HCUA will maintain operation of the well and tank, with no change in reallocation of costs to the water system, seconded by Supervisor Ladner. A roll call vote resulted in the following votes:

Biloxi	voted	aye
Gulfport	voted	nay
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 "G".

There was a discussion regarding the status of the connection of West Harrison High School and D'Iberville High School to the HCUA sewer system.

Mr. Scharr stated he will set up a meeting with Mr. Larry Benefield to discuss moving forward with the connections for both schools. He advised he would report back to the Board after meeting with Mr. Benefield.

Mr. Scharr stated he will meet with each member agency again to confirm the allocation of the O & M Reserve funds, the over/under monies, and the renewal and replacement monies.

Mr. Scharr advised the budget presented did not include any solid waste cost allocations for Gulfport. He requested direction from the Board on whether the budget should include the cost of providing solid waste services to Gulfport or not.

There was discussion regarding Gulfport's intent to proceed with their own solid waste services, whether HCUA approves their withdrawal or not. Mr. Gombos stated the Board had approved Gulfport's withdrawal, contingent upon their acceptance of the revised Memorandum of Understanding. Without the acceptance of the revised MOU, he stated that the recommendations on the budget should be based on the existing conditions today.

There was a discussion regarding the future legal ramifications of excluding Gulfport from the solid waste allocations, should the matter end up in litigation.

## **E. 2 a – Gulfport's Revised Memorandum of Understanding**

Mr. Simpson advised the revised Memorandum of Understanding includes provisions for Gulfport to incur the \$1.4 million costs that would be passed on the remaining member agencies. He stated the revised MOU was sent to Gulfport last week. Mr. Simpson noted that Gulfport's City Council has yet to meet to consider the revised MOU.

## **Motion**

Mr. Gombos made a motion to approve the Revised Memorandum of Understanding regarding Gulfport's withdrawal from the Solid Waste Contract, seconded by Supervisor Middleton. A roll call vote resulted in the following votes:

Biloxi	voted	aye
Gulfport	voted	nay
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 revised memorandum is attached hereto as exhibit "H".

### **Motion**

Supervisor Middleton made a motion to prepare the FY 2018 Budget that includes the City of Gulfport in the Solid Waste Allocations, seconded by Mr. Gombos. A roll call vote resulted in the following votes:

Biloxi	voted	aye
Gulfport	voted	nay
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 "I".

Mr. Scharr advised the FY 2018 budget includes about \$5 million of construction, capitalized maintenance, and professional services.

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### **E. 1 e – Waste Pro Response to HCUA Request Regarding Transition of Services**

Mr. Scharr provided the Board with an email response from Mr. Tim Herman regarding the transition of solid waste services. He stated that local Waste Pro management had been directed that all communications regarding the transition must go through Mr. Herman. Mr. Scharr stated he contacted Mr. Herman and he stated he would not talk to him. Mr. Herman stated he would only communicate with Mr. Scharr in writing.

Mr. Herman's response to the HCUA's request for assistance with the transition of services stated:

"Waste Pro has no legitimate reason to accommodate your current requests. We will accommodate your request if HCUA agrees to:

- 1. HCUA immediately cease threatening Waste Pro with fines and lawsuits, stop suggesting withholding payment
- 2. No legal action will be taken by HCUA against Waste Pro
- 3. HCUA will pay Waste Pro for full services rendered within 21 days of receipt of invoice for the remaining months of August, September, and October.
- 4. HCUA will be responsible for the disposal costs for any Waste Pro carts remaining after October 1, 2017 that contain waste

Mr. Scharr recommended rejection of Mr. Herman's conditions.

Mayor Bass made a motion to reject the conditions submitted by Mr. Herman regarding the transition of solid waste services, 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 memorandum is attached hereto as exhibit "J".

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**Old Business**

**E. 2 a – Gulfport's Revised Memorandum of Understanding**

Item previously considered above.

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**E. 2 b – Hiring Third-Party Legal Counsel to Represent the HCUA in all Actions and Claims Taken or Perceived against the HCUA Solid Waste Service Agreements by a Member Agency**

Mr. Gombos made a motion to hire Tim Holloman, Peter Abide, and Doug Hornsby to represent the HCUA in all Actions and Claims Taken or Perceived

against the HCUA Solid Waste Service Agreements by a Member Agency and recuse Wise Carter regarding the same matters, seconded by Mayor Bass.

Mr. Simpson advised that he did speak with Mr. Malcolm Jones, City Attorney for Pass Christian. Mr. Jones felt the three attorneys would be sufficient representation.

The group agreed that Mr. Holloman would be the lead attorney and the others will support him as needed.

A roll call vote resulted in the following votes:

Biloxi	voted	aye
Gulfport	voted	nay
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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### **Executive Director's Report**

There was no Executive Director's Report.

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Mr. Scharr requested the Board enter into Executive Session for discussion on a personnel matter.

### **Executive Session**

Mr. Gombos made a motion to enter into closed session to determine the need for Executive Session, 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.

Mr. Simpson stated the need to discuss a specific personnel position.

Mayor Bass made a motion to enter Executive 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 entered into Executive Session.

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Mayor Bass made a motion to exit Executive Session and return to Open Session, 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. The Board returned to Open Session.  
There was no action taken during Executive Session.

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Mr. Gombos made a motion to authorize Mr. Scharr to proceed with the creation of a new position and take the necessary steps to execute that, seconded by Mayor Bass. 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

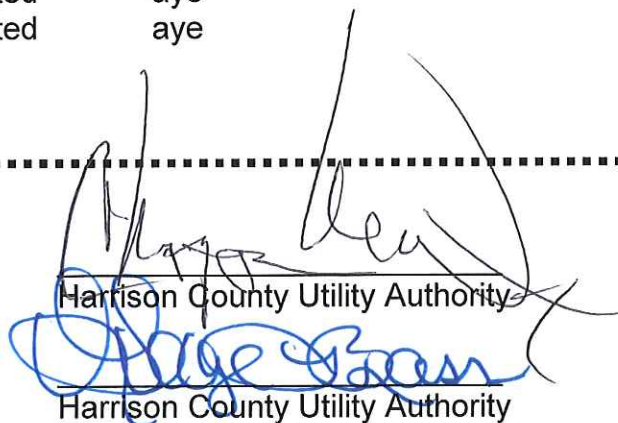
The motion passed.

**J. Adjourn** - At this time Mayor Bass made a motion to adjourn, seconded 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 to adjourn passed.

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Harrison County Utility Authority

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