

HARRISON COUNTY UTILITY AUTHORITY
BOARD MEETING
October 20, 2016

Be it remembered that a meeting of the Harrison County Utility Authority Board of Directors was held on October 20, 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 Chipper McDermott, City of Pass Christian, Director
Mayor Billy Skellie, City of Long Beach, Director
Mayor Andrew "Fofu" Gilich, City of Biloxi, Director
Mayor Billy Hewes, City of Gulfport, Director
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
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. Jeff Riopelle, Knesal Engineering
Mr. Bill Knesal, Knesal Engineering
Mr. Scott Holland, Knesal Engineering
Mr. Danny Boudreaux, Harrison County
Mr. Bobby Knesal, Utility Partners
Mr. Derrel Wilson, Utility Partners
Ms. Cindy Lamb, Pickering Engineering Firm
Ms. Jenna Barnett, Team Waste
Mr. Bernie Parker, City of Long Beach
Mr. Jerry Levens, AVL CPAs
Ms. Kim Marmalich, AVL CPAs

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. Invocation and Pledge of Allegiance

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Request to Amend Agenda

Supervisor Ladner requested to amend the agenda to add County Water and Sewer Districts – Discussion as item F. 2 b 8.

Mayor Skellie made a motion to amend the agenda to add County Water and Sewer Districts - Discussion as item F. 2 b 8, 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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B. Public Comments

Supervisor Ladner opened the floor for public comments. There were none.

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C. Approval of HCUA Claims Docket dated October 21, 2016

Mayor Gilich made a motion to approve the October 21, 2016 HCUA Claims Docket, 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".

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D. 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 \$110,866.51.

Mayor Gilich made a motion to approve the Request for Cash in the amount of \$110,866.51 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".

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E. Technical Committee Minutes

Mr. Gombos made a motion to approve the Technical Committee Meeting minutes dated October 12, 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.

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Non-Agenda Discussion

There was a non-agenda discussion regarding sewer leakage that impacts the bacteria levels on the beaches along the Coast.

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Old Business

F. 1 a – Bond Refinancing Update

Mr. Simpson advised the Board that the Bond Issue was approved yesterday by the Mississippi Development Bank. He presented the Board with four resolutions which are the documents required to complete the bond refinancing transactions.

There was discussion regarding the bond reserve fund no longer being a bond requirement.

Mayor Hewes expressed his concern that the refinance process had not been competitive. He stated the Board was not presented with all of the underwriting options that were available, prior to making a decision. Mayor Hewes stated he is unsure HCUA received the best financing deal.

Mayor Hewes stated the bond refinancing process should have went out for competitive bidding for a Financial Advisor and HCUA should have instructed the Financial Advisor to obtain competitive bids on the underwriters.

Mayor Hewes recommended not moving forward with the current bond refinancing package and suggested the Board start the refinancing process over.

There was discussion on whether any significant cost savings will be realized if the bond process is started over at this time. Mr. Simpson stated that it is more likely that the cost will increase if the process starts over.

Supervisor Middleton recommended the Board require Mr. Grubbs to provide a list of underwriters that he received proposals from. She stated she reviewed the bonds for Harrison County, since 2006 and the fees for this bond issue are lower than any paid over the last ten years.

Mr. Scharr stated he will have Mr. Grubbs address the Board at the November 3, 2016 meeting to provide details about all of the underwriting proposals that were received.

Mr. Simpson stated the vote cannot be tabled and each resolution required a unanimous vote. He stated the bond refinancing process will be null and void if no action is taken on the resolutions today. The process will start over again.

Mayor Hewes requested a brief recess for time for additional review of the bond documents.

Mayor McDermott made a motion to recess the meeting, 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.

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The meeting was recessed for ten minutes.
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Supervisor Ladner called the meeting back to order.

Mayor Hewes stated that he will support the current bond package, with reservations. He recommended a policy be adopted that requires a public bidding process for anything regarding HCUA financing.

Amended and Restated Master Resolution

Mr. Gombos made a motion to approve the Amended and Restated Master Resolution, 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 resolution is attached hereto as exhibit "D".

Series 2016 Authority Obligation Resolution

Mr. Gombos made a motion to approve the Series 2016 Authority Obligation Resolution, 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 resolution is attached hereto as exhibit "E".

Authority Sales Parameter Resolution

Mr. Mayor Skellie made a motion to approve the Authority Sales Parameter Resolution 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 resolution is attached hereto as exhibit "F".

Resolution to Confirm Cost of Issuance

Supervisor Middleton made a motion to approve the Resolution to Confirm Cost of Issuance, 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 resolution is attached hereto as exhibit "G".

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F. 1 b – AVL Water Audit Report

Ms. Kim Marmalich of AVL CPA Firm, presented the Board with the Water Audit Report. Ms. Marmalich stated the report covered three key areas: comparison of incremental costs for in-house operations versus the costs of contracting operations, customer satisfaction surveys, and procedures on adherence to Mississippi Department of Health guidelines.

According to the audit report, HCUA realized a cost savings of \$130,083 in FY 2016 on in-house water operations. The projected savings for FY 2017 is \$248,323.

Mayor Hewes recommended the water audit be sent to the Technical Committee for review.

Mr. Gombos made a motion to accept the AVL Water Audit Report and submit it to the Technical Committee for review, 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 "H".

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F. 1 c – In-House Pump Station Operations

Mr. Scharr stated the independent audit of the in-house water operations has been completed and it confirms the cost savings. Mr. Scharr recommended HCUA bring the operations of all pump stations in-house beginning January 1, 2017. He stated the projected cost savings in FY 2017 will be \$25,400 and \$157,400 in FY 2018.

Mr. Gombos made a motion to approve the In-House Pump Station Operations and authorize Mr. Scharr to proceed with preparations.

Mayor Hewes recommended the Board receive a recommendation from technical committee, prior to acceptance.

Mr. Scharr expressed concerns that continued delays will limit his ability to have proper personnel on-board in enough time to assume operations on January 1, 2017, when the Utility Partners contract expires. Mr. Simpson stated the contract has a hold-over provision that could be exercised.

Mayor Hewes expressed his concerns regarding risk exposure and that he is fundamentally opposed to growing the agency personnel.

Mayor Hewes made substitute motion to table the In-House Pump Station Operations until a recommendation is obtained from the Technical

Committee, seconded by Supervisor Middleton. 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	nay

The motion passed. A copy of the memo is attached hereto as exhibit "I".

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New Business - CDBG

F. 2 a 1 – S18 Change Order No. 6 – Rockdale Pipeline, Inc.

Mayor McDermott made a motion to approve S18 Change Order No. 6 – Rockdale Pipeline, Inc. 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 change order is attached hereto as exhibit "J".

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New Business – Non-CDBG

F. 2 b 1 – Pineville CIAP Project # 2 - Payment Invoice No. 7 – Saunders Construction (\$102,436.22)

Mayor Gilich made a motion to approve the Pineville CIAP Project #2 – Payment Invoice No. 7 – Saunders Construction (\$102,436.22), 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 payment invoice is attached hereto as exhibit "K".

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F. 2 b 2 – Pineville CIAP Project # 2 – Change Order No. 1 – Saunders Construction

Mayor Gilich made a motion to approve Pineville CIAP Project #2 –Change Order No. 1 – Saunders Construction, 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 change order is attached hereto as exhibit "L".

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F. 2 b 3 - Pineville CIAP Project # 2 - Payment Invoice No. 4 – Walker Construction (\$115,440.20)

Mayor Gilich made a motion to approve the Pineville CIAP Project #2 – Payment Invoice No. 4 – Walker Construction (\$115,440.20), 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 payment invoice is attached hereto as exhibit "M".

F. 2 b 4 – Pineville CIAP Project # 2 – Change Order No. 2 – Walker Construction

Mayor McDermott made a motion to approve the Pineville CIAP Project #2 – Change Order No. 2 – Walker Construction, 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 "N".

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F. 2 b 5 – Pineville CIAP Project # 2 Amendment No. 5 Phase 2- Payment Invoice No. 2 – J. Levens Builders (\$102,688.61)

Mr. Gombos recommended that Mr. Scharr draft the approval letters for the agenda items in the future.

Mayor Skellie made a motion to approve Pineville CIAP Project #2 Amendment No. 5 Phase 2 – Payment Invoice – J. Levens Builders (\$102,688.61), 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 payment invoice is hereto as exhibit "O".

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F. 2 b 6 – FY 2016 Financial Audit Scope – AVL

Supervisor Middleton asked why the audit does not go out for bid, as previously discussed.

Mr. Scharr recommended using AVL again this year and go out for bids next fiscal year because the Comptroller, Mr. VanCourt, will be leaving at the end of this year.

Mayor McDermott made a motion to approve the FY 2016 Financial Audit Scope – AVL, 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 engagement letter is attached hereto as exhibit "P".

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F. 2 b 7 – Agreement between ECHPUD, Reserve at Carr Bridge and HCUA

Mr. Simpson provided the Board with a copy of the draft agreement to provide service to the Reserve at Carr Bridge subdivision.

Mayor Skellie made a motion to approve the Agreement between ECHPUD, Reserve at Carr Bridge and HCUA, 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 draft agreement is attached hereto as exhibit "Q".

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F. 2 b 8 – County Water and Sewer Districts – Discussion

Supervisor Ladner requested the Board consider the West Harrison Water and Sewer District be charged the same fees as the member agencies because they

are part of Harrison County. Mr. Scharr advised that currently, HCUA does not bill any of the Utility Districts, the billing is done through Harrison County.

Mr. Scharr will modify the connection policy to reflect the changes as requested and present it to the Board.

No action required.

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G. Solid Waste Report

Mr. Ainsworth stated the draft Request for Proposals for Solid Waste Collection is almost complete. It will be distributed to the Board and Technical Committee within the next two weeks.

A copy of the solid waste report is attached hereto as exhibit "R".

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H. Executive Director's Report

Mr. Scharr stated that he did not have anything additional to report.

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I. Executive Session

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

Non-Agenda Discussion

Mr. Simpson stated he contacted Mr. James Weston at the Mississippi Department of Health to get a determination on whether HCUA can disconnect sewer customers without having control of the water. He stated Mr. Weston advised him that the health department's position is that if any entity does something that causes sewage to overflow, they are responsible for it.

Mr. Simpson stated MDEQ is working with the health department on a specific site regarding this issue. He stated MDEQ is in the process of adopting a policy to provide to users that stipulates sewer services will be disconnected for non-payment. If the customer continues to send sewage through the system after disconnection, they would be responsible for causing the overflow.

Approval of Special Board Meeting Minutes dated October 13, 2016

Mr. Simpson requested the meeting minutes from the October 13, 2016 Special Board Meeting be approved today, for inclusion in the bond refinancing package.

Mr. Gombos made a motion to approve the October 13, 2016 Special Board Meeting Minutes, 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.

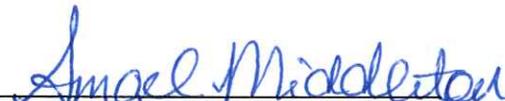
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J. Adjourn - At this time Mayor McDermott made a motion to adjourn, seconded by Supervisor Middleton. A roll call vote resulted in the following votes:

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 to adjourn passed.

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Harrison County Utility Authority


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