

HARRISON COUNTY UTILITY AUTHORITY
BOARD MEETING
March 16, 2017

Be it remembered that a meeting of the Harrison County Utility Authority Board of Directors was held on March 16, 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:

Mr. Danny Boudreaux, representing Harrison County (1)
Mayor Chipper McDermott, City of Pass Christian, Director
Mr. Kris Riemann, representing the City of Gulfport
Mayor Billy Skellie, City of Long Beach, Director
Mayor Andrew "Fofu" Gilich, City of Biloxi, Director
Mr. Joseph Spires, representing Harrison County (2)
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
Supervisor Angel Kibler-Middleton, Harrison County (2), Director
Supervisor Marlin Ladner, Harrison County (1), Director

AUDIENCE:

Mr. Bruce Newton, Digital Engineering
Mr. Bill Knesal, Knesal Engineering
Mr. Derrel Wilson, Utility Partners
Mr. Bobby Knesal, Utility Partners
Ms. Jenna Bennett, Team Waste
Mr. Allan Duda, Team Waste
Mr. Jon Bierd, Waste Pro
Mr. Jerry Levens, Alexander Van Loon, CPAs

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

There being a quorum sufficient to transact business of the Authority, Mr. Boudreaux 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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Motion to Amend the Agenda

Mr. Scharr requested the agenda be amended to add item D. 2 a 1 – S14 Engineering Services Contract Modification No. 11 – Knesal Engineering Services.

Mayor McDermott made a motion to amend the agenda to add item D. 2 a 1 – S14 Engineering Services Contract Modification No. 11 – Knesal Engineering Services, 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.

Mayor McDermott made a motion to amend the agenda to include the REVISED HCUA Claims Docket dated March 17, 2017, 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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B. Public Comments

Mr. Boudreaux opened the floor for public comments. There were no public comments.

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C. Approval of Revised HCUA Claims Docket dated March 17, 2017

Mayor Skellie made a motion to approve the Revised March 17, 2017 HCUA Claims Docket, 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 claims docket is attached hereto as exhibit "B".

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Old Business

D. 1 a - Pineville CIAP Sewer Project – Saunders Construction Invoice No. 9 – Request for Release of Retainage (\$10,000)

Mr. Scharr stated that seven unresolved complaints remain on the Saunders project. He recommended approving a release of retainage.

Mr. Gombos stated the contractor has displayed no interest in resolving the open issues. Mr. Gombos stated HCUA should advise the state that the contractor has completed the work if that is not the case.

Mayor Skellie made a motion to approve the Pineville CIAP Sewer Project – Saunders Construction Invoice No. 9 – Request for Release of Retainage (\$10,000) 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	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 invoice is attached hereto as exhibit "C".

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**D. 1 b - Pineville CIAP Sewer Project Amendment No. 5 – Walker
Construction Invoice No. 6 – Request for Release of Retainage (\$5,000)**

Mayor Skellie made a motion to approve the Pineville CIAP Sewer Project Amendment No. 5 – Walker Construction Invoice No. 6 – Request for Release of Retainage (\$5,000) 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 invoice is attached hereto as exhibit "D".

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**D. 1 c - Pineville CIAP Sewer Project Amendment No. 5 – J. Levens Builders
Invoice No. 5 – Request for Release of Retainage (\$15,200.95)**

Mayor Skellie made a motion to approve the Pineville CIAP Sewer Project Amendment No. 5 – J. Levens Builders Invoice No. 5 – Request for Release of Retainage (\$15,200.95) 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 invoice is attached hereto as exhibit "D".

New Business - CDBG

D. 2 a 1 – S S14 Engineering Services Modification No. 11 – Knesal Engineering Services (\$20,000.00)

Mr. Scharr advised the cost of the modification is non-CDBG eligible, since the grant period is closed.

Mr. Boudreaux made a motion to approve the amended S14 Engineering Services Modification No. 11 – Knesal Engineering Services (\$20, 000) based on the recommendation of Mr. Scharr, 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. A copy of the modification is attached hereto as exhibit "E".

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New Business – Non-CDBG

D. 2 b 1 – Resolution Granting Signing and Authority to Conduct Business – Julie Christian

Mr. Gombos made a motion to approve the resolution Granting Signing and Authority to Conduct Business – Julie Christian, 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 resolution is attached hereto as exhibit "F".

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D. 2 b 2 – Resolution Granting Signing and Authority to Conduct Business – Donald Scharr

Mayor Skellie made a motion to approve the Resolution Granting Signing and Authority to Conduct Business – Donald Scharr, 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 passed. A copy of the resolution is attached hereto as exhibit "G".

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D. 2 b 3 – Request for Payment - Hancock Bank Invoice for Kutak Rock Arbitrage Consulting Services

Ms. Christian advised this is a closing expense related to the bond refinancing. It was not invoiced at the time of the bond closing.

Mr. Gombos made a motion to approve the Request for Payment – Hancock Bank Invoice for Kutak Rock Arbitrage Consulting Services, 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 invoice is attached hereto as exhibit "H".

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D. 2 b 4 – Fiscal Year 2016 Draft Audit Report

Mr. Jerry Levens of Alexander Van Loon CPA Firm, provided a general overview of the audit report. There were no material problems with internal controls or compliance issues. There were no findings on the financial statements.

There were two findings regarding federal funding requirements:

1. CIAP Program requires a check of the contractor debarment list, which was

not done. Subsequent follow up revealed that none of the contractors were on the debarment list.

2. CIAP Program. On a contract greater than \$50,000, the request for bids must be posted in the MS Contract Procurement system, which was not done.

Mr. Scharr advised HCUA has taken steps to address these findings. He stated the Chief Financial Officer will serve as Grant Administrator on individual projects. If the project is too large, a third-party firm will be contracted as Grant Administrator. A procurement check list has been created for HCUA staff. All purchases in excess of \$5,000 must be approved by the Chief Financial Officer.

Mr. Scharr stated the best solution to minimize these types of findings is to hire a Purchasing Agent.

Mayor McDermott made a motion to accept the Fiscal Year 2016 Draft Audit Report, seconded by Mr. Riemann. 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 report is attached hereto as exhibit "I".

E. Solid Waste Report

Mr. Lane provided the Board with the February complaint log for complaints received by HCUA. He stated Waste Pro has not submitted their complaint log. The log was requested on March 6th, March 13th, and today.

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

G. Executive Director's Report

Mr. Scharr reviewed the over/under figures for each member agency. Each member agency will receive a credit:

- Biloxi – \$788,919.29
- Gulfport – \$399,865.60
- Long Beach - \$417,800.97
- Pass Christian – \$22,250.59
- Harrison County - \$728,812.48

- D'Iberville - \$110,406.67.

H. Executive Session

Mayor Gilich made a motion to enter into closed session to determine the need for Executive Session, seconded by Mr. Riemann.

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 ongoing negotiations with Waste Pro.

Mayor Skellie 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.

Mayor McDermott made a motion to exit Executive Session and return to Open 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 returned to Open Session.

No action taken in Executive Session.

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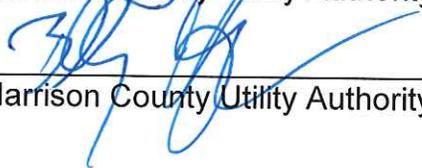
I. Adjourn - At this time Mayor McDermott made a motion to adjourn, seconded Mr. Gombos. A roll call vote resulted in the following votes:

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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