

HARRISON COUNTY UTILITY AUTHORITY  
BOARD MEETING  
August 19, 2021

Be it remembered that a meeting of the Harrison County Utility Authority Board of Directors was held on August 19, 2021, 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:**

Mayor Billy Hewes, City of Gulfport, Director  
Mayor Jimmy Rafferty, City of Pass Christian, Director  
Mayor Andrew "Fofa" Gilich, City of Biloxi, Director  
Mayor George Bass, City of Long Beach, Director  
Mr. Al Gombos, representing the City of D'Iberville  
Supervisor Marlin Ladner, Harrison County (1), Director  
Mr. John Wilson, Executive Director, HCUA  
Mr. Alan Lane, Solid Waste Coordinator, HCUA  
Ms. Sheila Marsh, Office Manager, HCUA  
Mr. James Simpson, Wise Carter, Attorneys and Esquire - via Telecom  
Supervisor Connie Rockco, Harrison County (2), Director - via Telecom

**ABSENT:**

Ms. Cindy Breaux, Chief Financial Officer, HCUA

**AUDIENCE:**

Sam Williams, Waste Management - via Telecom  
Shea Magee, Waste Management - via Telecom  
Derrel Wilson, H2O  
Larry Moxly, H2O  
Brett Pund, The Focus Group  
Bernie Parker, City of Long Beach, Councilman  
Lisa Verhovshek, Wise Carter, Attorneys and Esquire

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

There being a quorum sufficient to transact business of the Authority, Mayor Andrew "Fofa" Gilich, representing City of Biloxi, 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**

Mayor Andrew "Fofu" Gilich opened the floor for public comments.

There were no public comments.

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**C. Approval of the Claims Docket dated August 19, 2021**

Mr. Al Gombos made a motion to approve the Claims Docket dated August 19, 2021, seconded by Mayor George Bass. A vote resulted in the following:

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. Approval of Board Meeting Minutes - Amended by Board Members dated July 15, 2021**

Mr. Al Gombos made a motion to approve the Board Meeting Minutes - Amended by Board Members dated July 15, 2021, seconded by Mayor Billy Hewes. A vote resulted in the following:

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 Board Meeting Minutes - Amended by Board Members dated July 15, 2021, is attached hereto as exhibit "C".

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**E. Approval of Board Meeting Minutes dated August 5, 2021**

Mr. Al Gombos made a motion to approve the Board Meeting Minutes dated August 5, 2021, seconded by Mayor George Bass. A vote resulted in the following:

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 Board Meeting Minutes dated August 5, 2021, is attached hereto as exhibit "D".

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**F. Financial Report**

Mr. John Wilson noted that the FY21 budget is looking good and on track in the eleventh month.

No action required. The Board accepted the Financial Report as submitted. A copy of the Financial Report is attached hereto as exhibit "E".

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**G. Marketing Report**

Brett Pund, The Focus Group, presented information on the July 2021 Face Book stats. There were 1,300 engagements to posts and ads for the month of July. Since May 2021, Face Book engagements have reached over 166,000. A press release was issued in July to local media members and posted on HCUA website with updates about the damage to the Emerald Coast recycling center. Solid Waste Guidelines were printed and distributed in July. Solid Waste Guidelines outreach through social media continues.

Mr. John Wilson added that printed Solid Waste Guidelines were distributed to member agency offices and other outlets for distribution. A second version format of the Debris Guidelines is in progress as Debris Guidelines during times of named storms.

No action required. The Board accepted the Marketing Report as submitted by The Focus Group. A copy of the Marketing Report is attached hereto as exhibit "F".

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**H. Action Items**

**1. Old Business**

**H1a. FY22 – Budget, 2<sup>nd</sup> Draft**

Mr. John Wilson explained that the FY22 – Budget, 2<sup>nd</sup> Draft is the latest version. There will be a few adjustments to the budget prior a Public Hearing. Approval will be requested for advertisement, for Public Hearing dated September 2, 2021, before the Board Meeting.

Mayor Billy Hewes requested information on the nature of the adjustments expected to the FY22 Budget.

Mr. John Wilson explained that during the house count there was double counting on streets. The City of Biloxi has a street named Fairway Drive in Dogwood Hills, and Harrison County also has a street named Fairway Drive. Twenty-Six houses will be adjusted off The City of Biloxi's House Count numbers and Harrison County's House Count numbers will remain the same. There will be adjustments to the Solid Waste Budget in the Admin category. The waste minimization fee will be used to reduce Solid Waste Admin costs.

Supervisor Marlin Ladner questioned clarification on the \$1.9 million in Harrison County projects and whether the projects were removed from the budget and Supervisor Ladner requested the Waterline Project to be listed in Harrison County Infrastructure Program.

Mr. John Wilson explained the two sewer projects, Pineville Extension and Canal Road Projects were removed from the budget. The Waterline Project will be removed from budget.

Mr. Al Gombos requested a plan of action, to include allowance to the budget for the cost of design and modifications to the Board Room for Board Members seating arrangements. The recommendation was made by Mr. Gombos to reconfigure the seating arrangements to meet ADA Compliance, under Capital Improvements and to add better seating arrangements for Mr. John Wilson, Executive Director and Mr. Jim Simpson, Council.

Mayor Billy Hewes, recommended, that Mr. Wilson present design ideas to the board.

No action required. A copy of the FY22 – Budget, 2<sup>nd</sup> Draft is attached hereto as exhibit "G".

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## **2. New Business**

### **H2a. Approval Advertise for Public Hearing for Budget**

Mr. Al Gombos made a motion to approve, Approval Advertise for Public Hearing for Budget, seconded by Mayor Jimmy Rafferty. A vote resulted in the following:

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 Approval Advertise for Public Hearing for Budget is attached hereto as exhibit "H".

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**H2b. H2O Contract Amendment – Add Electrician**

Mr. John Wilson explained that the original H2O Innovations contract included (51) staff members and (4) staff members in central maintenance. Mr. Wilson recommended adding an electrician to the H2O Innovations staff.

Supervisor Marlin Ladner requested clarification on a salary of \$115,000 for the electrician position and what criteria would the person have and the worth of the position?

Mr. John Wilson added that there is an electrician on staff, however, there is a need for an electrician with experience in specialty areas dealing with programming including experience with plc's, vfd's and diagnostics. Mr. Wilson explained the salary for specialty experience begins at the low end of \$70,000.

The Board determined that there may be a need for a title that differentiates between and electrician and an electrician with specialty experience.

Mr. Derrel Wilson, added, that it would take the \$70,000.00 in order to hire an electrician with specialty experience.

Mayor George Bass made motion to approve H2O Contract Amendment – Add Electrician seconded by Mr. Al Gombos. A vote resulted in the following:

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 H2O Contract Amendment – Add Electrician is attached hereto as exhibit "I".

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**H2c. CPI Adjustment for Disposal**

Mr. John Wilson explained that the CPI adjustment is related to the disposal contract (land fill) with Waste Management. Waste Management contract begin in 2015. Waste Management's original request was for a 6.12 % CPI adjustment. After Mr. Sam Williams, with Waste Management, discussed CPI adjustments with Mr. Wilson, Mr. Williams modified the request to a 3% increase and Mr. Wilson currently recommends a 2% increase.

Mr. John Wilson explained the last increase was in September 2019 for 1.44%.

Sam Williams, with Waste Management was via tele conference and voiced his presence and request and consideration for a 3% increase.

Mayor Hewes requested clarification on the beginning contract rates for Waste Management CPI, compared to the current rate and the current requested rate from Waste Management and the number of years remaining on contract. Mayor Hewes pointed out that if the current request is approved, the total of adjustments would equal (3) three adjustments in (6) years.

Mr. John Wilson noted, the original contract, begin 2015 and is a (15) year contract, ending 2030.

Mr. Alan Lane noted that contract, has (5) year options, up to a (30) year contract.

Mr. Sam Williams explained that Waste Management had a 3.09% increase (2018/ FY19) and a 1.44% increase (2019/FY20) post contract beginning in 2015.

Mr. John Wilson explained the rates stating Waste Management's current rate is \$14.64 a ton plus \$1 per ton to equal \$15.64 a ton. Waste Management's current request is a 3% increase that calculates as \$15.08 per ton plus a \$1 per ton to equal \$16.08 per ton and Mr. Wilson recommends a 2% increase that calculates \$14.93 a ton plus the \$1 a ton equals \$15.93 a ton.

Mayor Billy Hewes asked for clarification from Mr. Williams on the conditions related to the change in operations for Waste Management that is reasons for the request of the rate increase other than increased hours for loads and hurricane response.

Mr. Williams noted that Waste Management added additional hours due to post hurricane response. Once hurricane contractor's contract was up, Waste Management continued to respond to the needs of the cities and county for disposal of debris piles. Mr. Williams added Waste Management is not requesting compensation for any continued post hurricane communication with contractors.

Mayor Billy Hewes requested information regarding if Waste Management received any federal money or subsidies for business operations during COVID, like PPP's or Cares Act funds.

Mr. Sam Williams explained that he did not know what type, if any, funds Waste Management received but added employees are paid if absent due to COVID and as a result Waste

Management has incurred additional costs. Mr. Williams noted that there have been higher costs on materials and premium charges to completed jobs due to supply and demand.

Mayor Billy Hewes questioned if there was a national CPI index rate.

Mr. John Wilson explained the rate depended on the CPI index used. The index per contract is 6.12%. The collection side index used is 5.8% and O&M index used is 5.4%. The rate depends on CPI index used and the average is in the 5% - 6% range.

Mr. Alan Lane noted that the 5% - 6% range is the Southern Regional rate for general economic numbers. The 5.8% rate used in the contract is rate for the Southern Region. Nationally the rate is 5.1% - 5.4%.

Mayor Billy Hewes made motion to table, CPI Adjustment for Disposal, until more information could be provided from Waste Management, including financial information, any subsidiaries received, if any, from an operational standpoint, and if there are any conditions foreseen, conditions that have been encountered or any conditions that have changed, including type, seconded by Mr. Al Gombos. A vote resulted in the following:

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 CPI Adjustment for Disposal is attached hereto as exhibit "J".

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## **H2d. Nicholson Pumps Award**

Mr. John Wilson explained that the Nicholson Pumps Award is part of Long Beach Project. There was one bid received and the bid was under budget.

Supervisor Marlin Ladner raised concerns of why there was only one bidder, and whether or not, the design of the pump and specifications was legitimate in the specification process.

Mr. Al Gombos questioned if the pumps were considered a sole source item (meaning the only pump that meets the standards), and if a sole source certification could be requested from Pickering Engineering, Inc. Mr. Gombos questioned if the specified pump could be modified and still meet specifications or were the (4) criteria areas of the pump required.

Mr. Wilson noted the pump specifications may have limited vendors, but specifications for the pumps noted that specific pump or as approved equal. Pickering Engineering Firm designed

and prepared specifications, picked a pump with low horsepower and low head to meet the criteria required for performance. The criteria areas specified for the pumps are all required for performance needs. There were two other vendors interested in the bid, but the other two vendors decided their pumps did not meet specifications for the pumps advertised. The purpose of the reverse auction was used to offer vendors opportunity to review specifications and determine if the vendor could offer a qualifying product.

Mayor George Bass questioned if specifications could be adjusted in a way that the pumps would still perform to standards.

Mr. Jim Simpson, Counsel, explained, HCUA does not have documentation from manufacture stating it is a sole source of the pump specified. The process of the reverse auction is concerning because there was only one bid received. There is the option of rejecting the bid or if the current bid is accepted, a request could be submitted to Pickering Engineering Firm, requesting a letter of Assurance that the specifications were not designed, in order, that only one company could meet the specifications and that there were other companies that could have meet the specifications. The process was It was competitive.

Mr. Al Gombos noted, is a bid ever rejected, as a result, of being the only bid. If, a City Engineer or County Engineer is consulted for review, example, determining if pump will Preform to standards, if pump is the specified pump, and the reason for the specified pump, prior recommendation, the process will limit time and speculation.

Mayor George Bass made motion to approve Nicholson Pumps Award, under condition that Pickering Engineering, Inc. provides some form of a letter indicating design and specifications, were not written in order to eliminate vendors from bidding and that there were other vendors that could have met the specifications, seconded by Mr. Al Gombos. A vote resulted in the following:

Biloxi	voted	aye
Gulfport	voted	aye
D’lberville	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 Nicholson Pumps Award is attached hereto as exhibit “K”.

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## **I. Solid Waste Report**

Mr. Alan Lane explained recycling rate for July was 35%. The MRF-Pensacola is scheduled to reopen end of August. Stock pile of recycle when be delivered once opened. There has been no interruption in recycling schedules for the public.



No action taken. The Board accepted the Solid Waste Report as presented. A copy of the report is attached hereto as exhibit "L".

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**J. Executive Director's Report**

Mr. John Wilson gave an update on the Long Beach Project, installation of pipe began this week. S14 Project is near completion.

Mayor Billy Hewes recommended, sending agenda packages via email to avoid the excessive use of paper.

Mr. John Wilson agreed.

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**K. Executive Session**

There was no need for Executive Session.

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**L. Adjourn** – At this time Mr. Al Gombos made a motion to adjourn, seconded by Mayor George Bass. A vote resulted in the following:

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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