

HARRISON COUNTY UTILITY AUTHORITY  
BOARD MEETING  
August 20,2020

Be it remembered that a meeting of the Harrison County Utility Authority Board of Directors was held on August 20, 2020 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 Chipper McDermott, City of Pass Christian, Director
- Mayor Andrew "Fofu" Gilich, City of Biloxi, Director
- Mr. Bernie Parker, representing the City of Long Beach
- Mr. Al Gombos, representing the City of D'Iberville
- Supervisor Marlin Ladner, Harrison County (1), Director
- Mr. John Wilson, Executive Director, HCUA
- Ms. Cindy Breau, Chief Financial Officer, HCUA
- Ms. Sheila Marsh, Office Manager, HCUA
- Ms. Marie Ostrander, Financial Assistant, HCUA
- Mr. Jim Simpson, Wise Carter, Attorneys and Esquire

**ABSENT:**

- Mayor George Bass, City of Long Beach, Director
- Supervisor Connie Rockco, Harrison County (2), Director

**AUDIENCE:**

- Ms. Jeanna Bass, Waste Management
- Mr. Michael Leonard, City of Biloxi

There being a quorum sufficient to transact business of the Authority, Mayor Hewes 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 Hewes opened the floor for public comments.

There were no public comments.

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**C. Approval of the Claims Docket dated August 20, 2020**

Mr. Al Gombos made a motion to approve the Claims Docket dated August 20, 2020, 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
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 dated August 6, 2020**

Mayor McDermott made a motion to approve the Board Meeting Minutes dated August 6, 2020, 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
Pass Christian	voted	aye

The motion passed. A copy of meeting minutes dated August 6, 2020 is attached hereto as exhibit "C".

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**E. Financial Report**

Cindy Breaux advised draft audit will be ready on Monday, August 24, 2020.

**E.1. Notice of Public Hearing – Proposed Fiscal Year 2021 Budget**

John Wilson requested approval to advertise “Notice of Public Hearing – Fiscal Year 2021 Budget”. Meeting will offer opportunity for public questions or comments. Request to adopt budget will be presented and regular scheduled Board Meeting will follow. John added the proposed budget will be presented for approval at the next regular Board Meeting.

Mayor McDermott made a motion to approve Notice of Public Hearing – Proposed Fiscal Year 2021 Budget advertisement, seconded by Mr. Al 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
Pass Christian	voted	aye

The motion passed. A copy of Notice of Public Hearing – Proposed Fiscal Year 2021 Budget Advertisement - is attached hereto as exhibit “D”.

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**F. Marketing Report**

Mayor Hewes suggested spread on the minutes for Marketing Report if no comments, due to absence of Brett Pund from The Focus Group.

John Wilson added Community is responding to recycling efforts, increase will reflect in next Focus Report.

No action taken. The report was received. A copy of the marketing report is attached hereto as exhibit “E”.

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**G. Action Items**

**G.1 Old Business**

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**G.2 New Business**

**G2a. West Biloxi Generator Replacement – Machado Patano Task Order 2, Design and Construction Phase Services**

John Wilson stated hiring Machado Patano for electrical design to replace generators for West Biloxi would include RPR. John added hiring an expert for the design would aide in making best decisions regarding size appropriate for cost effectiveness for generator to run for (3) three days.

Mayor Gilich made a motion to approve West Biloxi Generator Replacement – Machado Patano Task Order 2, Design and Construction Phase Services, seconded by Mr. Al Gombos. A roll call vote resulted in the following votes:

Biloxi	voted	aye
Gulfport	voted	aye
D’lberville	voted	aye
Long Beach	voted	aye
Harrison County (1)	voted	aye
Pass Christian	voted	aye

The motion passed. A copy of West Biloxi Generator Replacement – Machado Patano Task Order 2, Design and Construction Phase Services Approval is attached hereto as exhibit “F”.

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**G2b. S14 Flush & Video Project – Change Order**

John Wilson stated flush and videoing was completed for manholes from part of Canal Road to where it connects to Flat Bridge. John explained the Change Order is to allow for fence work and inspect manholes. The manhole report will assist with information required to present a plan to the contractor, including parts required for repairs. Currently pipes appear to be in good shape. The problems are at the manholes.

John Wilson responded to Mayor Hewes question on the amount of damages resulted by ATV riders. John said there was no damage to lines but some damage to restoration on wetlands and normal erosion does exist. John explained with the new contracts cleanup work and drainage work would be incorporated to attempt to help correct some of the problems.

Supervisor Ladner raised concerns on the quote for fencing.

John Wilson offered options of a revised Change Order that would only include manhole inspections at this time and fence work will be a separate Change Order.

Mayor Hewes offered option to reject fencing portion of Change Order.

Mr. Jim Simpson, counsel, advised HCUA can reject fencing part of Change Order or present new Change Orders to contractor for manhole and fencing.

Supervisor Ladner made a motion to reject fencing expense of the Change Order presented and approve Change Order for manhole expense only, S14 Flush & Video Project – Change Order, 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
Pass Christian	voted	aye

The motion passed. A copy of S14 Flush & Video Project – Change Order Approval is attached hereto as exhibit "G".

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**G2c. HCUA 2017 Bond – Refund Discussion**

Mayor Gilich introduced Mike Leonard, in audience, who has helped assist the City of Biloxi in the past with regards to financials. Mayor Gilich stated now is the time to make decisions on swap for the need to reduce debt service even if means pushing it out.

Mr. James Simpson, Counsel, stated swap will need to be paid and a refinance will be required by 2026, the question is, when is the best time.

Supervisor Ladner raised concerns on interest rates and if rates shoot up and what would be lost by getting out of swap.

Mr. James Simpson stated that the position of Raymond James, reduce to net present value and find what is the best deal regarding Bond Insurance. Mr. Simpson added some bonds cannot be sold without bond insurance. Mr. Simpson added that information from Lindsey Rea with Raymond James suggested that most deals with bond insurance helps reduce risk on interest rate. Mr. Simpson suggested that spread of range should not be set because you could be short of "x" and miss the best opportunity. Mr. Simpson added the option of hiring (3) three professionals, Bond Attorney, Under Writer and a Financial Advisor for assistance in decisions. Financial Advisor is not a necessity but if go through development bank you must hire Financial Advisor. Based on information from Lindsey Rea, Mr. Simpson stated Ms Rea believes because of swap, a Financial Advisor would be in HCUA best interest.

Mr. James Simpson explained Underwriters make money because they buy and resell and Financial Advisors attempt to get the best deal. Mr. Simpson recommends hiring a Financial Advisor.

Mr. James Simpson proceed with information to keep in mind when hiring for (3) professions (Bond Attorney, Underwriter and Financial Advisor). Mr. James stated if RFP is requested an advertisement would go out for proposals for each profession and it would probably be (1) one month out prior receiving proposals.

Mayor Gilich expressed concern that a (6) week turn around could be pushing it and questioned the possibility of reaching out by telephone for interested professionals for quotes.

Mr. James Simpson stated he had a resolution on hand as an option if that was the decision of The Board. The resolution included Jane Minority, Wise Carter, James Thomas, PD Group and Lindsey Rea, Raymond James as the (3) three professionals. Jim stated he had no dog in the fight and only presented a resolution because time was of essence or a RFP could be submitted but may result in (6) six weeks at best, to get professionals on board.

Mr. Mike Leonard stated it is not about moving fast but be prepared to move fast.

Mayor Hewes stated his understanding is the need to take action to free up bottom line and debt service and get rid of swap and it should take place prior any discussion on refinance bond, as long as swap is in place and there may be pain in 2033 but there will be opportunity to discuss without swap hanging in balance. Mayor Hewes also noted, in past history, some firms have waived swap component.

Mr. Simpson stated that (3) three professionals could be hired but no cost up front and decision could be changed.

Mayor Hewes stated that between now and October 2020 the decision should be made to "jump on something". Options should be in place, to make a decision, once a fee is quoted

Mr. James Simpson suggested, adopt resolution and hire (3) three professionals and when options are as good as hoped for, make decision on selling bonds. If the Board does not like the fees of the professionals, consult for additional quotes.

Supervisor Ladner questioned concerns of cost for professionals if professionals know we are in rush.

Mayor Hewes stated adopting resolution does not lock us into rates or anything, to adopt a resolution allows the professionals to work for us gathering information.

Mayor McDermott questioned savings start in reflection to the new 2021 budget.

Mr. John Wilson stated 2021 budget proposing is to be approved with current bond and the need to amend budget for 2021 to reflect savings would be required.

Mayor Hewes agreed there may be added budget amendment.

Mr. James Simpson stated present resolution does not bind anything because a future vote will be required, resolution only allows to move forward, and a missing vote today will not matter.

Mayor Hewes stated (2) two drivers for him, rates low for future and swap, not knowing if there is a perfect window to consider.

Mayor Gilich made a motion to approve Resolution to Hire Professional Services for HCUA 2017 Bond – Refund, seconded by Supervisor Ladner. 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
Pass Christian	voted	aye

The motion passed. A copy of the HCUA 2017 Bond – Refund Discussion Approval is attached hereto as exhibit “H”.

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**G2d. West Fritz Creek Phase II – Change Order 3**

Mr. John Wilson advised project almost complete at West Fritz Creek. Change Order 3 requested for the need to go back and add sanitary sewer services on gravity line to accomplish setup for future development to avoid possible tearing up what is already put down in future. Florence Gardens going west.

Mayor FoFo Gilich made a motion to approve the West Fritz Creek Phase II – Change Order 3, 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
Pass Christian	voted	aye

The motion passed. A copy of the West Fritz Creek Phase II – Change Order 3 Discussion Approval is attached hereto as exhibit “I”.

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**H. Executive Director’s Report**

Mr. John Wilson updates included moving forward inputting (3) three projects approved last time for GCR funding, proceeding S14 – in discussions with Corp of Engineers on third permit issues

and working through to get completed. Working on budget and bond trying to get everything done.

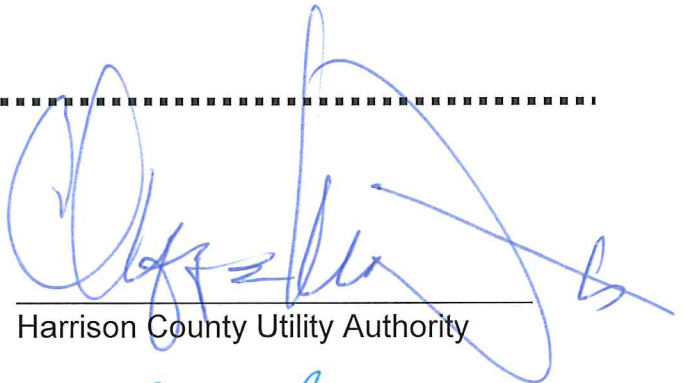
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**I. Executive Session**

There was no need for Executive Session.

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**J. Adjourn** – At this time Mayor McDermott made a motion to adjourn, seconded by Mayor FoFo 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
Pass Christian	voted	aye

The motion to adjourn passed.

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Harrison County Utility Authority

  
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