

HARRISON COUNTY UTILITY AUTHORITY
BOARD MEETING
July 20, 2017

Be it remembered that a meeting of the Harrison County Utility Authority Board of Directors was held on July 20, 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
Dr. John Kelly, representing the City of Gulfport
Mayor George Bass, City of Long Beach, Director
Mayor Andrew "Fofo" Gilich, City of Biloxi, 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
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

AUDIENCE:

Mr. Mike Leonard, City of Biloxi
Mr. Derrel Wilson, Utility Partners
Mr. Bobby Knesal, Utility Partners
Mr. Clay Jones, City of D'Iberville
Mr. Jon Bierd, Waste Pro
Mr. Tommy Thibodeaux, Pelican Waste
Ms. Cindy Lamb, Pickering Engineering
Mr. Jason Overstreet, A. Garner Russell
Ms. Pamela Ducas, Waste Management
Ms. Jenna Bennett, Team Waste
Mr. Andrew Densing, Team Waste
Mr. Cody Waters, 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.

Mr. Gombos introduced the D'Iberville City Manager, Clay Jones.

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C. Approval of HCUA Claims Docket dated July 21, 2017

Mr. Gombos made a motion to approve the July 21, 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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D. Acceptance of Technical Committee Minutes July 12, 2017

Mr. Gombos made a motion to approve the Technical Committee Minutes dated July 12, 2017, seconded by Mayor Bass.

Supervisor Ladner requested discussion on Item B. 2 b 1 – Magnolia Springs Phases 4 and 5 – Acceptance of Sewer Utilities. He stated the Technical Committee should not be considering policy matters, such as this item. He stated the technical committee should only be providing recommendations on technical matters. Mr. Scharr stated he will work with the Board to clarify the role of the technical committee and what type of items they should consider.

Mr. Scharr stated that his recommendation to the technical committee was to approve acceptance of the utilities and have the Board adopt a policy for future development. The will serve has already been issued and HCUA has already approve the plans.

There was a discussion regarding the issues related to collection and disconnection methods for unpaid bills. Supervisor Ladner requested HCUA staff research methodologies for disconnecting sewer services without interruption of water service.

Mr. Simpson advised HCUA cannot force a private utility company to agree to disconnect their water services for unpaid sewer bills. He stated Sutter is not interested in entering an agreement to collect on behalf of HCUA.

Mr. Scharr recommended a policy be developed to be presented at the public hearing on HCUA rates. The public hearing will be held within the next 30 days.

Supervisor Ladner made a substitute motion to accept the Technical Committee Meeting Minutes dated July 12, 2017 with the exclusion of the motion on item B. 2 b 1 - Magnolia Springs Phases 4 and 5 – Acceptance of Sewer Utilities and authorize acceptance of Magnolia Springs Phases 4 and 5 – Acceptance of Sewer Utilities, 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.

Supervisor Ladner made a motion to authorize development of a policy and methodologies for service interruption for unpaid sewer bills, 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 minutes is attached hereto as exhibit "C".

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E. Financial Report

Ms. Christian provided a brief overview of the current budget status.

Mr. Gombos made a motion to accept the Financial Report dated June 15, 2017, 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 financial report is attached hereto as exhibit "D".

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Old Business

F. 1 a – None

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F. 2 a 1 - New Business - CDBG

None.

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Mayor Gilich requested the logo on the Board Room wall be replaced with the new logo.

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New Business – Non-CDBG

F. 2 b 1 – Authorize Settlement between HCUA and Cruz defendants in Harrison County Utility Authority v. Crawford Directional Drilling, LLC, Southern Light, LLC. Cruz Utility Contractors, Jorge Cruz, and Jeronimo Cruz

Supervisor Ladner made a motion to Authorize Settlement between HCUA and Cruz defendants in Harrison County Utility Authority v. Crawford Directional Drilling, LLC, Southern Light, LLC., Cruz Utility Contractors, Jorge Cruz, and Jeronimo Cruz, 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 release is attached hereto as exhibit "E".

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F. 2 b 2 – Waste Pro Performance Issues

Mr. Scharr provided the Board with a handout that summarized performance issues and complaints related to Waste Pro's service.

- In 2016, Waste Pro logged 14,000 calls. To date this year there have been over 10,000 calls.
- In 2016, calls averaged 1,200 per month. To date this year the monthly average is over 2,000 calls.
- Since February 2017, HCUA has received more than 2,500 calls. HCUA has already received over 500 calls for this month.

Mr. Scharr stated he is concerned that Waste Pro has fallen so far behind that they will not be able to get service caught up within the remainder of the contract time. He recommended the Board take additional steps to improve services.

There was discussion regarding levying fines and calling the performance bond. Supervisor Ladner stated that it may be necessary for the municipalities to start running their own trucks again.

No action taken. A copy of the summary is attached hereto as exhibit "F".

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F. 2 b 3 – Solid Waste Membership Issues

Mr. Gombos requested the Board consider and take action on the items listed.

1. Has the City of Gulfport been removed from the HCUA / 1991 Solid Waste Service Agreements?
2. When will this be done or voted on by the HCUA?
3. When will the "required plan" i.a.w. 1991 Service Agreement be submitted by Gulfport?
4. Can the HCUA make a determination (today) that Gulfport does not have the right to withdraw from the 1991 Solid Waste Service Agreement as a result of (1) their failure to present a satisfactory plan in conjunction with their "six month notice of withdrawal"; or (2) their failure to demonstrate to HCUA's satisfaction that Gulfport's withdrawal will not adversely affect our contract rights (which it clearly does due to the increased costs associated with their withdrawal)?
5. If HCUA determines that Gulfport does not have the right to withdraw from the 1991 Solid Waste Service Agreement (as discussed above), can HCUA enter into a contract with Team Waste and Pelican Waste to include Gulfport pursuant to HCUA's "exclusive right and authority to contract on its behalf" as stated in the 1991 Solid Service Agreement?
6. If Gulfport is allowed by HCUA to withdraw from the provisions of the 1991 Solid Waste Service Agreement, will HCUA make it a precondition of termination that Gulfport pay the difference between the costs as proposed by the successful Garbage and Trash contractors (with Gulfport included), respectively; in accordance with the provisions of the 1991 Solid Waste Service Agreement?

Mr. Gombos stated the gossip and innuendo is confusing to the public and damaging to all parties involved.

Mr. Simpson advised the Board has not voted on allowing the City of Gulfport to withdraw from the Solid Waste Partnership Agreement. Gulfport must meet certain requirements to withdraw from the partnership agreement before the

Board can vote on their withdrawal. A vote will not take place until the requirements are met.

There was a discussion regarding what damages HCUA will incur because of Gulfport's withdrawal.

Mr. Gombos asked if the Board can vote to deny Gulfport's withdrawal.

Dr. Kelly asked what documents are required to be submitted by Gulfport. Mr. Simpson stated the most critical document is a Solid Waste Plan that must be approved by HCUA and MDEQ.

Mr. Cody Waters, attorney for Team Waste, addressed the Board regarding the letter sent to the HCUA Board regarding potential litigation with regards to Team Waste's disposal agreement for rubbish within Harrison County.

Mr. Simpson requested the Board enter into Executive Session for further discussion due to the potential litigation matters.

A copy of the email and letter are attached hereto as exhibit "G".

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Executive Director's Report

There was no Executive Director's Report.

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Mr. Simpson recommended the Board enter into Executive Session for discussion on potential litigation.

Executive Session

Mayor Bass 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 potential litigation regarding the rubbish disposal contract.

Mayor Gilich made a motion to enter Executive Session, 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. The Board entered into Executive Session.

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Mayor Gilich made a motion to exit Executive Session and return to Open Session, 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. The Board returned to Open Session.

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There was no action taken during Executive Session.

Mr. Simpson recommended that the Board not discuss this matter further publicly, based on the threat of litigation.

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J. Adjourn - At this time Mr. Gombos made a motion to adjourn, seconded 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 to adjourn passed.

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Harrison County Utility Authority


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