

HARRISON COUNTY UTILITY AUTHORITY

August 6, 2015

Be it remembered that a meeting of the Harrison County Utility Authority Board of Directors was held on August 6, 2015, 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 (2)
Mayor Billy Hewes, City of Gulfport, Director
Mayor Andrew Gilich, City of Biloxi, Director
Mr. Al Gombos, representing the City of D'Iberville
Mayor Billy Skellie, City of Long Beach, Director
Mayor Chipper McDermott, City of Pass Christian, Director
Supervisor Marlin Ladner, Harrison County (1), Director
Mr. Donald Scharr, Executive Director, HCUA
Mr. John Wilson, O&M Manager, HCUA
Ms. Merri Ann Testa, Procurement Specialist, HCUA
Mr. Michael VanCourt, Comptroller, HCUA
Mr. Bart Clover, Wastewater/IT Coordinator, HCUA
Mr. Seren Ainsworth, Solid Waste Coordinator, HCUA
Mr. Reed Bryant, Staff Engineer, HCUA
Mr. James Simpson, Wise Carter Attorneys, Esquire

ABSENT:

Supervisor Joe Meadows, Harrison County (2), Director

AUDIENCE:

Mr. Bruce Newton, Vice President, Digital Engineering
Mr. Jeff Riopelle, Vice-President, Knesal Engineering
Mr. Dax Alexander, President, BMA Consulting Engineers
Ms. Lisa Verhovshek, Paralegal, Wise Carter Attorneys
Ms. Christy LeBatard, Engineer, City of Biloxi
Mr. Derrel Wilson, Utility Partners
Mr. Bobby Knesal, Utility Partners
Ms. Cindy Lamb, Pickering

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

There being a quorum sufficient to transact business of the Authority, Mayor Gilich called the meeting to order. The following proceedings were had and done.

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A. Public Comments – Mayor Gilich asked for Public Comments.

Mr. Gombos made a motion to amend the Agenda and add as G2b5 "Potential Funding Opportunities", 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.

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B. Approval of Board Meeting Minutes dated July 2, 2015

Supervisor Ladner made a motion to approve the July 2, 2015 Board Meeting Minutes, 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.

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C. Approval of Board Meeting Minutes dated July 16, 2015

Mr. Gombos made a motion to approve the July 16, 2015 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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D. Approval of HCUA Claims Docket dated August 7, 2015

Mr. Gombos made a motion to approve the August 7, 2015 HCUA Claims Docket, 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 Claims Docket is attached hereto as exhibit "B".

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E. Technical Committee Minutes

Mr. Gombos made a motion to accept the Technical Committee Minutes dated July 29, 2015, 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 Technical Committee minutes is attached hereto as exhibit "C".

Mayor McDermott inquired about the HCUA being obligated to pay for moving the sewer lines on Highway 53 (MDOT project).

Mr. Scharr said according to the agreements, the HCUA is required to move lines in the MDOT right-of-way.

Mr. Simpson said that the MDOT agreement states that if they need the lines moved, it will be at the expense of the owner, which is a condition in the agreement.

Mr. Wilson said this was part of an on-going project and the line has already been moved at a cost of ~\$13,000.00.

Supervisor Ladner asked about details on the water leak at the intersection of Henderson Avenue and Kiln-Delisle Road. Supervisor Ladner was trying to determine if the leak caused the road to collapse.

Mr. Wilson said the contractor installed the water line, the line had been pressure tested, back filled and active. He added that during a County storm drain project the leak was discovered. The section was valved off and no water was in the line. Mr. Wilson said the valve would be opened to enable them to find the leak and repair the leak. He said they will be able to determine responsibility at that time.

Supervisor Ladner wanted to know the length of time needed for completion and asked if it could possibly wait until the school holidays to prevent traffic tie-ups.

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F a — Financial Reports – Non-CDBG

Mr. VanCourt provided a brief overview of the financial report for the month of July. He said all member agencies excluding Long Beach and Pass Christian have systems over budget at this time, i.e. repair, power costs, etc. Mr. VanCourt added that a bond payment was paid in July, the principle payment is paid once per year, the interest twice per year.

Mr. Gombos made a motion to accept the Non-CDBG Financial Report, 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 Financial Report is attached hereto as exhibit "D".

F. b – Financial Reports – CDBG

Mr. Newton stated that the Notices to Proceed for the S14, S21/W19 and Robinwood/Riverbend projects have been issued. He said they will be tracking those projects closely. He said the budget is still on the positive side.

Mr. Scharr said he spoke with MDEQ regarding the eligibility of the Grant Administrator cost and they have indicated that they are willing to waive the 1 ½% limit that has been arbitrarily set for the costs. He said the projects that are closed out cannot be recovered. Mr. Scharr said they will be meeting in Jackson to determine the amount of money that will be recovered.

Mr. Gombos made a motion to accept the CDBG Financial Report, 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.

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G. 1 - Old Business - None
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New Business
CDBG

G. 2 a 1 – S15 Request for Cash – Final

Mr. Newton, representing the Grant Administrator, said this is the final RFC for S15 as this project is being closed out.

Mayor McDermott made a motion to approve the S15 RFC based on

recommendation by the CDBG Administrator, contingent on MDEQ approval, 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
Harrison County (2)	voted	aye
Pass Christian	voted	aye

The motion passed. A copy of the RFC is attached hereto as exhibit "E".

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**G. 2 a 2 – Revision No. 2 (Summary) to Work Order No. 4 – S15 Term Bid
2008-08**

Mr. Newton said this is to close out Work Order No. 4, Revision No. 2 (Summary) for the S15 project. This revision represents an increase of 61 calendar days in work order time and an overall decrease to the work order in the amount of \$81,769.45.

Mayor McDermott made a motion to approve the S15 Revision No. 2 to Work Order No. 4, contingent on MDEQ approval, 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 Revision is attached hereto as exhibit "F".

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**G. 2 a 3 – Approval of Amendment to Materials Testing Contract for
ATC/CARDNO**

Mr. Newton said this Amendment is for a decrease overall to the Materials

Testing Contract of \$7,346.21.

Mayor McDermott made a motion to approve the Amendment to the Materials Testing Contract for ATC/Cardno with a \$7,346.21 decrease, 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. A copy of the Amendment is attached hereto as exhibit "G".

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Non – CDBG

G. 2 b 1 – Change Order No. 1 – MDOT Project – Adjust HCUA Sewers for SR601-008

Mr. Bryant stated this Change Order #1 is a net zero change for cost and time. Its purpose is to adjust quantities and change fused PVC to HDPE. He added that this change order is contingent on MDOT review and approval.

Mr. Gombos made a motion to approve the Change Order #1 to the MDOT SR601-008 Project, contingent on MDOT review and approval, 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 "H".

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G. 2 b 2 – MDOT SR601-008 Contractor Pay Requests – Miller Enterprises, LLC - \$427,076.59

Mr. Bryant said this contractor pay request is for reimbursement to Miller Enterprises, LLC for construction and stored materials cost, contingent on MDOT approval and payment. He added that the project was ~60% completed.

Mayor McDermott made a motion to approve the Pay Request for \$427,076.59 to Miller Enterprises, LLC subject to MDOT approval and payment, 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 Pay Request is attached hereto as exhibit "I".

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G. 2 b 3 – Rejection of Bids – Keegan Bayou WWTF – Influent Pump Station Wet Well Rehabilitation Project

Mr. Scharr said this bid amount exceeds the budgeted amount of \$400,000 to complete this project due to the bypass pumping being included in the Bid. He said Board action is needed to formally reject the bids. He added that the Authority in conjunction with Biloxi personnel are going to do the bypass pumping to decrease the cost of this project, and plans are to rebid this project to stay within the budgeted amount.

Mayor McDermott made a motion to approve the Rejection of all Bids, 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. A copy of the Bid Tab is attached hereto as exhibit "J".

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G. 2 b 4 – HCUA Member Agency Liability Exposure

Mr. Gombos stated that the Authority was put on notice by OSHA for several violations due to a deficiency in the maintenance of several pump stations. He is concerned as to the extent of the Authority's liability, and if the situation has been corrected.

Mr. Simpson stated that the problem has been corrected. He explained that several years ago when Gulfport took over the operation of the lift stations, the O&M contractor at that time was S.H. Anthony, the sub-contractor was Utility Partners. Gulfport had their contractor, Utility Partners inspect the pump stations and submit a report to the City. In the report UP stated that maintenance that had not been done at some of the pump stations. Gulfport said they have been paying for maintenance, so they wanted to know why it had not been done.

Mr. Simpson said S.H. Anthony submitted requests and quotes to have work done, but the Executive Director at the time, Kamran Pahlavan, would not approve the requests. Mr. Simpson said about mid-May, Gulfport received a notice from OSHA stating they received a complaint regarding high methane gas levels, Gulfport had until June 2 to fix the problem and provide proof that it had been completed. Gulfport addressed the problem and resolved it within the seven days required by OSHA. Mr. Simpson said to his knowledge there has been nothing else from OSHA regarding this problem.

Mr. Riemann added that he sent an email to Mr. Pahlavan that listed the deficiencies at the time Gulfport took over the pump stations. Mr. Riemann said ultimately it was a savings to Gulfport for taking over the maintenance of their pump stations. All of the cost of O&M was reduced completely out of the contract with the Authority.

Mr. Bobby Knesal of Utility Partners said Gulfport directed his manager of the Gulfport contract to assess the pump stations, he submitted a report listing what needed to be done to fix the pump stations. He said a lot of the assessment was to have the pump stations updated to meet Gulfport's policy in which the HCUA did not have that policy. Mr. Knesal said Gulfport saved money by using their staff in-house to take over maintenance of their pump stations.

Mr. Gombos asked if the Authority was liable for anything that another entity is responsible for.

Mr. Simpson said how the member agencies share costs not covered by insurance is in the agreements between the Authority and each member agency.

Mr. Scharr requested that Utility Partners supply back up documents to the Authority to support the completion of repairs, for the Authority's file. A copy of the report is attached hereto as exhibit "K".

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G. 2 b 5 – Potential Funding Opportunity

Mr. Gombos said the Master Plan Phase I is nearing completion, and he mentioned that there may be a potential funding opportunity available. Mr. Gombos said D'Iberville hired Ms. Elizabeth Raley as a consultant, to represent the City of D'Iberville, to attend the meetings in Washington D.C. regarding funding for the City. She suggested that the Authority make the effort to present their Master Plan to the Federal government in Washington D.C.

Mr. Scharr stated that how the request is written is critical and will determine if BP funding is available. He added the Authority needs to be pursuing funding wherever available, and he felt assistance would be needed from a firm experienced in this process.

Mr. Gombos made a motion to authorize the Executive Director to pursue sources of funding for the Authority projects as indicated in the Master Plan, seconded by Supervisor Ladner.

Mayor Hewes suggested that the Executive Director report back to the Board with the recommendation of someone who can provide these services and in addition create a letter to be signed by all Mayors and the Board of Supervisors requesting funding. He added that a trip to Washington D.C. would be a possibility also.

(Mr. Gombos withdrew his motion)

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Executive Director's Report.

Mr. Scharr stated that the City of Gulfport prepared a report that he will be reviewing and providing his views to be given to the Board at the next Board meeting.

Mr. Scharr said the Staff is presently working on the Budget. He added there are some major issues:

- The distribution of the Mississippi Power refund
- Issues regarding carrying over specific dollars that are in the budget this year for on-going projects
- Over-under monies for each member agency
- Tuxachanie project, Biloxi/County
- Grant administrator issues, funding obligations of the Authority

- The preliminary review by AVL of the debt and distribution of costs for the O&M reserve

Mr. Scharr said he would like to meet with each Director within the next week to discuss the Budget.

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I. Executive Session

Mayor Gilich asked if there was a need for Executive Session.

Mr. Simpson stated there was need for Executive Session.

Mayor McDermott made a motion to go into closed session, seconded by Supervisor Ladner.

The Board entered into Closed Session to discuss the need for Executive Session.

Mr. Simpson stated that there are threatened and potential litigation matters that need to be discussed in Executive Session.

Mayor McDermott made a motion to enter into Executive Session to discuss litigation matters, seconded by Supervisor Ladner. A roll call 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 the Executive Session and return to normal Open Session, 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. The Board returned to Open Session.

No action taken during Executive Session.


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J. Adjourn - At this time Mayor McDermott made a motion to adjourn, 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 to adjourn passed.

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