

HARRISON COUNTY UTILITY AUTHORITY
PUBLIC HEARING/SPECIAL BOARD MEETING
September 10, 2015

Be it remembered that a special meeting of the Harrison County Utility Authority Board of Directors was held on September 10, 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:

Supervisor Joe Meadows, Harrison County (2), Director
Mayor Billy Hewes, City of Gulfport, Director
Mayor Andrew Gilich, City of Biloxi, Director
Mr. Al Gombos, representing the City of D'Iberville
Mayor Chipper McDermott, City of Pass Christian, Director
Mayor Billy Skellie, City of Long Beach, Director
Supervisor Marlin Ladner, Harrison County (1), Director
Mr. Donald Scharr, Executive Director, HCUA
Mr. John Wilson, O&M Manager, HCUA
Mr. Michael VanCourt, Comptroller, HCUA
Ms. Patra Roberts, Office Manager, HCUA

ABSENT:

Mr. James Simpson, Wise Carter Attorneys, Esquire

AUDIENCE:

Mr. Kris Riemann, City Engineer, City of Gulfport
Mr. Gerald Blessey, City Attorney, City of Biloxi
Ms. Cindy Lamb, Pickering Engineering Firm
Ms. Asha Staples, WLOX
Mr. Paul Hampton, Sun Herald
Councilwoman Ella Holmes-Hines, City of Gulfport

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. There were none.

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B. 1 a – Old Business

None.

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B 2 a. Work Session for Fiscal Year 2016 Proposed Budget

Mr. Scharr provided a brief review of the budget that was presented at the last Board meeting on September 3, 2015. The total of the proposed FY2016 budget is \$44,756,515.00. That represents a 4.11 percent reduction over the FY 2015 budget. There are several changes that have been factored into the new budget:

- Last year there was a one-time credit to the debt service \$1.9 million that was allocated to the member agencies. That credit no longer exists.
- The renewal of the Solid Waste Disposal contract resulted in an increase from approximately \$3 per ton to \$15 per ton.
- There has been an increase in cost to fund the reserves for the Solid Waste and Water systems.

The impacts of the 2016 budget over last year's budget are as follows:

- Biloxi – .91 percent increase
- Gulfport – 2.4 percent decrease
- Long Beach - 6.4 percent decrease
- Pass Christian – 14.07 percent increase
- D'Iberville – 36.75 percent increase
- Harrison County – 26.41 percent increase

There was discussion regarding the cost savings of the Henderson Point operations.

Mr. Scharr stated that in the new budget the SRF loan costs have been

allocated to the member agencies who benefit from them. In previous years, this has been a shared cost.

There was discussion regarding the allocation of the Lamey Bridge Interceptor costs. The Lamey Bridge Interceptor costs will continue to be allocated the same as last year between D'Iberville and Harrison County.

There was discussion regarding working with MDEQ and the Board of Health to force mandatory connections along our system lines, specifically the Harrison County schools. Mr. Scharr stated HCUA needs an easement to connect the West Harrison County High School. During the school board's meeting last week, they want to charge HCUA \$2,700.00 for the easement to connect them. Mr. Scharr stated he and legal counsel are working to resolve the matter and get the school connected.

Supervisor Ladner stated he is opposed to the county taking on \$650,000 of the reserve costs when the county only carries 3 percent of HCUA debt. He requested that this be revisited to come up with a more equitable share of the reserve costs.

Mr. Scharr reviewed the two budget options: one with the reserves allocated by O & M costs and one with the reserves allocated based on debt.

Mr. Blessey stated he is working with Mr. Simpson to get a favorable opinion from bond counsel regarding alternate funding methods for the reserves. He expects to have an opinion before the next Board meeting on September 17, 2015.

Mr. Scharr stated the Board still needs to select a budget option and be prepared to proceed once the opinion from bond counsel is received. He reminded the Board that a budget needs to be adopted by September 30, 2015 in order for HCUA operations to continue.

The Board set aside the vote for the FY2016 Budget until the bond reserve alternatives are presented to the Board, during the next Board meeting on September 17, 2015.

C. Executive Session


There was no need for Executive Session.

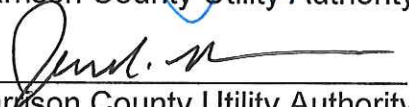
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I. Adjourn - At this time Mayor McDermott made a motion to adjourn, seconded by Mr. Gombos. A roll call vote resulted in the following votes:

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 to adjourn passed.


Harrison County Utility Authority


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