

MINUTES OF THE MEMBERS OF THE BEAUFORT-JASPER WATER AND SEWER AUTHORITY MEETING HELD ON MAY 22, 2014

Be it remembered that the Members of the Beaufort-Jasper Water and Sewer Authority held its regular meeting Thursday, May 22, 2014, at the Beaufort-Jasper Water & Sewer Authority Administration Building. This meeting met the notice requirements of, and was properly constituted pursuant to, Chapter 4, Title 30 of the Code of Laws for South Carolina, 1976, as amended, commonly known as the "Freedom of Information Act".

ATTENDANCE

Members of the Authority in attendance: David Lott, Chair; Donna Altman, Vice-Chair; James N. Scott, Secretary/Treasurer; Jimmy Baker; Michael Bell; Lorraine Bond; Jack Burke; Brandy Gray; Donald Manson; Dr. Bill Singleton, and Skeet Von Harten.

Staff in attendance: Ed Saxon, General Manager; Dottie Hofmann, Chief Financial Officer; Ken Jordan, Chief Administrative Officer; Chris Petry, Chief Operating Officer; Charles Sexton, Chief Technical Services Officer; Joe DeVito, Director Field Operations; Will Bettis, Purchasing & Risk Manager; Matthew Brady, Communications Manager; Allena Lee-Brown, HR Manager; Brian Chemsak, Capital Projects Manager; Sarah Linkimer, Finance Manager and Libby Breland, Executive Assistant/Clerk to Board.

Legal Counsel in attendance: Erin Dean, Esq., Tupper, Grimsley and Dean, P.A.; Jamie Hood, Hood Law Firm (joined in Executive Session).

Beaufort County Liaison to BJWSA: Council Member Brian E. Flewelling, (District 5: Okatie/Burton/Shell Pt.)

Public in attendance:

There were no public in attendance.

CALL TO ORDER

Chair David Lott called the meeting to order at 8:00 a.m.

INVOCATION AND PLEDGE OF ALLEGIANCE

Brandy Gray gave the invocation and all joined in the Pledge of Allegiance to the flag of the United States.

APPROVAL OF MINUTES

Motion: Moved by Brandy Gray, seconded by Don Manson, to approve the minutes of the April 24, 2014 regular board meeting as written and distributed in advance to the Members of the Authority. One Correction was noted to amend the minutes on the Taste and Odor report to include that Chair David Lott asked staff to prepare an Executive Summary report for the public.

A vote was held,

Motion carried.

PUBLIC COMMENT

The public was recognized.

GENERAL MANAGERS REPORT

Ed Saxon submitted the following report:

Safety/Wellness Report – There were no lost workday cases, no injuries and 1 minor preventable incident in April. A City of Savannah senior maintenance mechanic was killed while performing some routine aerial pipe replacements at their President's St WWTP on 5/12. The City has been gracious to share some details of the event and we had a Safety Stand-Down and Reflection the morning of Monday 5/19 to review this incident with employees and honor the deceased mechanic.

Savannah River Basin – The Basin experienced above normal rainfall in April and the lakes are in good shape as summer and our peak demand season approaches.

WEASC Training – The local WEASC chapter is holding an all-day training session in our Training Room today. David Crosby, our Water Operator of the Year is Chair Elect for this chapter and coordinated this effort. 40+ representatives from BJWSA, South Island, PSD 1, Broad Creek, MCAS & Yemassee are attending.

Board Retreat 5/27 – The 5/27 Retreat will start at 10:00AM at the Palmetto Electric Community Room off Hwy 278 across from the USCB Hilton Head gateway Campus. The budget document has been placed in the Drop Box. The Staff looks forward to interacting with the Board.

BJWSA Family Fun Day Picnic – The BJWSA family picnic was held on Saturday, 5/3 from 10-2 on the grounds here. We had ~150 in attendance and thanks to Mrs. Bond, Mrs. Gray and Mr. Lott for their attendance. A good time was had by all.

DHEC Consent Order Laurel Bay WWTP – This consent order involves Fecal Coliform sampling results at the LB WWTP that exceeded the daily maximum limit several times in the past year. We have developed and implemented a corrective action plan and have been in full compliance since October. DHEC has fined us \$2,000 for this event. Chris will provide a few details and answer any questions you may have.

Transfer of Southside Property to City of Beaufort – We have reached an agreement with the City regarding the transfer to them of the remaining ~5 acre parcel at Southside that we abandoned when we occupied the new NOB Ops Center. We had purchased 3 parcels totaling 1.2 acres within and adjacent to Southside after we merged with the City in 1999 and the terms of the transfer agreement allow us to combine these 3 parcels into one 1.2 ac parcel along Waddell Rd. We are working on the documents needed to affect the transfer and hope to have it done in 60 days.

Jasper Chamber Annual Meeting – Attended the annual meeting held on April 26. I am honored to report that Jimmy Baker was awarded the Zenie Ingram Community Service of the Year Award and former Board Member, John Rogers was given the Sergeant Jasper Award. Congratulations to both.

Technical College of the Lowcountry 2014 Commencement Ceremony – Skeet Von Harten was awarded the 2014 Presidential Medallion during the commencement ceremony on May 9. This award recognizes an outstanding individual with distinguished citizenship and demonstrated leadership who has helped build a better and stronger community.

Charles Fraser Sustainable Resort Development Conference – I gave a presentation on the importance of maintaining the health of our watersheds while balancing the needs development. It was well received and the group liked our Mission Statement.

Beaufort County Capital Sales Tax Commission – This Commission is chartered to select projects to be included on a proposed 1 cent Capital Sales Tax referendum and submit the list to the County for approval. If approved, the sales tax referendum will be included on the November ballot. The County solicited projects and BJWSA submitted a request to construct a \$5.5M Critical Operations Center (COC) at the Chelsea WTP site designed to shelter and support 150 personnel during storm events. ½ the space would be used as the SOB Operations Center. The Commission will submit their findings to Council in June. Several large water/sewer projects have been requested; Town of Bluffton - \$17.6M for May River Basin Sewer, Lowcountry Economic Alliance - \$21M for water/sewer improvements/extensions to 3 proposed industrial sites.

Capital Planning – You will receive the draft FY15-FY17 Capital Improvements Plan today. Charles and Brian Chemsak will take a few minutes to review our capital planning process with the Board.

Charles Sexton – Charles has accepted a position with Exxon, his former employer, and will be moving to Houston. Charles's last day will be 6/27. We wish him well and he'll be missed.

Public Affairs Report Matthew Brady highlighted community events and identified several projects taking place throughout the service area:

NOB Taste and Odor Event Focus Group.

- The outcome of the two focus group meetings were that the customers would like to receive a phone call of future incidences. A full report will be generated from the focus group. This, coupled with our upcoming comprehensive customer survey, will help us understand how to better reach out to our customers.
- Customer Survey- Two targeted dates are scheduled to call approximately 500 random customers to see how we are doing and how we can do better.
- Seabrook Waterline Project. A community meeting will be held on June 24 regarding a potential Front Foot Assessment project. A portion of the waterline could qualify for a CDBG project.
- Rural Infrastructure Authority Grant Application- BJWSA was awarded the \$350,000 grant for the Hardeeville ~\$1.5M waterline replacement project. This project will replace an aging waterline, and will improve water pressure and service delivery that will enhance development potential in the area. The project will begin near the end of summer, and should take approximately nine months to complete.

A summary memo dated May 13, 2014, was included in the Board packet and is attached to these minutes and is made a part hereof.

Jack Burke – Shared the May 19 2014 edition Fortune magazine article titled: “what is water worth?” The article compared water rates of areas such as Chicago (\$1.46), Los Angeles (\$2.80), Miami (\$1.15), Atlanta (\$6.30) and New York City (\$3.27). BJWSA's rate is \$1.18 based on 1 cubic meter of water consumption.

COMMITTEE REPORTS

Report of the Executive Committee Chair David Lott stated that the Executive Committee did not meet therefore had no report.

Report of the Capital Projects Committee Committee Chair Dr. Bill Singleton reported that the Capital Projects Committee met on May 14, 2014 and reviewed the status of the Capital Program and Development Activity. One contract award (#21712) will be presented under New Business for Board approval. A summary of noteworthy projects was included in the Board Packet. Some projects of note:

- Purrysburg Pipeline- Is online and pressures were reduced which will result in power savings.
- Bonaire Subdivision Waterline Replacement- Potter Construction has started on the emergency repair on Bonaire Circle.
- FY15-17 CIP - Was discussed in length and will ask for Board approval in June. Brian Chemsak will be able to answer any questions.
- FY15 Proposed Rates – Dottie Hofmann answered questions on the proposed FY15 rates.
- Strategic Focus Plan – Ed Saxon provided the final Executive Summary of the Strategic Focus Plan “*Charting the Future*”.

A copy of the CIP Update memorandum from Charles Sexton dated May 9, 2014 was included in the Board Packet and is attached to these minutes and is made a part hereof.

Report of the Finance Committee Donna Altman reported that the Finance Committee met on May 15, 2014 and submitted the following report:

- April 2014 Interims. Year to Date operating revenues are \$913 thousand under budget and \$350 thousand ahead of last year at the same time. Total operating expenses are \$935 thousand under budget and \$290 thousand under last year at the same time. Operating cash remains healthy. Liquidity is at 1.48 and target is 1.80. Cash is within our set policies and limits.
- Proposed Rate Workshop Schedules. Dates and Times were given.
- FY15-17 CIP – The CIP was reviewed.

A copy of the financial report dated April 30, 2014, was included in the Board packet and is attached to these minutes and is made a part hereof.

Report of the Personnel Committee Committee Chair Brandy Gray reported that the Personnel Committee met on May 13, 2014 and submitted the following report:

- Strategic Focus Plan; “Charting the Future”. Ed Saxon also provided the Personnel Committee the final Executive Summary of the Strategic Focus Plan “*Charting the Future*”.

- Finalize GM Evaluation Document and Timeline. A timeline was presented and agreed. The Personnel Committee will present recommendations in Executive Session at the June Board meeting.
- Compensation Study Implementation Update. Received an update of the implementation process and remaining timeline.
- SC Best Places to Work; Employee Survey. The surveys were completed and we will receive feedback by department advising strengths and weakness.
- FY2015 Rate Update. Received a review of Wholesale, Residential, and Commercial Water & Sewer rates and 10 year rate histories were also reviewed.
- Proposed Slate of Officers. Recommendation is to keep the current slate of officers.

OLD BUSINESS

There was no old business.

NEW BUSINESS

A. Capital Improvement Program

1. *Contract Award*

- *CIP #21712 – Admin Building AC Replacement.* This project is to replace the existing air conditioning in the original admin building. The existing units are split system air conditioning units with electric heat. The proposed system will use water source heat pumps and utilize the water from the Chelsea WTP to help cool and heat the building. The new design will create better efficiency and lower energy costs. Bids were certified and staff recommends award to Johnson Controls in the amount of \$327,800.00. This will be a very efficient project and is a “green” innovated project.

Motion: Recommendation for approval of CIP #21712 Contract Award for the Admin Building AC Replacement to Johnson Controls in the amount of \$327,800.00 as presented and referenced in the memorandum from Brian Chemsak, dated May 9, 2014 came from the Capital Projects Committee, *requiring no second,*
All voted in favor, none opposed.

Motion passed unanimously.

B. Resolution of Adoption of the FY14-FY17 Strategic Focus Plan; *Charting the Future.*

Motion: Brandy Gray moved, seconded by Michael Bell, to approve the Resolution of Adoption of the FY14-FY17 Strategic Focus Plan; *Charting the Future,*
All voted in favor, none opposed.

Motion passed unanimously.

PUBLIC COMMENT

Councilman Flewelling commended the staff and Board on the planning and adoption of BJWSA’s Strategic Focus Plan; *Charting the Future.*

(9:20a.m.)

EXECUTIVE SESSION

Motion: Donna Altman moved, seconded by Skeet Von Harten, to go into executive session for the purpose of discussing legal matters,

All voted in favor, none opposed.

Motion passed unanimously.

Chair David Lott, excused all persons from the meeting. Legal counsels, the general manager, and staff of the leadership team remained for executive session.

(10:45a.m.)

RECONVENE

Motion: Donna Altman moved, seconded by Dr. Bill Singleton, to reconvene regular session,

All voted in favor, none opposed.

Motion passed unanimously.

ACTION

Motion: Brandy Gray moved, seconded by Lorraine Bond, to move forward with settlement negotiations in the pending litigation,

All voted in favor, none opposed.

Motion passed unanimously.

ADJOURNMENT

With no further business to come before the Board, Michael Bell moved, seconded by James Scott, to adjourn the meeting at 10:45a.m.,

All voted in favor, none opposed.

Motion passed unanimously.

APPROVED: 6-26-14

Respectfully submitted,

Libby Breland, Clerk to Board

Signatures and Attachments on file.