

MINUTES OF THE MEMBERS OF THE BEAUFORT-JASPER WATER AND SEWER AUTHORITY MEETING HELD ON THURSDAY 7/24/2014.

Be it remembered that the Members of the Beaufort-Jasper Water and Sewer Authority held its regular meeting Thursday, 7/24/2014, 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; Donald Manson and Skeet Von Harten.

Members of the Authority not in attendance: Brandy Gray and Dr. Bill Singleton.

Staff in attendance: Ed Saxon, General Manager; Chris Petry, Chief Operating Officer; Dottie Hofmann, Chief Financial Officer; Ken Jordan, Chief Administrative Officer; Brian Chemsak, Capital Projects Manager; Matthew Brady, Communications Manager; Will Bettis, Purchasing Manager and Libby Breland, Executive Assistant/Clerk to the Board.

Legal Counsel in attendance: Erin Dean, Esq., Tupper, Grimsley and Dean, P.A.

Beaufort County Liaison to BJWSA: D. Paul Sommerville, Chairman, Beaufort County Council, (District 2: MCAS/Bft/Lady's Is/Fripp Is) attended on behalf of the absence of Councilman Brian Flewelling.

Public in attendance: Frank Turano, Regional Manager, Alliance Consulting Engineers.

CALL TO ORDER

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

INVOCATION AND PLEDGE OF ALLEGIANCE

Chair David Lott gave the invocation and all joined in the Pledge of Allegiance to the flag of the United States.

APPROVAL OF MINUTES

Motion: Moved by Lorraine Bond, seconded by Vice-Chair Donna Altman, to approve the minutes of the 6/26/2014 regular board meeting as written and distributed in advance to the Members of the Authority. No corrections were noted,

A vote was held, Skeet Von Harten abstained, due to his absence at the 6/26/2014 meeting,

Motion carried.

PUBLIC COMMENT

The public was recognized. There were no comments at this time.

GENERAL MANAGERS REPORT

Ed Saxon submitted the following report:

1. Safety/Wellness Report – For the 2nd straight month, there were no lost workday cases, no injuries or incidents and for the 2nd straight year, we did not experience a LWC and have worked 604,000 safe hours.
2. Savannah River Basin – The Basin experienced normal rainfall in June. The COE is projecting the normal gradual 3 foot descent in levels over the next 10 weeks due to higher demands for peaking hydropower and the continuing hot weather that causes high evaporation rates.
3. Water Festival – Congratulations to Brandy Gray for leading a great festival and BJWSA's raft team, the Sewer Ratz. They won the non-profit division and finished 2nd overall.
4. GFOA Certificate of Excellence in Financial Reporting – For the 10th straight year, BJWSA has received this award for our 2103 CAFR. Thanks and congratulations to Sarah and the Finance Staff for their diligence and hard work.
5. Military Enhancement Committee (MEC) - I was fortunate to be appointed by Beaufort County to serve on this important committee. Skeet is also a member of MEC and the MEC serves to enhance the quality and value of our military installations while defending them with regard to any threats, including base realignments and closures.
6. Comments on SRS Plans to Receive, Process and Dispose of German Spent Nuclear Fuel - DOE issued a Notice of Intent, "Environmental Assessment for the Acceptance and Disposition of Used Nuclear Fuel Containing US-Origin Highly Enriched Uranium from the Republic of Germany". BJWSA, along with many other agencies, including the SRS Citizens Advisory Board, strongly object to this plan and we documented our objection in a letter dated 7/14/14 to DOE.
7. Recent Board Reappointments – We have received reappointment letters from the Governor for Mr. Lott and Mr. Burke. In your packet is an updated Board Member List. For the 1st time in over 20 years, we have a complete officially appointed Board. Thanks to Libby for bird-dogging the recent reappointments.
8. Wasting our Waterways Report – In June, the Environment Georgia Research & Policy Center published a report written by the Environment America Research & Policy Center, which listed the releases of toxic pollutants to US waterways based on EPA's Toxic Release Inventory for the year 2012. Similar reports were issued previously in 2012 for 2010 releases and in 2009 for 2007 releases. The Middle Savannah River watershed was shown as having the third-most pollutants released, 5,025,161 pounds, the main contributors being the industries on the Georgia side of the river. EPA has created a relative ranking measure for pollutants called the Toxic Weighting Factor (TWF) because each pollutant has different toxicities to human health and aquatic communities. The report also lists the Top 10 watersheds receiving pollutants based on this TWF and the Savannah is not shown on this list. There were several articles in the local papers about the report and our response focused on EPA's & the State's role in permitting and monitoring the dischargers, the extensive monitoring being done in the Savannah Basin, our good working relationship with these dischargers, and our history of consistently producing high quality, safe drinking water that exceeds all state and federal regulations.

9. General Manager Goals for FY15 – I distributed my proposed FY15 goals during the committee meetings and asked for your review and comment. These goals were categorized based on the 11 attributes used in my FY14 evaluation.
10. CTSO Vacancy – Received 27 external applications for the position but only 15 met all the qualifications. From those 15, we have selected 3 to interview. They are all from the northeast and we have scheduled a “go to meeting” interview with each during the 1st week of August. Dottie, Chris, Ken, Allena & I will conduct the interviews. Based on the results of the interview, we will either schedule an in person 2nd interview or expand our external solicitation and re-advertise.
11. Service Lateral Maintenance Agreements – For the past six months Staff has been evaluating the benefits of BJWSA providing a water/sewer service lateral maintenance program for our customers. Many utilities offer this service which maintains the pipelines on the customer’s property from the system connection to the house. We have received a proposal from HomeServe, the nation’s largest provider of these services and have investigated the possibility of BJWSA developing and offering our own in house program to provide this service. I’ve distributed a memo summarizing our activities to date and our future plans.
12. Recent Announcements – Marc Orlando has been selected to replace Anthony Barrett as Bluffton Town Manager, Anthony will retire at the end of September. HH PSD announced that Richard Cyr, GM, will retire on 6/30/15 and they have selected Pete Nardi, currently the Asst. GM, to replace Richard.
13. Taste & Odor – Chris will provide an update on our most recent T&O experience.
14. Matthew Brady – As part of Matthew’s Communications Report I’ve asked him to do a brief presentation on BJWSA’s Social Media efforts.

After Chris Petry presented an update on the taste and odor event, Chair, David Lott suggested that the staff consider a public campaign on a regular basis to keep the public informed.

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

- Social Media – Matthew gave a power point presentation identifying the trends of users on social media and how consumers use the social networking sites in the utility industry. We are looking into the future of enhancing communication through the growth of *Facebook*, *Twitter* and other social media.
- Beaufort Water Festival Events - BJWSA also participated in the water festival parade and children’s day event.
- Seabrook Point Waterline Project - Ballots for this project were sent to the community, and are due back by August 5.

A summary memo dated 7/16/2014, was included in the Board packet and is attached to these minutes and is made a part hereof.

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 Member Jack Burke reported that the Capital Projects Committee met on 7/16/2014 and reviewed the status of the Capital Program and Development Activity. A summary of noteworthy projects was included in the Board Packet. Some projects of note:

- Chelsea WTP Tube Settler Replacements. The tube settler replacement project is complete.
- Emergency Generator Air Quality Compliance Project. This project is complete and the units are in the testing phase.
- FY15 GM Goals. Ken Jordan reviewed the FY15 GM Goals.
- Rate Workshops. Dottie Hofmann handed out score sheets for the rate workshops.
- Board Action. Four items will be presented under new business requiring Board approval.

A copy of the CIP Update memorandum from Brian Chemsak dated 7/16/2014 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 7/17/2014 and submitted the following report:

- Financial Reports. The financial report for June was not prepared due to the upcoming Audit preparation.
- Call Center Metrics. Even with an average of 8900 incoming calls the wait time was under 1.5 minutes.
- Capacity fees. Total revenues in water and sewer capacity fees for the month of June were \$163,620.
- Budget Adjustments. Brian Chemsak reviewed the budget adjustment for the Hardeeville waterline replacement project.
- Audit Planning Review. The Auditors of Cherry, Bekaert, LLP gave a presentation to the committee on the audit process and two new GASB rule changes. The Governmental Accounting Standards Board issued two new accounting standards that will significantly change the way pensions are recorded in FY2015. Statement No. 68 & 71 - Accounting and Financial Reporting for Pensions and Amendment. Final audit results and financial statements will be presented to the Finance Committee during October and thereafter to the full Board in November. A copy of the auditors' presentation is in the dropbox.

Report of the Personnel Committee Committee member Michael Bell reported that the Personnel Committee met on 7/15/2014 and submitted the following report:

- Compensation Study Implementation Update. Performance reviews have been completed and management will review the process to evaluate the "lessons learned" of the new system.

- FY15 GM Goals. The GM goals were reviewed.
- Wellness Program Update. The committee is working on the tobacco cessation program and also planning wellness activities for FY15.
- BJWSA University Next Steps. To develop a skills gap analysis and BJWSA is also looking into partnering with TCL to develop behavioral and physical assessment analysis.

Staff Communication Plan. The staff is working on a plan and will bring something to the Board in November.

OLD BUSINESS

No old business was presented.

NEW BUSINESS

Capital Improvement Program

Budget Adjustment/Contract Award

1. CIP-21763 Hardeeville Water Line Replacement. This project will replace the asbestos waterline in Hardeeville along Hwy. 17 and provide better water distribution within the Hardeeville water system. The SC Rural Infrastructure Authority awarded \$350,000 to BJWSA to complete this project. This project was originally approved in the FY16 funding; part of the grant requirements is that the project must be completed within 18 months of the grant award, therefore staff is asking to move the project into the FY 15 budget year. BJWSA also requested proposals from engineers to design the project and Hazen & Sawyer has been selected as the design engineer for this project for \$124,500.

- Budget Adjustment – FY16 to FY15
- Engineer Selection of Hazen & Sawyer for \$124,500.

Motion: Recommendation for approval of CIP #21763 Hardeeville WL Replacement budget adjustment to move the project into the FY15 budget year and engineering selection of Hazen and Sawyer for **\$124,500** as presented and referenced in the memorandum from Brian Chemsak, dated 7/10/2014 came from the Capital Projects Committee, *requiring no second*,

All voted in favor, none opposed,

Motion passed unanimously.

Change Orders

1. CIP-21712 Admin Building AC Replacement to Johnson Controls Interface for \$190,915. This contract was originally approved in May. Johnson Controls proposed a bid that would allow qualifying for a SCE&G rebate program through the Energy Wise Program. JCI's proposal included an HVAC system optimization and energy management system for the entire admin building. In addition to the rebate, the new system should reduce energy costs by over 55%, increase equipment life and improve comfort for the building occupants.

Motion: Recommendation for approval of CIP #21712 Admin Building AC Replacement Change Order to Johnson Controls Interface for **\$190,915** as presented and referenced in the memorandum from Brian Chemsak, dated 7/1/2014 came from the Capital Projects Committee, *requiring no second,*

All voted in favor, none opposed,

Motion passed unanimously.

2. CIP-21722 Bonaire Subdivision WL Replacement Change Order to Potter Construction for \$13,380. This project was originally approved in April. During the construction some additional items, a fire hydrant replaced, and larger overlays of driveways, were added to the project scope that warranted a final change order. The final change order amount is for **\$13,380** for a revised contract amount of \$113,215.

Motion: Recommendation for approval of CIP #21722 Bonaire Subdivision WL Replacement Change Order to Potter Construction for **\$13,380** as presented and referenced in the memorandum from Brian Chemsak, dated 7/10/2014 came from the Capital Projects Committee, *requiring no second,*

All voted in favor, none opposed,

Motion passed unanimously.

Contract Award

1. CIP-21820 Misc. WW Pump Station Replacements to BRW Construction for \$120,375.

This project is to replace the existing HD04 wastewater pump station located near the intersection of Hwy 278 and Hwy17 in Hardeeville, SC. The project consists of coating the existing structures, replacing the discharge piping, replacing the electrical panels and improving the site. Bids were certified and staff recommends award to BRW Construction in the amount of **\$120,375.**

Motion: Recommendation for approval of CIP #21820 Contract Award for the Misc. WW Pump Station Replacements to BRW Construction in the amount of **\$120,375** as presented and referenced in the memorandum from Brian Chemsak, dated 7/15/2014 came from the Capital Projects Committee, *requiring no second,*

All voted in favor, none opposed,

Motion passed unanimously.

Appointment of Two Members to the Levy-Limehouse-Bellinger Hill (LLBH) Community Advisory Committee

• *Recommendation Submitted by the remaining Members of the LLBH Community Advisory Committee:*

1. Candidate - Aisha Yvonne Caul
2. Candidate - Nathaniel Wright Sr.

Motion: Moved by Jack Burke, seconded by Jimmy Baker, to approve candidate, Aisha Yvonne Caul to the LLBH Community Advisory Committee,

All voted in favor, Lorraine Bond recused due to a conflict of interest, Ms. Caul being her sister,
Motion carried.

Motion: Moved by Michael Bell, seconded by Don Manson, to approve candidate Nathaniel Wright, Sr. to the LLBH Community Advisory Committee,
All voted in favor, none opposed,
Motion passed unanimously.

Appointment of the Chair and Members of each Standing Committee.

- *Memorandum of Committee Assignments.*

Approved: *All members concurred.*

A copy of the Memorandum dated 7/24/2014 is attached to these minutes and is made a part hereof.

PUBLIC COMMENT

There were no public comments.

9:15a.m.

EXECUTIVE SESSION

Motion: Vice-Chair Donna Altman moved, seconded by Lorraine Bond, 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 counsel, the general manager, and CFO remained for the executive session to receive a legal briefing.

9:30 a.m.

RECONVENE

Motion: Jack Burke, moved, seconded by Jimmy Baker, to reconvene regular session,

All voted in favor, none opposed,

Motion passed unanimously.

ACTION

No action was taken.

ADJOURNMENT

With no further business to come before the Board, Chair David Lott, declared the meeting adjourned at 9:35a.m

APPROVED: 9/25/2014

Respectfully submitted,

Libby Breland, Clerk to Board

Signatures and Attachments on file.