

## MINUTES OF THE MEMBERS OF THE BEAUFORT-JASPER WATER AND SEWER AUTHORITY MEETING HELD ON THURSDAY 2/25/2016

Be it remembered that the Members of the Beaufort-Jasper Water and Sewer Authority held its regular meeting Thursday, 2/25/2016, 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; Jimmy Baker; Michael Bell; Lorraine Bond; Jack Burke; Brandy Gray; Donald Manson; Dr. Bill Singleton and Skeet Von Harten.

Members of the Authority not in attendance: Vice-Chair Donna Altman and Secretary/Treasurer James Scott.

Staff in attendance: Ed Saxon, General Manager; Frank Eskridge, DGM O&TS; Brian Chemsak, Director of Engineering; Allena Lee-Brown, HR Manager; Joe DeVito, Director Field Operations; Pamela Flasch, Communications Manager; Sarah Linkimer, Controller; Will Bettis, Purchasing & Risk Manager; and Libby Breland, Executive Assistant/Clerk to the Board.

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

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

### CALL TO ORDER

The meeting convened at 8:00 a.m., Chair David Lott presiding.

### INVOCATION AND PLEDGE OF ALLEGIANCE

Jimmy Baker gave the invocation and all joined in the Pledge of Allegiance to the flag of the United States.

### APPROVAL OF MINUTES

**Motion:** Moved by Jimmy Baker, seconded by Lorraine Bond, to approve the minutes of the 1/28/2016 regular board meeting. Michael Bell noted one correction on page 3, under the report of Members Compensation:....*asked Staff to check into the possibility of members participating in, such as, the State Health Plan medical insurance.*

*All voted in favor as amended, none opposed,*

**Motion passed unanimously.**

### PUBLIC COMMENT

The public was introduced and welcomed. There was no public comment.

## GENERAL MANAGERS REPORT

*Ed Saxon submitted the following report:*

1. Safety Report. We had 4 minor incidents in January, 1 mailbox break-in, 1 trip & 2 vehicle accidents. There were no recordable injuries. We have worked 11 months without a lost workday case and 8 months without a recordable injury. The Safety & Wellness Festival will be held Friday, 3/11 at the Chelsea WTP starting at 11:30. We will serve lunch and have many vendors, demonstrations and related activities. The Board is welcome to attend.
  2. Savannah River Basin. The basin experienced only 80% of normal rainfall in January and lake levels have returned to normal (in line with the Guide Curves). River levels at our intake are below 14 feet and falling. We continue to see increased color & organics in the raw water.
  3. Presentations. On February 9<sup>th</sup>, I gave a presentation to the Lady's Island Business & Professionals Association (~30 people), thanks to David & Donna for attending. I discussed the development activity on LI, our plans to systematically change our rate structure to be less dependent on volumetric sales, and the Flint crisis. I gave a similar presentation to the Okatie Rotary Club on 2/16, focusing on the Bluffton area. I did a 3+ minute interview with WHHI about growth on LI. The segment was aired the week of 2/8.
  4. Daufuskie Island. 9 staff members toured the DIUC facilities on 2/12 and met with the local owner. We are continuing with our due diligence.
  5. Boundary Street Project. Staff is setting up a meeting for our 4 "NOB" Board members to brief them on our activities associated with the upcoming Boundary Street road project. It will most likely start at Beaufort's City Hall with a field trip to the project sites. Details will follow.
- **Public Affairs Report.** Pamela Flasch highlighted community events and identified several projects taking place throughout the service area:
- Consumer Confidence Report. We will publish our wholesale *CCR* at the end of March.
  - Drinking Water Week. Is the first week of May, with our annual *Customer Appreciation Day Thursday, May 5*. Again this year, we will have an essay contest for older students and a poster contest for elementary students.
  - Customer Focus Group. We are planning our Focus Group to meet here *Saturday, May 14*. I will have more information on that next month.
  - Annual Safety & Wellness Festival. Don't forget -- the Annual Safety & Wellness Festival is re-scheduled for *Friday, March 11 at the Chelsea Plant*.
  - Employee Fun Day. Planning is underway for our Fun Day *April 23* – hopefully at a county park – and we will play Hargray in a softball game at the beginning of the day!
  - Boundary Street Road Project. Several BJWSA staff members continue to attend the weekly Boundary Street Road Project meetings. We are building relationships with the Boundary Street Business Community, as well as with those involved in the project.
  - Media News. BIG NEWS! In less than 24 hours, I was contacted by the **Smithsonian Institution**, which wants to use our wastewater video in a six-year traveling exhibit

on water. Also, a reporter from **Kiplinger Finance** inquired about our "courtesy leak adjustment claims", and I turned him onto Mike for an interview!

*Michael Bell asked if we were providing links on our website to interviews and presentations such as the one that Ed Saxon gave during the LIBPA meeting and noted that this would be helpful in building our own case for the new rate structure. Pam Flasch noted that we are providing that information on social media, and that the WHHI had an associated cost for the link. Ed also noted that the LIBPA presentation was tailored to the Lady's Island community.*

*A summary memo dated 2/11/2016, 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.** Committee Chair David Lott stated that the Executive Committee did not meet therefore had no report.

**Report of the Capital Projects Committee.** Committee Chair Donald Manson reported that the Capital Projects Committee met on 2/17/2016 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:

- Jan FY16 Military Project Activity. Down to 10 projects listed.
- Developer Projects. 4 new projects; 5 pre-constructions.
- Capacity Fees. Are continually increasing.
- Water & Sewer Taps. 128 water taps and 125 sewer taps.
- Cherry Point Effluent Pond Liner Replacement. One price was received from EFI, so the Committee asked the staff to go back and get additional pricing. The EFI price will be used to establish the budget for the project.
- Purrysburg Electrical Room Improvements. A request for a budget adjustment of \$40,000 will be brought under new business along with more discussion.
- Agenda Items for Approval. A total of 4 contract awards will be brought under new business.

*A copy of the CIP Update memorandum from Brian Chemsak dated 2/15/2016 was included in the Board Packet and is attached to these minutes and is made a part hereof.*

**Report of the Finance Committee.** Committee member Skeet Von Harten, on behalf of the Committee Chair, reported that the Finance Committee met on 2/18/2016 and submitted the following report:

- 1/31/2016 Interims. Total operating revenues were \$800 thousand under budget year-to-date. Expenses were under budget year-to-date, \$530 thousand without depreciation. Residential and wholesale water sales are the primary reason for the shortfall in revenue. Capital contributions are strong. Capacity fees for 1/31/2016 were \$164 thousand, and \$626 thousand in developer contributions. Total capital contributions have exceeded the

annual budget by \$1.9 million. Operating cash remains healthy at \$17.3 million and also \$17.1 million designated for R&R and capital.

- CIP Activity. Brian Chemsak reviewed the CIP Budget Additions and Budget Adjustments which will be brought to the Board in new business.
- Audit Services RFP. 10 Firms submitted proposals; interviews will be scheduled for 5 of these firms on March 2 and we will bring a recommendation to the Board during March.
- 2016 Bond Refunding. Skeet Von Harten reiterated the accomplishment of the resale of bonds and that we should be sharing the news of the final net present value savings of over \$5 million and starting in 2018 with an annual cash flow savings of approximately \$430 thousand which goes directly back to the benefit of our rate payers. He exemplified the efforts of Ed and staff for their professional performance and the wonderful benefits accruing for the rate payers.

*A copy of the financial report dated 1/31/2016, 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 Lorraine Bond reported that the Personnel Committee met on 2/16/2016 and submitted the following report:

1. Safety. The January Safety Report indicates it has been 314 days since the last lost work day. The Safety and Wellness Festival is scheduled for March 11th. Lunch will be served at 11:45 am. Board Members are encouraged to attend. The Quick Guide has been updated to include our feedback. Copies will be provided to Board Members in March.
2. BJWSA University. The Skills Survey identified training needs common to multiple jobs to include: Kronos timekeeping system, Lucity – the work order and asset system, and the Microsoft suite including Excel, Word and Outlook. HR plans to utilize In-House Trainers to develop and deliver much of this training. Training should begin within the next 1 – 2 months. A Leadership Development program has been identified. This program will begin before the end of the FY16 fiscal year.
3. GM Compensation Consultant. The Personnel Committee’s input was solicited regarding the form expected for receiving the consultant’s input on the GM evaluation and compensation.
4. Board Compensation. To close the loop, HR explored if Board Members could participate in BJWSA’s Health Care and/or Retirement Plans. Unfortunately, only employees of BJWSA can participate.
5. New HR Team Member. HR’s newest new Team Member, Jamie Sease, joins as the Administrative Coordinator. Jamie has worked in our Customer Service Department for about 5 years training new Customer Service Reps and has sales, tourism, budgeting, and leadership experience.
6. Personnel Matters. We were updated regarding employment litigation underway.

## **OLD BUSINESS**

There was no old business.

## **NEW BUSINESS**

### Capital Improvement Program

*Addition to FY15-FY17 CIP Program*

1. CIP 1857 Cherry Point Effluent Pond Liner Replacement of \$150,000. The existing liner in the effluent pond at Cherry Point WWTP has been damaged from 20+ years of sun exposure and the recent high winds have caused the liner to rip and tear in various locations around the pond. Currently the staff is keeping the levels below the damaged sections to avoid washing out the earthen pond, but this is not a level that can be maintained during periods of high flow at summer time.

Environmental Fabrics, Inc. (EFI) reviewed the condition of the liner and recommends a full liner replacement in lieu of repairing the existing liner. EFI provided a budgetary number to replace the entire liner in the pond, which was used to create this project's budget. As requested, Will Bettis is working with a few other Companies to get a few more prices and will bring a recommendation to the next meeting if necessary. Ed made a recommendation due to the critical time frame asking the Board for a contingency contract approval not to exceed \$150,000. Michael Bell asked about the timeline including completion date of the project. Brian Chemsak indicated that it would take about two weeks to complete the project. Michael Bell agreed with Ed's recommendation of a contingency award and to move forward to get this project quickly done.

**Motion:** Michael Bell moved, seconded by Lorraine Bond, to approve *CIP Project 1857 Cherry Point Effluent Pond Liner Replacement of \$150,000* to the FY15-FY17 CIP Program as presented and referenced in the memorandum from Brian Chemsak, dated 2/11/2016,  
*All voted in favor, none opposed,*

**Motion passed unanimously.**

**Motion:** Michael Bell moved, seconded by Skeet Von Harten, to approve a contingency contract award for *CIP Project 1857 Cherry Point Effluent Pond Liner Replacement not exceeding the budgetary amount of \$150,000,*  
*All voted in favor, none opposed,*

**Motion passed unanimously.**

*Budget Adjustment/Contract Award*

1. CIP 1648 Purrysburg Electrical Room Improvements Budget Increase of \$40,000 and Construction Contract Award to JCI for \$160,187. This project will add conditioned air to the electrical switch gear section of the High Service building at the Purrysburg Water Treatment Plant. Currently the building is ventilated with outside air through exhaust fans. The high voltage electrical gear in the room powers the entire treatment plant and requires yearly cleaning due to the accumulation of dust from outside air. By installing air conditioning the need to clean the gear will be eliminated as well as extend the life of electrical components. The current budget is \$150,000. Staff hired Dulohery Weeks & Gagliano to complete a mechanical design for the project for \$11,000. Staff is asking for a budget increase of \$40,000 that will include some construction contingency as well to approve a construction contract award to Johnson Controls Inc. for \$160,187.

**Motion:** Moved by Jimmy Baker, seconded by Dr. Singleton, *to approve a budget increase for CIP 1648 Purrysburg Electrical Room Improvements in the amount of \$40,000 and construction contract award to JCI for \$160,187 as presented and referenced in the memorandum from Brian Chemsak, dated 2/8/2016 came from the Capital Projects Committee,*

*All voted in favor, none opposed,*

**Motion passed unanimously.**

*Contract Award(s)*

2. CIP 1740 - Steel Transmission Main Valves to Potter Construction for \$115,200. Potter Construction is completing the necessary work along Boundary St. to accommodate the proposed plan for the roadway. BJWSA also needs to install additional valves along the transmission waterline within the area. The unit price for valve installation was included in the bid for Boundary St. and Potter Construction has agreed to extend the bid price to the additional work proposed by BJWSA. Staff is asking approval of a contract award to Potter Construction in the amount of \$115,200.

**Motion:** Recommendation for approval of *CIP 1740 Steel Transmission Main Valves to Potter Construction for \$115,200 as presented and referenced in the memorandum from Brian Chemsak, dated 2/10/2016, came from the Capital Projects Committee, requiring no second,*

*All voted in favor, none opposed,*

**Motion passed unanimously.**

3. CIP 1760 - CPWRF Stair Screen Rehab and Replacement to Vulcan for \$102,181. This project's scope includes installing a second new screen in the existing channel at the Cherry Point headworks. Since the existing screen and control panel, the staff recommends a Vulcan screen in order standardize spare parts and avoid any conflicts caused by having 2 different screen manufacturers. Staff is asking approval of a contract award for material purchase from Vulcan for \$102,181.

**Motion:** Recommendation for approval of *CIP 1760 CPWRF Stair Screen Rehab and Replacement to Vulcan for \$102,181 as presented and referenced in the memorandum from Brian Chemsak, dated 2/10/2016, came from the Capital Projects Committee, requiring no second,*

*All voted in favor, none opposed,*

**Motion passed unanimously.**

## **PUBLIC COMMENT**

There was no public comment.

(8:40 a.m.)

## **EXECUTIVE SESSION**

**Motion:** Brandy Gray moved, seconded by Michael Bell, to go into executive session for the purpose of discussing litigation matters regarding: 1. Jarman, 2. Smith/Van Zyle, 3. Sadowsky, 4. Adkins, and 5. Sauls Funeral Home,

*All voted in favor, none opposed.*

**Motion passed unanimously.**

*Chair David Lott, excused all persons from the meeting. Legal counsel, GM; DGM O&TS ; HR Manager remained for the executive session for the legal briefing.*

(8:50 a.m.)

**RECONVENE**

**Motion:** Brandy Gray moved, seconded by Lorraine Bond, 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, Brandy Gray moved, seconded by Jimmy Baker, to adjourn the meeting at 8:50 a.m.

*All voted in favor, none opposed.*

**Motion passed unanimously.**

APPROVED: 3/24/2016

*Respectfully submitted,*

*Libby Breland, Clerk to Board*

Signatures and Attachments on file.