

MINUTES OF THE MEMBERS OF THE BEAUFORT-JASPER WATER AND SEWER AUTHORITY MEETING HELD ON THURSDAY 5/26/2016

Be it remembered that the Members of the Beaufort-Jasper Water and Sewer Authority held its regular meeting Thursday, 5/26/2016 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; Donna Altman, Vice-Chair; Jimmy Baker; Lorraine Bond; Jack Burke; Brandy Gray; Donald Manson; and Skeet Von Harten.

Members of the Authority not in attendance: James N. Scott, Secretary/Treasurer; Michael Bell; Dr. Bill Singleton.

Staff in attendance: Ed Saxon, General Manager; Frank Eskridge, DGM O&TS; Brian Chemsak, Director of Engineering; Jim Baker, Capital Projects Manager; Allena Lee-Brown, HR Manager; Will Bettis, Purchasing & Risk Manager; Dawn Bates, Administrative Coordinator, Operations & Engineering.

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

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 Skeet Von Harten, seconded by Don Manson, to approve the minutes of the 4/28/2016 regular board meeting as written and distributed in advance to the Members of the Authority. No corrections were noted,

All voted in favor, none opposed,

Motion passed unanimously.

PUBLIC COMMENT

The public was introduced and welcomed. There was no public comment at this time.

GENERAL MANAGERS REPORT

Ed Saxon submitted the following report:

1. Safety Report - We had a second straight month of no incidents or injuries and have gone over 400 days (325,000+ safe work hours) without a lost work day injury.
2. Savannah River Basin -The sub-normal rainfall pattern continued in the Basin with April rainfall being less than 40% below normal but lake levels remains in line with the guide curves.
3. Lowcountry Affordable Housing Coalition - BJWSA hosted a meeting of the LAHC on 5/10 and I was on a panel with representatives from SCEG & Hilton Head PSD to discuss what programs utilities have to assist in providing affordable housing. I briefed the group on our Round-Up Program, the Thad Coleman Fund and our assistance provided to local governments who obtain CDB Grants. Approximately 20 representatives from various organizations attended.
4. May 19th Board Retreat -Staff appreciates the time and the attention you gave to the Retreat. Dottie has placed all the presentations in the Drobox and let us know if you need a paper copy. We'll get it to you.
5. Savannah Harbor TMDL/5R- After 15 years of meetings and negotiations with EPA Region IV, Georgia EPD, SCDHEC and the Savannah River dischargers, the EPA/EPD/DHEC have approved the Savannah Harbor 5R plan and withdrawn the 2006 TMDL. This is truly a victory for BJWSA in that, during the wasteload allocation discussion between the dischargers, we were able to actually increase our permitted loadings from 1149 lbs of Ultimate Oxygen Demand to 2233 lbs of UOD. DHEC has issued the draft NPDES permit for the Hardeeville WWTP and we are reviewing it now.
6. Hardeeville Water Reclamation Facility-The mandatory pre-bid meeting for the HWRF project was held May 12, 2016, in our Community Room. The meeting was well attended with six construction firms present. This is the level of interest we were hoping to have at this meeting. This project bids on June 7, 2016.
 - **Public Affairs** - Pam is in Incident Command training this week in College Station Texas. The following is a report on her behalf:
 - Drinking Water Week- During DWW, poster and essay contests were held, and a cookout for Customer Appreciation Day, with giveaway prizes. About 65 visitors attended Customer Appreciation Day and a Bluffton couple won the giveaway grand prize grill. Accompanied by Dottie and Ed, iPad Airs were delivered and a pizza party giving to our essay and poster winners. The staff received very favorable response everywhere they went!
 - Customer Focus Group. Ten customers participated in the Customer Focus Group session on May 14; a follow-up report will be available soon from Coastal Focus and Crantford Research.
 - SCWARN. Lou attended the SC Water & Wastewater Agency Response Network (SCWARN) training with other water utilities across the state, as well as Microsoft Excel training.

- Customer Newsletter. The summer newsletter and CCR are in production. The deadline works around approval of the new rate structure and timely delivery of information to customers at beginning of July.
- Community Activity. A number of tours have been planned, as well as an Eco-Camp program and the annual participation in Camp Sunshine, which is a summer program for developmentally-disabled youth. Additionally, BJWSA provided 400 water bottles for Beaufort PALS to distribute to children participating in the USDA summer free meal program at 40 locations in the county. The bottles were distributed to participants at a kick-off event May 24.
- Hurricane Season. Annual hurricane information will be available the first week of June. Copies will be provided to the board as soon as we have them in house.

A Community Projects Update summary memo dated 5/19/2016, 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 5/18/2016 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:

- Boundary Street Expansion Asset Relocation (1565). – BJWSA staff continues to work closely with the county and city to schedule work. The major shut downs have all been completed, work still continues on replacing services and installing the new waterline along First St.
- Hardeeville Water Line Replacement (1760). – Potter construction has installed all of the water line, they are working on testing and connection of existing meters.
- The Update to the CIP Plan. - Is under review by the CIP Committee and will be recommended to the Board for approval at the June Board meeting.
- Items for Board Approval. Contract Award for CIP 1745 Canal Fence Phase II.

A copy of the CIP Update Memorandum from Jim Baker dated 5/18/2016 was included in the Board Packet and is attached to these minutes and is made a part hereof.

Report of the Finance Committee. Committee Chair Donna Altman reported that the Finance Committee did not meet due to the Board Retreat, however a copy of the April Financial Report was included in your board packet.

A copy of the Financial Report dated 4/30/2016, 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 5/17/2016 and submitted the following report:

- Safety. It has been 403 days since the last preventable lost work day.
- Slate of Officers. We will discuss the Personnel Committee's recommendations during Executive Session.
- BJWSA Board Leadership Award. We will discuss the Personnel Committee's recommendation during Executive Session.
- Leadership Training. This training commenced May 11.

OLD BUSINESS

HomeServe Contract Review

Ed Saxon submitted the following report:

Purpose: To offer **optional** water/sewer service line protection (warranty) to our retail customers. The revenues BJWSA receives from HomeServe will be used to establish a fund administered by the United Way of the Lowcountry to help our customers who are in financial distress pay their monthly water & sewer bills.

Briefing Points:

- BJWSA began evaluating water/sewer service protection programs in early 2014. SCEG began mailings in our service area about a similar water/sewer line protection program they were offering.
- Charleston Water System (CWS) had just completed an extensive evaluation of these programs and selected HomeServe as their provider. They provided us their RFP and evaluation results.
- Summer 2014, BJWSA decides to pursue negotiations with HomeServe and notified the BJWSA Board of our intentions at the July 2014 Board meeting.
- Staff thoroughly vetted HomeServe and held numerous meetings with HomeServe to work out the details of an agreement. We did not agree to provide HomeServe with any customer information other than the local customer zip codes and added sections to the contract that allowed us to have final approval on the content of all mailings. In addition to the normal termination for cause language in the Agreement, we added the following termination language “Utility may terminate this Agreement without cause if it determines, in its sole discretion that the terms of this Agreement would not be in the Utility’s best interest by providing HomeServe a 90 day written notice of termination to HomeServe...”. The Agreement was executed in January 2015. Compensation to BJWSA was a \$50,000 set-up fee and 12% of HomeServe revenue collected from contracts.
- Negotiations continued to work out the details of the Agreement and review the initial mailing materials. An Amendment to the Agreement was signed in October 2015 to set up a payment schedule for the \$50,000 set-up fee (\$10,000/yr for 5 years) and the initial mailings were sent.
- 3 quarterly mailings have occurred and a 4th mailing is scheduled to occur in July.

- HomeServe contracts through April 2016:
 - 2,862 total service contracts
 - 2,146 water service line (4.6% of retail customers)
 - 359 exterior septic line
 - 263 exterior sewer line
 - 94 interior plumbing
 - 28 claims processed – HomeServe reports show that they have received no complaints
- Funds collected as of May 11 - \$27,764 (\$10,000 up-front fee + \$17,764 12% commission)
- Discussions underway with the United Way of the Lowcountry regarding the establishment of the hardship fund. Plan to have the program in place by the end of June.
- On average, our Customer Service Reps receive ~1-2 calls/day concerning questions about HomeServe. This number spikes to 10/day for about a week after a quarterly mailing event.

The Board requested monthly updates.

NEW BUSINESS

Capital Improvement Program

Contract Award

1. CIP-1745 Contract Award to Southern Fence Co., LLC for \$ 163,680.00 as presented and referenced in the memorandum from Jim Baker dated 5/18/2016 and is attached to these minutes and is made a part hereof.

Motion: Recommendation for approval of CIP 1745 Contract Award to Southern Fence Co., LLC for \$163,680.00 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.

(8:35a.m.)

EXECUTIVE SESSION

Motion: Jimmy Baker moved, seconded by Vice-Chair Donna Altman, to go into executive session for the purpose of discussing litigation matters regarding: Jarman, Smith/Van Zyle, Adkins, Sauls Funeral Home, Earling and Christine Olsen, and Denise Jones.

All voted in favor, none opposed.

Motion passed unanimously.

*Chair David Lott, excused all persons from the meeting. Legal counsel, GM; DGM O&TS remained for the executive session for the legal briefing.
After the legal briefing Chair David Lott, excused all staff persons and legal counsel from the remainder of the Executive Session to discuss the Board Leadership Award.*

(8:50a.m.)

RECONVENE

Motion: Jimmy Baker moved, seconded by Lorraine Bond, to reconvene regular session,
All voted in favor, none opposed.

Motion passed unanimously.

ACTION

Motion: Jimmy Baker moved, seconded by Lorraine Bond, to amend the agenda to move the Personnel Committee's recommendation for the FY17 Slate of Officers from the Executive Session to the open, public session.

All voted in favor, none opposed.

Motion passed unanimously.

Lorraine Bond reported that the Personnel Committee recommends the following FY17 Slate of Officers:

Chair	Donna Altman
Vice-Chair	Michael Bell
Secretary/Treasurer	Donald Manson

The Slate of Officers will be elected at the June 23, 2016 Board Meeting.

ADJOURNMENT

With no further business to come before the Board, Brandy Gray moved, seconded by Vice-Chair Donna Altman, to adjourn the meeting at 8:55a.m.

All voted in favor, none opposed.

Motion passed unanimously.

APPROVED: 6/23/2016

Respectfully submitted,

Libby Breland, Clerk to Board

Signatures and Attachments on file.