

## **MINUTES OF THE MEMBERS OF THE BEAUFORT-JASPER WATER AND SEWER AUTHORITY MEETING HELD ON THURSDAY 9/22/2016**

Be it remembered that the Members of the Beaufort-Jasper Water and Sewer Authority held its regular meeting Thursday, 9/22/2016 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: Chair Donna Altman; Vice-Chair Michael Bell; Secretary/Treasurer Don Manson; Jimmy Baker; Jack Burke; Brandy Gray; David Lott (telephonically); James Scott; Dr. Bill Singleton; Jerry Schulze.

Members of the Authority not in attendance: Lorraine Bond.

Staff in attendance: Ed Saxon, General Manager; Brian Chemsak, Director of Engineering Joe DeVito, Director of Field Operations; Ken Jordan, Director of Planning, Safety & Security; Tricia Kilgore, Director of Treatment; Jim Baker, Capital Projects Manager; Will Bettis, Purchasing & Risk Manager; Pamela Flasch, Communications Manager; Allena Lee-Brown, HR Manager; Sarah Linkimer, Controller; Earl Sheppard, Wastewater Manager; Libby Breland, Executive Assistant/Clerk to the Board; Lou Brown, Communications Specialist; Keith Schubert, Chief Wastewater Operator; Ryan Yoder, Chief Wastewater Operator; Kenneth Frazier, IT Director.

Legal Counsel in attendance: Erin Dean, Esq., Tupper, Grimsley and Dean, P.A.; Lawrence Flynn, Member, Pope Flynn, LLC.

Public in attendance: Frank Turano, Regional Manager, Alliance Consulting Engineers; Eric Somerville, Special Coordinator, Beaufort County Human Services Alliance.

### **CALL TO ORDER**

The meeting convened at 8:00 a.m., Chair Donna Altman presiding.

### **TELEPHONIC STATEMENT**

"I (Donna Altman), announce that a quorum for this Meeting is physically present and David Lott IS ATTENDING THIS MEETING TELEPHONICALLY."

### **INVOCATION AND PLEDGE OF ALLEGIANCE**

James Scott gave the invocation and all joined in the Pledge of Allegiance to the flag of the United States.

## **APPROVAL OF MINUTES**

**Motion:** Moved by Vice-Chair Michael Bell, seconded by Jimmy Baker, to approve the minutes of the 7/28/2016 annual 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 carried.**

## **PUBLIC COMMENT**

The public was introduced and welcomed. There was no public comment during this period.

## **WELCOME NEW BOARD MEMBER GERALD H. "JERRY" SCHULZE**

## **RECOGNITION OF W.R. "SKEET" VON HARTEN FOR HIS YEARS OF SERVICE TO BJWSA**

Chair Donna Altman presented Skeet with the traditional water meter plaque and read into record; *Resolution* recognizing his 6 (six) years of service to BJWSA. Of key mention was giving unsparingly of his time, energy, and knowledge in ensuring that the BJWSA rate payers were being charged a fair and equitable rate for the service BJWSA provided. Skeet was very humbled. He expressed how much he enjoyed serving on the Board and the outstanding job that the water authority does in producing the highest quality drinking water. He too gave special mention to a few of the staff members, Ed Saxon, Libby Breland and the finance staff, Dottie Hofmann and Sarah Linkimer. Skeet received a heartfelt standing ovation.

## **GENERAL MANAGERS REPORT**

*Ed Saxon submitted the following report:*

1. **Safety Report** – Through August, we have worked 435,000 hours without a lost work day injury and after going 13 months without a recordable injury, we experienced 2 minor injuries in the past 2 months. In August, we had 3 minor vehicle incidents and a Hardeeville pump station was vandalized for the 2<sup>nd</sup> time in 3 months.
2. **Savannah River Basin** – The basin experienced 2 significant rain events and August rainfall was 34% above normal. Despite this rainfall, lake levels continue to decline and Thurmond reached the Stage 2 drought level on 9/19 and releases from Thurmond will be reduced to 4000 cfs. Locally, Beaufort County was placed in Incipient Drought status on 7/16 due mainly to the dry soil conditions. Since that time, the 2 tropical storm rains have improved conditions significantly.
3. **Ridgeland Discussions** – Ridgeland decided to opt out of their USDA Loan/Grant agreement and cancel the construction contract for the planned new \$14M WWTP. A new Town Administrator has been hired and working with their engineering consultant, the Town will reevaluate their existing WWTP and collection system. We continued our effort to evaluate their wastewater system and the Town has asked us to hold off on presenting them our proposal until they have completed the above mentioned evaluations.
4. **Bay Point Island Development** – The Town of Hilton Head has recently announced that they plan to annex the 347 acre Bay Pt Island and begin discussions with Six Senses Hotels Resorts Spas out of Bangkok, Thailand to develop a resort. Articles about the development

have indicated that the resort will provide its own water and sewer. The Town Manager wants to discuss the development with me but we have traded voicemails the last couple of days.

5. **DGM- Ops & TSO Search** – I am pleased to announce the hiring of Jeff Boss. Jeff currently is Deputy Director at Gwinnett and he is finishing up a couple of projects there and will report on 10/31.
6. **SC Wastewater Sales Tax Refund Update** – Total refunds received to date are \$415,000 and we anticipate receiving close to \$500,000. Great job by Accounting.
7. **Director of IT** – I would like to introduce our new Director of IT, Kenneth Frazier. Ken started his employment on 7/18 and Ken comes to us from Hargray and is a “local”.
8. **Boundary St Project** – The new 20” water main across Boundary St (Hwy 21) has been placed in service and the old line in the abandoned intersection has been taken off line. One major shutdown remains to bypass the old 20” to 16” connection and take it out of service.
9. **Board Handbook** – Libby has updated the Board Handbook and has a copy for each member.
10. **Awards** – Congratulations to HR Staff for receiving the 2016 PEBA Partners Award during the Benefits at Work Conference. Allena will provide a few details on the award and introduce the HR Staff. Also, the Wastewater Dept. has received the NACWA Peak Performance Awards for several WRFs, Gold – Hardeeville, Laurel Bay, Palm Key, Pt. South, Port Royal Is and Silver – Cherry Pt, Palmetto Bluff & St Helena.
11. **Stakeholder Dashboard** – I have distributed copies of the revised stakeholder dashboard that reflects the changes the Board requested. We are updating the data but will not have the call center metrics until the new phones system is online (late October). IT needs to complete some server upgrades prior to putting the dashboard on the website. The dashboard will be on the website by the end of November.

➤ ***Staff Presentations-***

- **2016 PEBA Partners Award and FY17 Updates** - *Allena Lee-Brown* added that BJWSA was 1 of 5 employers in the State to win the PEBA Partners Award for health and wellness efforts; there are over 600 PEBA employers. Also a new program “Rally” will be coming in April 2017, similar to Fitbit, an electronic platform to encourage wellness and healthy lifestyle and Blue Care On Demand; a 24/7 video or telephonic doctor visits will be offered.
- **Stakeholder Dashboard** - *Ken Jordan* gave a brief slide presentation on the revised Stakeholder Dashboard that included drilldown charts. Vice-Chair Michael Bell also suggested adding a 3-year average to the model.

➤ ***Public Affairs Report.*** Pamela Flasch highlighted community events and identified several projects taking place throughout the service area:

- **Lowcountry & Coastal Empire PIO Alliance.** We held the inaugural meeting of the Lowcountry & Coastal Empire PIO Alliance Wednesday, September 7. Debbie Szpanka with Town of Bluffton is our partner for this. Our goal is to have PIOs from the six SC counties and two GA counties adjacent to us networking and collaborating to support one another and our constituents more effectively. Tentative plans are to

meet quarterly, and to share media lists, training opportunities and network in order to build a strong coalition. Our attendees came from private and public sector as well as non-profits. ICS training at the county EMD will be our first sponsored event, and our next quarterly event is at USC-B in January.

- 'Imagine a Day Without Water' Event. We participated again in Value of Water Coalition's 'Imagine a Day Without Water' event Thursday, September 15. We attended five council meetings to accept resolutions/proclamations. We hosted SCAWWA's board here, and held 'No Water, No Beer' event at Southern Barrel Brewing that evening in conjunction with them. We distributed more than 4,000 coasters to about 90 Jasper and Beaufort county restaurants and bars, making the public aware of the role of clean drinking water -and the infrastructure that makes it possible - on their daily lives. We will be holding a pizza party for our poster winner at Mossy Oaks Elementary in Beaufort.
- Tours and Site Visits. We hosted a number of tours and/or site visits this summer and recently participated in the Hardeeville Catfish Festival parade; the Sun City Money Talks Utility Forum; and will provide support to the Beaufort Shrimp Festival 5K and Military Tour.
- Veterans Day. We will hold our 11<sup>th</sup> annual Veterans Day Breakfast Friday, November 11 at 7:30 am at the Golden Corral.

*A summary memo dated 9/22/2016, 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.** Chair Donna Altman stated that the Executive Committee did not meet therefore had no report.

**Report of the Capital Projects Committee.** Committee Chair Michael Bell reported that the Capital Projects Committee met on 9/14/2016 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:

- State Road 802 Round About Utility Relocation. Utility relocations are currently underway to accommodate the new round about road construction. The project is scheduled to be completed in October.
- Water/WW master Plan Update. This project was divided into phases with Phase 3 currently in progress and Phase 4 to begin within the next 4-6 weeks. The total project is 40-50% complete.
- Agenda Items for Consideration. Under New Business.

*A copy of the CIP Update Memorandum from Jim Baker dated 9/15/2016 was included in the Board Packet and is attached to these minutes and is made a part hereof.*

**Report of the Finance Committee.** Committee Chair Brandy Gray reported that the Finance Committee met on 9/15/2016 and submitted the following report:

- 8/31/2016 Interims. Total operating revenues are \$992 thousand over budget, while total operating expenses (including depreciation) are \$543 thousand under budget. July and August revenues were over budget due to irrigation. Capacity fees year to date are \$220 thousand and developer contributions of system are \$1.1 million. Operating cash and all ratios are healthy and within our limits and policies.
- 2016 Audit Update. The audit is on schedule. Carr, Riggs & Ingram will present the audit results to the Finance Committee in October and then to the full Board in November.
- BJWSA Refund/Back Billing Practices. At the request of the Board, staff reviewed the BJWSA Refund and Back Billing Practices. After reviewing practices of 7 utilities across the state and considering the infrequency of these occurrences internally, the staff recommends revising our current practice to eliminate the back billing to customers when BJWSA makes a billing error and to eliminate the 3 year limit on refunding due to billing errors. The staff recommends this to be effective starting with the Mr. Keith incident. The Committee discussed this in great detail, including with our Legal Counsel, Erin Dean, and agrees with the staff recommendation.

*A copy of the financial report dated 8/31/2016, 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 Jimmy Baker reported that the Personnel Committee met on 9/13/2016 and submitted the following report of items not already highlighted today:

- FY17 GM Goals. Were reviewed and will be under New Business for approval.
- United Way. Staff held a “*United Way Campaign Kickoff*” week of 9/5/2016 and set a goal of \$15K. So far collected \$10,556.
- Miscellaneous - Board Requests/Comments. Staff asked to obtain information from Compensation Consultant regarding GM bonus structures in the water utility industry; to provide numerical data monthly regarding turnover, hires, terminations/reasons, and vacancies; and to provide employee education regarding the BJWSA Compensation Plan.

## **OLD BUSINESS**

There was no old business.

## **NEW BUSINESS**

### Capital Improvement Program

#### ***CIP Budget Adjustment***

1. CIP 1560 Asset Management Plan – Increase from \$25,000 to \$50,000 to update the existing model; funded from Admin Capital as presented and referenced in the memorandum from Brian Chemsak dated 9/9/2016 and is attached to these minutes and is made a part hereof.

**Motion:** With the support of the Capital Projects Committee, Michael Bell moved to increase CIP 1560 Asset Management Plan from \$25,000 to \$50,000, *requiring no second,*

*All voted in favor, none opposed,*

**Motion carried.**

***Contract Award(s)***

1. CIP 1767 Directional Bore Engineering Services for Lady’s Island Sewer Diversion – Awarding Directional Bore Engineering Services for the Lady’s Island Sewer Diversion to Hussey, Gay, Bell (HGB) for \$233,750 as presented and referenced in the memorandum from Jim Baker dated 9/15/2016 and is attached to these minutes and is made a part hereof:

***Motion:*** With the support of the Capital Projects Committee, Michael Bell moved to approve the contract award for engineering services to HGB for \$233,750, *requiring no second*,  
*All voted in favor, none opposed*,

**Motion carried.**

2. CIP 1767 Engineering Services for Lady’s Island Sewer Diversion – Engineering Services to re-divert flow alignment from the BJWSA’s St. Helena WWTP to the PRIWRF to Hazen for \$282,100 as presented and referenced in the memorandum from Jim Baker dated 9/15/2016 and is attached to these minutes and is made a part hereof:

***Motion:*** With the support of the Capital Projects Committee, Michael Bell moved to approve the contract award for engineering services to Hazen for \$282,100, *requiring no second*,  
*All voted in favor, none opposed*,

**Motion carried.**

3. CIP 1822 Misc. WW Pump Station Replacements FY17 – Upgrading designated south of the broad (SOB) aging pump stations to BRW, Inc. for \$364,398 as presented and referenced in the memorandum from Jim Baker dated 9/15/2016 and is attached to these minutes and is made a part hereof:

***Motion:*** With the support of the Capital Projects Committee, Michael Bell moved to approve the contract award for CIP 1822 Misc. WW Pump Station Replacements FY17 to BRW, Inc. for \$364,398, *requiring no second*,  
*All voted in favor, none opposed*,

**Motion carried.**

2016C Series Resolution

Adoption of ***2016C Series Resolution***, entitled, “APPROVING THE FINANCING OF ALL IMPROVEMENTS RELATED TO THE REHABILITATION AND EXPANSION OF THE HARDEEVILLE WATER RECLAMATION FACILITY BY THE BEAUFORT-JASPER WATER AND SEWER AUTHORITY, SOUTH CAROLINA THROUGH THE BORROWING OF NOT EXCEEDING \$30,000,000, PLUS CAPITALIZED INTEREST, IF ANY, FROM THE STATE WATER POLLUTION CONTROL REVOLVING FUND”, as presented and referenced by bond counsel and is attached to these minutes and is made a part hereof.

**Motion:** Brandy Gray moved, seconded by Secretary/Treasurer Don Manson, Approving the **2016C Series Resolution** for the Financing of the Hardeeville WRF Expansion not exceeding \$30,000,000,

*All voted in favor, none opposed,*

**Motion carried.**

Approving FY17 GM Goals.

Approving FY17 GM Goals as presented and distributed in advanced and is attached to these minutes and made a part hereof.

**Motion:** Jimmy Baker moved, seconded by James Scott, Approving the FY17 GM Goals,

*All voted in favor, none opposed,*

**Motion carried.**

**PUBLIC COMMENT**

Eric Somerville

*Expressed his appreciation to the Board on their important role making decisions for providing quality water for the community.*

(9:12a.m.)

**EXECUTIVE SESSION**

**Motion:** Dr. Bill Singleton moved, seconded by Brandy Gray, to go into executive session for the purpose of discussing litigation matters regarding: Jarman, Smith/Van Zyle, Sauls Funeral Home, Earling and Christine Olsen, and Denise Jones and one claim matter regarding O'Quinn.

*All voted in favor, none opposed.*

**Motion carried.**

*Chair Donna Altman, excused all persons from the meeting. Legal counsel, GM; Director of Field Operations and Controller remained for the executive session for the legal briefing.*

(10:00a.m.)

**RECONVENE**

**Motion:** Brandy Gray moved, seconded by Jimmy Baker, to reconvene regular session,

*All voted in favor, none opposed.*

**Motion carried.**

**ACTION**

None.

**TELEPHONIC STATEMENT**

“I (Donna Altman), the Presiding Officer of this Meeting have previously stated that DAVID LOTT WAS ATTENDING THIS MEETING TELEPHONICALLY. This Meeting is in full compliance with the criteria for the attendance of this Meeting telephonically as set forth in Article II Section 11 of the Bylaws.”

**ADJOURNMENT**

With no further business to come before the Board, Chair Donna Altman adjourned the meeting at 10:00am.

*All voted in favor, none opposed.*

**Motion passed unanimously.**

APPROVED: 10/27/2016

*Respectfully submitted,*

*Libby Breland, Clerk to Board*

Signatures and Attachments on file.