

MINUTES OF THE MEMBERS OF THE BEAUFORT-JASPER WATER AND SEWER AUTHORITY MEETING HELD ON THURSDAY 11/17/2016

Be it remembered that the Members of the Beaufort-Jasper Water and Sewer Authority held its regular meeting Thursday, 11/17/2016 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; Lorraine Bond; Brandy Gray; David Lott; Jerry Schulze; James Scott; Dr. Bill Singleton.

Members of the Authority not in attendance: All members were in attendance.

Staff in attendance: Ed Saxon, General Manager; Dottie Hofmann, DGM of F&A; Jeff Boss, DGM of O&TS; Brian Chemsak, Director of Engineering; 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; Libby Breland, Executive Assistant/Clerk to the Board; Lou Brown, Communications Specialist; Tammy Isham, Buyer.

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

Beaufort County Liaison to BJWSA: Not in attendance.

Auditors in attendance: Keith Hundley, CPA, Partner, Carr, Riggs & Ingram, LLC; and attending via telephonically, David Mills, CPA, IT Audit Partner of Carr, Riggs & Ingram, LLC.

Public in attendance: No public attended.

CALL TO ORDER

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

INVOCATION AND PLEDGE OF ALLEGIANCE

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 Jimmy Baker, seconded by Dr. Bill Singleton, to approve the minutes of the 10/27/2016 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

No public comments.

RECOGNITION OF JACK E. BURKE FOR HIS YEARS OF SERVICE TO BJWSA

Chair Donna Altman, read into the minutes, a Resolution recognizing Jack E. Burke's honorable distinction of his service on the BJWSA Board from July 29, 2013 - September 12, 2016. Since Jack could not be here to receive this award, Ed Saxon will personally deliver the Resolution along with the traditional Water Meter Plaque Award.

Motion: Moved by David Lott, seconded by James Scott, approving the Resolution recognizing Jack E. Burke for his service on the Board as presented and referenced and is attached to these minutes and is made apart hereof.

All voted in favor, none opposed,

Motion passed unanimously.

PRESENTATION OF AUDIT RESULTS FOR THE FY 2016.

Auditors Keith Hundley, along with David Mills, gave a PowerPoint presentation highlighting the FY2016 audit results. Mr. Hundley and Mr. Mills are Partners with Carr, Riggs & Ingram, who are in their first year as BJWSA's audit firm. BJWSA was issued an unmodified or "clean" opinion and no compliance findings were reported. However during the testing of internal controls, significant deficiencies were identified related to Information Technology General Controls. These deficiencies were discussed with Management and the planned corrective actions have been established. The Board will receive more detailed information at a later time.

A copy of the presentation entitled... "BJWSA 2016 Audit Presentation" by CRI Carr Riggs & Ingram CPAs and Advisors is attached to these minutes and is made a part hereof.

GENERAL MANAGERS REPORT

Ed Saxon submitted the following report:

1. Safety Report – Through October, we have worked over 483,000 hours without a lost work day injury and will reach 500,000 hours by December 1st. We had 2 minor vehicle incidents in October. To celebrate achieving 500,000 safe work hours, we will have a "Safety Never Takes a Holiday" lunch here at the Admin Building for all employees on Friday 12/16 starting around 12ish and the Board is welcome to attend.
2. Jeff Boss – Welcomed and introduced Jeff, our DGM- Operations & Technical Services. Jeff's 1st day was 10/31.
3. Savannah River Basin – The upper sub-basins combined only received a little more than a third of an inch for the month of October and lake levels continue to remain at the Stage 2 drought level. The levels are expected to continue to decline through mid-December then level out (Thurmond at 320').
4. SC Wastewater Sales Tax Refund Update – A final update, total refunds received to date have exceeded \$500,000. Again, great job by Accounting, Purchasing, Engineering and Operations.
5. Boundary St Project – BJWSA continues to work with Potter Construction to relocate water laterals in anticipation of the duct bank work scheduled for the north side of Boundary St.

We had waterline shutdowns from 10:30 PM to 3:00 AM on Monday, Tuesday and Wednesday nights and a 4th one scheduled for tonight.

6. December Meetings – A reminder, with the Christmas holidays, the Board meeting is scheduled for 12/15 and the committee meetings will occur the week of 12/5. Absent a hurricane, I will be on vacation from 12/15 until 12/29 and Jeff Boss will facilitate the December Board meeting.
7. Hardeeville Envision Award – A recent article in the Public Works magazine highlighted BJWSA’s Hardeeville WRF Expansion Project receiving the Institute for Sustainable Infrastructure (ISI) Bronze Award. It is the 1st project in SC to receive an ISI award. This Envision award recognizes BJWSA’s commitment to sustainable infrastructure across the full range of environmental, social and economic impacts.
8. SCAGPO Award – I am pleased to announce that Tammy Isham, our buyer, received the SC Association of Governmental Purchasing Officials “President’s Award for Outstanding Board Member” and was named a Director for 2017. Congratulations to Tammy.
9. American Water Summit for Water Leaders – Because of BJWSA’s recognition from AWWA, NACWA, AMWA & EPA, I have been invited and plan to attend the Summit for Water Leaders to be held on December 5-7. The Summit will discuss innovation in the Water Industry and empowering the Digital Utility.
10. Hurricane Matthew Cost Recovery – Will Bettis will provide an update on our FEMA & SIRF cost recovery efforts associated with Hurricane Matthew.

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

- Holiday Sharing. “*Safety Never Takes a Holiday*” is planned for Friday, December 16 at 12:30 pm. Please e-mail Lou to let her know if you’re attending.
- Outreach. Communications presented Ed’s Hurricane notes at Philanthropic and Educational Organization for Women’s monthly meeting.
- 2017 Events and Initiatives. We are working on the biannual customer satisfaction survey and the ongoing customer follow-up to customer service and field ops.
- BJWSA NewsSplash. The winter edition hits the stands the first week of January, and will include a hurricane Q&A, featuring a panel of BJWSA experts.
- Lowcountry/Coastal Empire PIO Alliance. The next meeting is Thursday, January 12 at USC-B. Our January meeting will focus on creating wither a physical or virtual regional, multi-agency Joint Information Center. Our JIC would serve all functions of public information to perform critical emergency information, crisis communications and public affairs functions. We are expanding our efforts to reach out to Charleston and Dorchester counties as well.

A summary memo dated 11/17/2016, 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 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 11/9/2016 which he attended telephonically 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:

- Capital Improvement Program. The Committee reviewed and approved 5 CIP additions and 1 budget adjustment that will be presented in new business along with 1 contract award and purchase order.
- Project Sheet Activity. Was reviewed and discussed.
- Hardeeville WWTP Expansion Project. Progress update.

A copy of the CIP Update Memorandum from Jim Baker dated 11/10/2016 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 11/10/2016 and submitted the following report:

- 10/31/2016 Interims. October was another fantastic month. Total operating revenues are \$2.8 million over budget, while total operating expenses (including depreciation) are \$460 thousand under budget. October revenues were over budget primarily due to water and irrigation sales. Capacity fees year to date are \$1.5 million and developer contributions of system are \$1.8 million. Operating cash and all ratios continue to be healthy and within our limits and policies.
- 2016 Refunding – Forward Delivery. The forward-delivery portion of the 2016 Refunding Bonds will close on December 6th. These bonds were sold and interest rates set in January. Board members were provided with a redlined copy of the updated Official Statement. Any comments or edits should be made by November 21st.

A copy of the financial report dated 10/31/2016, 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 11/8/2016 and submitted the following report:

- Safety Report. The committee reviewed *The Safety Report for FY 17 October-16.*
- Personnel Actions Report. Compliments to staff on the development of a new detailed report, which includes information of: New hires, promotion, transfers, terminations, vacancies and turnover rate. Additional focus was discussed on the turnover rate which compared to the scope of industry national averages, the Authority is doing very well, but as part of the general managers goals, would like to do better.
- BJWSA University. The Leadership Training Program has been updated and reviewed with the committee; the FY17 Training Plan which was based on the employee skills survey conducted last year was also reviewed.
- PEBA Benefit Changes. October was Open Enrollment; summary of changes were reviewed.

OLD BUSINESS

There was no old business.

NEW BUSINESS

Capital Improvement Program

Contract Award(s)

- CIP-1570 Jason/Able Streets Sewer Extension Contract Award to Potter Construction for \$920,016.00 as presented and referenced in the memorandum from Jim Baker dated 11/10/2016 and is attached to these minutes and is made a part hereof:

Motion: Recommendation for approval of CIP 1570 Jason/Able Streets Sewer Extension Contract Award to Potter Construction for \$920,016.00 came from the Capital Projects Committee, *requiring no second,*

All voted in favor, none opposed,

Motion passed unanimously.

- Purchase Order Approval for the Purchase of a 2017 Hitachi Long Reach Excavator from Flint Equipment Co. for \$216,300.00 as presented and referenced in the memorandum from Will Bettis dated October 25, 2016 and is attached to these minutes and is made a part hereof:

Motion: Recommendation for approval of PO for the purchase of a Hitachi Excavator from Flint Equipment Co. for \$216,300.00 came from the Capital Projects Committee, *requiring no second,*
All voted in favor, none opposed,

Motion passed unanimously.

CIP FY17 Budget Adjustment

- CIP 1766 Hwy 802 Roundabout Pipeline Relocation at Holly Hall Rd and Brickyard Pt. Rd. Increase the CIP budget amount by \$85,000, from \$75,000 to \$160,000, as presented and referenced in the memorandum from Dick Deuel dated 11/4/2016 and is attached to these minutes and is made a part hereof:

Motion: Recommendation to increase CIP 1766 Hwy 802 Roundabout Pipeline Relocation at Holly Hall Rd and Brickyard Pt. Rd. budget by \$85,000, from \$75,000 to \$160,000, came from the Capital Projects, *requiring no second,*

All voted in favor, none opposed,

Motion passed unanimously.

CIP FY17 Addition(s)

The following CIP's 1863, 1864, 1865, 1866, 2172 need to be added to the FY2015-2017 CIP as presented and referenced in the memorandum from Brian Chemsak dated 11/3/2016 and is attached to these minutes and is made a part hereof:

- CIP 1863 Battery Creek Forcemain Replacement (Hurricane Matthew) - \$150,000.
- CIP 1864 CP87 Rehab (Hurricane Matthew) - \$300,000.
- CIP 1865 Red Bluff - Central Drive WL Replacement (Hurricane Matthew) - \$50,000.00.
- CIP 1866 PRIWRF Clarifier Rehab - \$120,000.
- CIP 2172 MCAS P1606 Fuel Distribution - \$303,106.

Motion: Recommendation for approval of adding CIP Projects 1863, 1864, 1865, 1866, 2172 to the FY15-17 CIP came from the Capital Projects Committee, *requiring no second, All voted in favor, none opposed,*

Motion passed unanimously.

PUBLIC COMMENT

There was no public in attendance.

(9:18am.)

EXECUTIVE SESSION

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

All voted in favor, none opposed,

Motion passed unanimously.

Chair Donna Altman, excused all persons from the meeting. Legal counsel, GM; DGM F&A; DGM O&TS remained for executive session for the legal briefing.

(9:30am.)

RECONVENE

Motion: Brandy Gray moved, seconded by Vice-Chair Michael Bell, to reconvene regular session,

All voted in favor, none opposed,

Motion passed unanimously.

ADJOURNMENT

No action was taken and with no further business coming before the Board, Vice-Chair Michael Bell moved, seconded by Brandy Gray, to adjourn the meeting at, 9:30am.

All voted in favor, none opposed,

Motion passed unanimously.

APPROVED: 12/15/2016

Respectfully submitted,

Libby Breland, Clerk to the Board

Signatures and Attachments on file.