

MINUTES OF THE MEMBERS OF THE BEAUFORT-JASPER WATER AND SEWER AUTHORITY MEETING HELD ON THURSDAY 12/15/2016

Be it remembered that the Members of the Beaufort-Jasper Water and Sewer Authority held its regular meeting Thursday, 12/15/2016 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; Lorraine Bond; Brandy Gray; David Lott; Jerry Schulze; Dr. Bill Singleton.

Members of the Authority not in attendance: James Scott; Thayer Rivers.

Staff in attendance: Jeff Boss, DGM of O&TS; Dottie Hofmann, DGM of F&A; Brian Chemsak, Director of Engineering; Tricia Kilgore, Director of Treatment; Jim Baker, Capital Projects Manager; Pamela Flasch, Communications Manager; Allena Lee-Brown, HR Manager; Sarah Linkimer, Controller; Kenneth Frazier, Director of Information Technology; Libby Breland, Executive Assistant/Clerk to the Board; Lou Brown, Communications Specialist; Patrice Whitmore, Senior Accountant; Leslie Bright, Accounting Specialist; Payroll & AP Specialist; Angie Murdaugh, Accounting Assistant.

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

Beaufort County Liaison to BJWSA: not in attendance.

Public in attendance: no public in attendance.

CALL TO ORDER

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

INVOCATION AND PLEDGE OF ALLEGIANCE

Vice-Chair Michael Bell gave the invocation and all joined in the Pledge of Allegiance to the flag of the United States.

APPROVAL OF MINUTES

Motion: Moved by Dr. Bill Singleton, seconded by Lorraine Bond, to approve the minutes of the 11/17/2016 regular board meeting as amended with one correction noted to the date of the meeting notice stated in the first paragraph, page 1.

All voted in favor, none opposed,

Motion passed unanimously.

PUBLIC COMMENT

There was no Public in attendance.

WELCOMING NEW BOARD MEMBER R. THAYER RIVERS, JR.

Not in attendance.

PRESENTATION OF THE FY 2016 COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR).

- *Highlights by Sarah Linkimer, Controller*

Sarah Linkimer distributed copies of the 2016 CAFR. All of the content, layout, edits and design were once again done in-house, by Sarah and Pam Flasch with the exception of printing the document. She recognized Lou Brown for the photos that were taken and used on the cover and inside this year's CAFR as well as recognizing her entire accounting and purchasing staff on their efforts during this process. Dottie Hofmann commended Sarah and her staff for a job well done given the fact that this was the first year with the new auditing firm. Sarah then gave a power point presentation highlighting the year's achievements and challenges. The achievements were strong ratios, increasing capital contributions and improvement in our operating position. *A copy of the CAFR will also be made available on BJWSA's website at www.bjwsa.org and available upon request.*

GENERAL MANAGERS REPORT

Jeff Boss submitted the following report on behalf of Ed Saxon who was on vacation:

1. Safety Report – Through November, we have worked over 508,000 hours without a lost workday case. This is a great accomplishment and we will celebrate it on Friday 12/16 with the “Safety Never Takes a Holiday” event. We will be providing lunch starting 12ish here at the Admin Building and the Board is encouraged to attend. The T-shirts (logo designed by Pam) commemorate this achievement and our recovery efforts associated with Hurricane Matthew. We did experience a minor injury in November when a pressurized hose ruptured and struck an employee operating the machine.
2. Savannah River Basin – The upper sub-basins finally received some rain in November, ~ 2 inches, and received an additional inch the 1st week of December. Lake levels have stabilized and remain at the Stage 2 Drought range. The SC Drought Committee met on 12/1 and due to the lack of local rainfall since Hurricane Matthew, placed Beaufort and Jasper Counties in the Incipient Drought Status. The 3 upper basin counties in the NW corner of the state remain in the Extreme Drought category.
3. SC Wastewater Sales Tax Refund Update – BJWSA has begun assisting other wastewater utilities in the State with the wastewater sales tax refund process.
4. Boundary St Project – BJWSA is very close to completing our work in the Boundary St project corridor and should be finished by the end of the year.

5. American Water Summit for Water Leaders – Ed attended this conference and reported that the current EPA Administrator, Gina McCarty, gave a presentation that focussed on climate change and sea level rise impacts in Florida. She did not mention any regulatory relief effort, a priority of the new administration. President-elect Trump announced the following day that Oklahoma Attorney General Scott Pruitt is his nominee for that position. He is seen as a strong opponent of EPA, advocating for more state control over environmental policy and regulation. Stay tuned.
6. Hurricane Matthew Cost Recovery – Sarah Linkimer provided 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:
 - “Safety Never Takes a Holiday” - Event is tomorrow at 12:30 pm.
 - Customer Interaction Research, Inc. - Will handle our new Customer Interaction Research, which will follow up on issues handled by customer service and field operations. They will call 50 customers each month (randomly chosen) and report to us quarterly – unless a customer asks for additional interaction with staff. RI conducted our 2015 customer satisfaction survey and will perform the 2017 survey.
 - Water Research Foundation - BJWSA is applying as a partner on a grant from the Water Research Foundation. The title of the program is *“Forging powerful and sustainable relationships between Clean Water Agencies and the Community”* – which will highlight our efforts to engage our customers and our community. We should know in February if the lead agency, *Water Words that Work*, is getting the grant. Our support is in-kind.
 - NewsSplash - The winter *NewsSplash* hits the stands in January, and will include a hurricane Q&A, featuring a panel of BJWSA experts. We also plan to introduce the hardship fund. *A brief discussion was held regarding BJWSA’s hardship fund program being administered through the United Way. Vice-Chair Michael Bell asked staff to provide him with a copy of the Memorandum of Agreement. Jeff Boss said that senior staff would like the Board to “name” the hardship fund.*
 - Lowcountry/Coastal Empire PIO Alliance - The next meeting of the Lowcountry/Coastal Empire PIO Alliance is Thursday, January 12 at USC-B.

A summary memo dated 12/15/2016, 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 12/7/2016 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:

- Development Project Activity - 8 new projects were reviewed totaling 111 REUs; 50,733 water GPD; 37,855 WW GPD. 11 projects were issued service authorizations totaling 90 REUs, 55,000 water GPD and 39,666 WW GPD; 2 DRP submittals and 5 pre-construction conferences totaling 67 REUs bringing in 28,660 water GPD and 21,140 WW GPD.
- Hardeeville WRF Expansion Project (CIP 1670) - The contractor, State Utility Contractors, Inc., now provides a Contractors Monthly Progress Report which will also be included in the Board Packets for information. This month's report dated 11-22-16 includes the construction site photos.
- Agenda Items - One contract award and one CIP change order will be brought under New Business for approval.
- IT Updates - Capital Projects Committee is now receiving IT updates and will keep the Board updated on noted items.

A copy of the CIP Update Memorandum from Jim Baker dated 12/2/2016 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 12/12/2016.

- 11/30/2016 Interims: Since the FY 2016 CAFR was presented, no Financial report was given, however, she did state that November was another good month for revenue. Ratios continue to be in good shape. *A copy of the committee report dated 12-12-2016 is also attached to these minutes and is made a part hereof.*

A copy of the financial report dated 11/30/2016, 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 David Lott reported that the Personnel Committee met on 12/6/2016 and submitted the following report:

- Safety - November Safety Report was reviewed.
- Personnel Actions Report/- November Update - Turnover rate for November was 2.38%.
- PEBA Deferred Compensation Retirement Participant Statistics - 147 of 170 (86%) employees contribute to either the 401k or 457; 49 (29%) contribute at the minimum level

(\$10/pay) in order to receive BJWSA contribution; education events will be scheduled to encourage greater participation.

- IT Security Update – Each Committee is now receiving a monthly update. An issue was raised without making any recommendations, of whether to have one of the committees act as an oversight committee still bringing the issues across the committees like the current practice.
- FTE Additions - Two utility compliance Field Operators and one IT Security and Network engineer.

OLD BUSINESS

There was no old business.

NEW BUSINESS

Capital Improvement Program

Contract Award

1. CIP-2172 MCAS P1606 Fuel Distribution Contract Award to Potter Construction, LLC for \$231,946.31 as presented and referenced in the memorandum from Jim Baker dated 12/7/2016 and is attached to these minutes and is made a part hereof:

Motion: Recommendation for approval of CIP 2172 MCAS P1606 Fuel Distribution Contract Award to Potter Construction, LLC for \$231,946.31 came from the Capital Projects Committee, *requiring no second,*
All voted in favor, none opposed,

Motion carried.

Change Order

1. CIP-1652 CP19 Rehab and Upgrade Change Order to BRW Construction Group, LLC from \$446,750.32 to 559,795.32 for \$113,045.00 as presented and referenced in the memorandum from Jim Baker dated 12/2/2016 and is attached to these minutes and is made a part hereof:

Motion: Recommendation for approval of CIP 1652 CP19 Rehab and Upgrade Change Order to BRW Construction Group, LLC for \$113,045.00 came from the Capital Projects Committee, *requiring no second,*
All voted in favor, none opposed,

Motion carried.

PUBLIC COMMENT

There was no public in attendance

(9:10 a.m.)

EXECUTIVE SESSION

Motion: Jerry Schulze moved, seconded by Secretary/Treasurer Don Manson, 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 carried.

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

(9:15a.m.)

RECONVENE

Motion: David Lott , moved, seconded by Lorraine Bond, to reconvene regular session,

All voted in favor, none opposed,

Motion carried.

ACTION

No action was taken.

ADJOURNMENT

With no further business to come before the Board, Chair Donna Altman adjourned the meeting at 9:14a.m.

APPROVED: 1/26/2017

Respectfully submitted,

Libby Breland, Clerk to Board

Signatures and Attachments on file.