

MINUTES OF THE MEMBERS OF THE BEAUFORT-JASPER WATER AND SEWER AUTHORITY MEETING HELD ON THURSDAY 3/23/2017

Be it remembered that the Members of the Beaufort-Jasper Water and Sewer Authority held its regular meeting Thursday, 3/23/2017 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; Secretary/Treasurer Don Manson; Lorraine Bond; Brandy Gray; David Lott; Thayer Rivers; Jerry Schulze; James Scott; Dr. Bill Singleton.

Members of the Authority not in attendance: Vice-Chair Michael Bell.

Staff in attendance: Ed Saxon, General Manager; Sarah Linkimer, Acting DGM, F&A; Jeff Boss, DGM of O&TS; Brian Chemsak, Director of Engineering; Kenneth Frazier, Director of Information Technology; 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; Libby Breland, Executive Assistant/Clerk to the Board; Linda Tillery, Customer Care Manager.

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

Beaufort County Liaison to BJWSA: Not in attendance.

Public in attendance: Frank Turano, Regional Manager, Alliance Consulting Engineers; Jimmy Baker, Prospective Board Member.

CALL TO ORDER

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

AMENDMENT TO AGENDA

Motion: Moved by Lorraine Bond, seconded by Secretary/Treasurer Don Manson, to amend the Agenda to add item VI. *Committee Reports, E. Information Technology Ad Hoc Committee* and remove item VIII. *New Business A. 1. Budget Adjustment CIP 1759 - Broad River GST - New Generator for \$150,000.00 Increase.*

All voted in favor, none opposed,

Motion carried.

INVOCATION AND PLEDGE OF ALLEGIANCE

Dr. Bill Singleton gave the invocation and all joined in the Pledge of Allegiance to the flag of the United States.

APPROVAL OF MINUTES

Motion: Moved by Jerry Schulze, seconded by James Scott, to approve the minutes of the 2/23/2017 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 carried.

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 – Through February, we have worked 707 days straight without a lost workday case and have amassed over 590,000 safe work hours toward our 1,000,000 hour goal. We had 2 minor incidents and no recordable injuries. Our biannual Safety Survey will be conducted in April.
2. Savannah River Basin – The upper basin February rainfall was ~40% of the average and the forecast for March, April and May shows the below normal rainfall trend continuing. The upper NW corner of the state remains in the Severe Drought status and will need 12-15 inches of rainfall over the next 90 days to recover. Basin lake levels continue to remain steady at the Stage 2 Drought range. Based on historical summer level declines (~7ft), it could be an interesting summer.
3. SCEC Awards & Activity – BJWSA personnel were very active at the SCEC. Brian and Ken gave a presentation on our Hurricane Matthew efforts, Brian co-presented with a Black & Veatch consultant about the Master Plan, and Tricia gave a talk on the Partnership Clean Water Program; all were well received. Ken Hanna, Ron Spikes and Joey Zaborowski, all from Field Operations, competed in the Hydrant Hysteria contest and performed well by assembling a hydrant in a little under 3 minutes. BJWSA was recognized for winning the Director's Awards for both water plants and the President's Award for Purrysburg. All water reclamation plants received the DHEC's Excellence in Operations award.
4. 3/22 Training Exercise – Unfortunately, we were unable to host the Beaufort County Emergency Services March 22 exercise due to the inability to obtain hold harmless releases from all agencies involved.
5. Legislative Issues – Different versions of the Pension Reform Bills have passed the House and Senate. Both would cap employee contributions at 9% and employer contribution would increase an additional 2% of wages in FY18 followed by a 1% annual increase through 2023. The House Bill would have the state fund ½ (1%) of the FY18 increase. Each 1% increment increases the BJWSA burden by \$150,000 annually. A conference committee will be formed to work out the differences.

6. Hardeeville WRF Project – The Hardeeville expansion project was recognized for receiving the Bronze Envision Award with a cover photo and lead article (Enhancing Sustainability) in the February Issue of the nationally distributed Water and Wastes Digest.
7. Hardship Fund Update – Linda Tillery, our Customer Care Manager, will provide an update of the activity associated with the Hardship Fund.
8. NACWA Water Policy Event – I was in DC on 3/20-3/22 attending this event. Many speakers from EPA presented EPA’s water priorities and the new administration’s policy impact. I attended a **Rally for Water** on March 22 on the grounds of the U.S. Capitol calling for increased investment in our nation's water infrastructure. Several EPA Administrators and Congressional Committee Staff gave talks about the new Administration’s FY18 Budget which cuts EPA funding by 31%. Most feel that Congress will adjust Trump’s “skinny” budget up during the debate.
9. Phone System Update – I am pleased to announce that the new Cisco phone system will be fully online by Friday April 14th. Customer Service is currently testing the new system and all staff is receiving training. With the exception of our Customer Service number, all other phone numbers will change. I have distributed a memo from Kenneth about the Cisco system and the schedule along with a list of the new phone numbers for key personnel. Please use these numbers after 4/14.

➤ **Staff Presentations.** Lindy Tillery provided the following Hardship Fund stats:

Service Provision	Began January 2017
Referral Received	23
Approvals	17
Denials	5 (1 no longer needed; 2 could not be contacted; 1 document not received; 1 payment history)
In Process	1
Average Payment	\$156
Expended to Date	\$2,652
Account Balance	\$56,055
South of the Broad (SOB)	9
North of the Broad (NOB)	15

- **Public Affairs Report.** Pamela Flasch highlighted recent and upcoming initiatives taking place throughout the service area:
1. Customer Interaction Research - At our April meeting we will have our first quarterly report from Research, Inc. for our new Customer Interaction Research.
 2. Customer Satisfaction Survey - Our bi-annual customer satisfaction survey will take place in late April, with a report available at the June board meeting.

3. Cisco Phone System - We will be communicating the phone system changes with customers over a variety of platforms to ensure as smooth a transition as possible for them.
4. BJWSA Archive - Lou and I are gathering archive material, and making plans for displaying what we collect.
5. Employee Fun Day - Please let Lou know if you'll be attending the Employee Fun Day Saturday, April 29. Our theme is 'We are Family', and on the RSVP form that will go out next week, you will have the opportunity to order a tee-shirt.
6. Hardeeville Project Exhibit - If you have a minute, stop by the hallway outside Ed's office to see our new exhibit on the Hardeeville project. We'll update the photos as the drone continues to chronicle progress.

A summary memo dated 3/23/2017, was included in the Board packet and is attached to these minutes and is made a part hereof.

David Lott joined the meeting (8:19 a.m.)

COMMITTEE REPORTS

Report of the Executive Committee. Committee chair Donna Altman stated that the Executive Committee did not meet.

Report of the Capital Projects Committee. Committee member James Scott reported that the Capital Projects Committee met on 3/15/2017 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:

1. Project Activity Sheet Review & Discussion- Both water lines along Sams Point Rd have been installed and the remaining work includes abandoning the taps within the paving limits and resurfacing the road. The Town of Bluffton Jason Street sewer extension project is ready for construction and waiting on approval of SC DOT encroachment permitting; the Hardeeville WRF expansion projects is ~ 20% complete.
2. Developer Projects Activity Summary - 11 new projects reviewed; 4 DRP submittals totaling 143 REUs; 5 service authorizations; capacity revenues for February totaling \$416,260.
3. Agenda Items - 2 new items will be presented under New Business for Board approval.

A copy of the CIP Update Memorandum from Jim Baker dated 3/15/2017 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 3/16/2017 and submitted the following report:

1. 2/28/2017 Interims: February was a great month! Total operating revenues are \$4.3 million or 13% over budget, while total operating expenses (including depreciation) are \$145 thousand or 0.4% under budget. Capacity Fees year to date are \$2.9 million compared to an annual budget of \$3.0 million and developer contribution of systems are \$4.2 million with an annual budget of \$3.1 million. Operating cash and ratios continue to be healthy and within our limits and policies.
2. Capital Improvement Program: The Committee reviewed and approved 1 CIP budget adjustment and 1 CIP addition that will be presented in new business.

A copy of the financial report dated 2/28/2017, was included in the Board packet and is attached to these minutes and is made a part hereof.

Report of the Personnel Committee. Committee member Thayer Rivers reported that the Personnel Committee met on 3/14/2017 and submitted the following report:

1. Personnel Actions Report - We reviewed the February Report. Voluntary turnover year-to-date FY17 is 2.37%.
2. The Board Leadership Award Policy - We reviewed the policy regarding eligibility, due dates, and process. The policy, which includes the nomination form, is in your Board packets. Any employee, department, community member, firm or board member is eligible. Nominations are due to the Human Resources Manager by March 31st. As a Board, we will make a selection during May in Executive Session.
3. GM Performance Management and Compensation Process - We approved the suggested process and schedule. The Board will be provided the schedule and the GM's self-evaluation at the April Board Meeting. This year our General Counsel, Erin Dean, will tabulate the results. The Compensation Consultant's role this year will be to provide the Board documentation regarding current market trends for Utility Executives.
4. Employee Appreciation Day - Was recognized Friday, March 3rd. Every employee received a cookie.
5. Employee Fun Day - Will be April 29th at the Oscar Frazier Park in Bluffton. The Board is encouraged to attend. Directions are available.
6. A PEBA Retirement Seminar - Was held on January 31st; 47 employees attended the on-site seminar. As a result 11 employees have increased their contributions to the 401k and/or 457. The average of the increases is 47.2%.

Report of the Ad Hoc Information Technology Committee. Committee member Jerry Schulze reported that the Ad hoc committee met on 3/15/2017 and as a reminder, the purpose of the committee is to monitor the implementation of the *IT Master Plan* and expedite Board approvals if necessary and oversee various initiatives. The committee will meet monthly. There was a discussion of the current 4-5 initiatives and the committee agreed on tracking mechanisms using

timelines, matrix's, waypoints, and is very confident under Kenneth Frazier's leadership that many issues found in the audit will be addressed.

OLD BUSINESS

There was no old business.

NEW BUSINESS

Capital Improvement Program

Contract Award/Equipment Purchase Award

CIP-1759 Broad River GST New Generator Contract Award to Blanchard Machinery for \$338,889.00 as presented and referenced in the memorandum from Jim Baker dated 3/10/2017 and is attached to these minutes and is made a part hereof:

Motion: Recommendation for approval of CIP 1759 Contract Award to Blanchard Machinery for \$338,889.00 came from the Capital Projects Committee, *requiring no second, All voted in favor, none opposed,*

Motion carried.

CIP Addition

CIP 2173 May River Rd Town of Bluffton, Improvements Phase II Waterline Relocations added to the CIP budget for \$75,000.00 as presented and referenced in the memorandum from Dick Deuel dated 3/10/2017 and is attached to these minutes and is made a part hereof:

Motion: Recommendation for approval of adding CIP Project 2173 May River Rd, Town of Bluffton Improvements Phase II for \$75,000.00 to the CIP budget came from the Capital Projects Committee, *requiring no second, All voted in favor, none opposed,*

Motion carried.

PUBLIC COMMENT

There was no public comment.

(8:25 a.m.)

EXECUTIVE SESSION

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

All voted in favor, none opposed,

Motion carried.

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

(8:35 a.m.)

RECONVENE

Motion: David Lott moved, seconded by James Scott, 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 declared the meeting adjourned at 8:42 a.m.

APPROVED: 4/27/2017

Respectfully submitted,

Libby Breland, Clerk to Board

Signatures and Attachments on file.