

MINUTES OF THE MEMBERS OF THE BEAUFORT-JASPER WATER AND SEWER AUTHORITY MEETING HELD ON THURSDAY 6/22/2017

Be it remembered that the Members of the Beaufort-Jasper Water and Sewer Authority held its regular meeting Thursday, 6/22/2017 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, Vice-Chair Michael Bell, Secretary/Treasurer Don Manson, Jimmy Baker, Lorraine Bond, Brandy Gray, Thayer Rivers, Jerry Schulze, James Scott, Dr. Bill Singleton.

Staff in attendance: Ed Saxon, General Manager; Jeff Boss, DGM of O&TS; Sarah Linkimer, DGM, F&A; Brian Chemsak, Director of Engineering; Kenneth Frazier, Director of Information Technology; Tricia Kilgore, Director of Treatment; Jim Baker, Capital Projects Manager; Pamela Flasch, Communications Manager; Libby Breland, Executive Assistant/Clerk to the Board.

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.

CALL TO ORDER

The meeting convened at 8:04 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

Jimmy Baker 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 Secretary/Treasurer Don Manson, to approve the minutes of the 4/27/2017 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.

Motion: Moved by Jerry Schulze, seconded by Jimmy Baker, to approve the summary minutes of the 5/25/2017 annual board retreat as written and distributed in advance to the Members of the Authority. *One typo was noted on page 2, third bulleted item: Payment Card Industry (PCI) compliance; BJWSA plans to be compliant by December 31, ~~2008~~ 2018.*

All voted in favor, none opposed,

Motion carried.

PUBLIC COMMENT

The public was introduced and welcomed. There was no public comment.

GENERAL MANAGERS REPORT

Ed Saxon submitted the following report:

1. Safety Report – We have worked 800+ days without a lost workday case and accrued over 670,000 safe work hours toward our 1,000,000 hour goal. In May, we had 1 minor incident (vehicle related) that resulted in a recordable injury, a mild back sprain. We expect to receive the results of the biannual Safety Survey by the end of June.
2. Savannah River Basin – Basin rainfall has been at normal to above normal levels for the past several months and lake levels have risen a foot+ and are currently at the Stage 2 Drought trigger level. The COE have just released the Savannah River Basin Comprehensive Study (Interim Study 2). The goal of the study is to identify the best management of basin water resources for users both upstream and downstream of the Thurmond Dam during drought conditions. The selected operations alternative will increase conservation opportunities by raising the drought trigger level 3 by 6 feet and slightly decreasing the required releases for each trigger level. I am a member of the Savannah River Basin Advisory Committee and we plan to meet in the next couple of weeks to review and develop comments on the study.
3. Pension Reform & FY18 State Budget – The Senate and the House have agreed on the FY18 state budget and included funding for ½ (1% of wages) of the employer pension increase for FY18. I'm being told that this funding will probably not be included in subsequent budget years.
4. Michael Bells' Reappointment - Some good news, we have received the letter form the Governor reappointing Mike to the BJWSA for another term ending 7/1/2022.
5. May 25th Board Retreat – Staff enjoyed interacting with the Board at the Retreat. Libby has placed all the presentations in the Drop Box.
 - **Recent Raw Water Algae Event.** Tricia Kilgore provided a brief report on an algae event that recently occurred at the Chelsea Water Treatment Plant. This algae event was similar to the one that occurred in late 2014 but was much more intense. Using the BJWSA T&Os protocol for monitoring and responding to algae events and utilizing various sources to supplement finished water deliveries to the NOB system, we were able to mitigate the algae event without having a taste and odor event. We used lessons

learned from this event to enhance/improve our T&O protocols. All Water Operations staff are to be commended for doing a great job handling this event.

A copy of the Power point presentation is attached to these minutes and is made a part hereof.

➤ **Public Affairs Report.** Pamela Flasch highlighted recent and upcoming initiatives taking place throughout the service area:

- Customer Survey Results - 851 customers responded to the survey, a summary will be provided at the July Board meeting.
- CSR Training Manual - Customer service and Communications have recently collaborated on new training material for the customer service department; Lou Brown, Communication Specialist, along with Lori Crews, customer service representative, put together an excellent pilot manual hopefully to be expanding and it was recently used for the 4 new hires in customer service. It's great to see Lou use her talents cross training to help these employees.
- 2016 Annual Consumer Confidence Report (Water Quality Report) - Will be published next week, July 1st, and the link will be in the newsletter at the beginning of July.
- Customer Service and Billing Initiatives - Developing a marketing plan for the new Web Bill Pay Site and educating customers once the new Becon transponders are installed on how they can monitor their own usage.
- Lowcountry/Coastal Public Information Officers (PIO) Alliance - A meeting was held here on the 20th and also met with the sheriff's department to learn some new things in the event of another hurricane. The sheriff's department will be pushing out notifications through Nixle which a link is provided on your rack cards.
- Social Media - We recently participated in a national study on *Social Media for Water Utilities* and a BJWSA Case Study was included in the *Water Research Foundation* report. This information is located in the drop box.
- Tours - Several tours have taken place with kindergartens, college students and senior citizens and we expect more tours through the summer.
- Conferences - Will be attending the National Association of Clean Water Agencies social media and communications for H²O conference next month in St. Louis. The findings from our WRF social media case study will be presented. I will also be attending the National Information Officers Association conference in August.

A summary memo dated 6/22/2017, 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.

Report of the Capital Projects Committee. Committee Chair Michael Bell reported that the Capital Projects Committee met on 6/14/2017 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 - Various projects were reviewed.
2. Military Projects Report – MCAS pump station improvements are being made; the Laurel Bay Bolden Elementary Middle School project is 65% complete. 5 projects totaling \$1.2M.
3. CIP Update Summary – Sam’s Point water main installation is nearly complete; Town of Bluffton Jason St. sewer extension is now complete; Polk Village galvanized water line replacement: permitting is complete and the project is getting ready to launch; Broad River GST New Generator will be under new business for approval; the Lady’s Island Sewer Diversion Engineering Study is approximately 65% complete.
4. Hardeeville WRF Expansion Contractors Report - Included in Board Packet; the concrete portion of the project is approximately 75% complete.
5. Capacity Fee Collections – \$3.7M year-to-date capacity revenue; \$11,000 for the month.
6. Developer Project Activity Report - New projects reviewed: 55 REUs; 25,390 water GPD; 19,260 WW GPD; DRP submittals: 10 REUs; 4,000 water GPD; 3,000 WW GPD. Total of 8 pre-construction conferences for totals of 176 REUs.

A copy of the CIP Update Memorandum from Jim Baker dated 6/14/2017 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 6/15/2017 and submitted the following report:

1. 5/31/2017 Financials. Total operating revenues are \$6.6 million or 15% over budget, while total operating expenses (including depreciation) are \$388 thousand or 0.8% under budget. Capacity fees year-to-date are \$3.8 million compared to an annual budget of \$3.0 million and developer contributions of systems are \$7.8 million with an annual budget of \$3.1 million. Operating cash and ratios continue to be healthy and within our limits and policies.
2. Call Center Metrics. The Committee reviewed the call center metrics. Between the call center being significantly under staffed and the new phone system going live in May, the results were not very strong. Staff is committed to improving the call center stats and is exploring several areas for improvement.

3. FY18 Budget. The public hearing for the budget was held June 13th, there was no public in attendance. The budget resolutions are on today's agenda for approval.
4. FY2017 Audit Schedule. The Auditors will have a planning call with the Finance Committee at the July committee meeting. They are doing interim work next week and year end field work will be in August.

A copy of the financial report dated 5/31/2017, was included in the Board packet and is attached to these minutes and is made a part hereof.

Report of the Personnel Committee. Committee Chair Jimmy Baker reported that the Personnel Committee met on 6/13/2017 and submitted the following report:

1. Safety. 799 days since the last preventable lost work day; 95% participation in the safety survey.
2. Personnel Actions Report. Voluntary turn over year to date rate is 4.14% and involuntary turnover is 3.5% for a total of 7% which compares very favorable to the FY16 turnover. Voluntary turnover was 6% and involuntary turnover was 5.5% for a total of 10%.
3. Slate of Officers. A recommendation for the FY18 Slate of Officers will be brought under New Business as an action item.
4. Affirmative Action Report. No problems were identified and we will continue to focus on tracking and promoting women and minorities.
5. FY2018 Budget Q&A. No concerns were noted.
6. Blood Drive. A blood drive was held at the Authority on June 7 and collected 16 units of blood which will potentially save 48 lives.
7. GM Performance and Salary Increase. Will be discussed in Executive Session.
8. FY17 Merit Matrix. General discussion was held and ongoing.

Report of the Ad Hoc Committee - Information Technology. Committee member Jerry Schulze, reported that the Ad hoc committee met on 6/13/2017 and submitted the following report:

1. Information Technology Acronyms - You will find a list of 54 acronyms commonly used in the IT arena located in the dropbox.
2. Firewall Migration - We are about a month ahead of schedule and should be completed by next month.

3. Draft Gap Analysis - Due at the end of June and is a very comprehensive report that highlights specific items that we have to address to become PCI compliant meaning Payment Card Industry has certain data security standards that we have to meet.
4. Mailbox Migration - All employees have increased mailbox storage space.
5. Office 365 - Intranet Homepage - A new intranet home page is being developed and expected to be released by the end of September.

OLD BUSINESS

Lorraine Bond explained her personal experience with HomeServe. She contacted them for service and was told that they had not updated their computer systems for the new contract year and that she would have to wait for a service call. After clearing up the issue, Ms. Bond stated that HomeServe told her that they would return her call the next day to get an appointment set up for her service. She has yet to hear back from them. *Ed indicated that we would provide a follow up.*

NEW BUSINESS

Capital Improvement Program

Contract Award

1. CIP 1759 Broad River GST New Generator to BRW for \$310,415.

Contract Award to BRW for CIP 1759 Broad River GST New Generator in the amount of \$310,415 as presented and referenced in the memorandum from Jim Baker dated 6/9/2017 and is attached to these minutes and is made a part hereof:

Motion: Recommendation for approval of CIP 1759 Broad River GST New Generator to BRW for \$310,415 came from the Capital Projects Committee, *requiring no second*,
All voted in favor, none opposed,

Motion carried.

FY18 Budget Resolutions for Approval

1. Resolution approving the Capital Improvement Plan for FY 2018-2020 as presented and referenced and is attached to these minutes and is made a part hereof:

Motion: Recommendation for approval of the Capital Improvement Plan for FY 2018-2020 came from the Finance Committee, *requiring no second*,
All voted in favor, none opposed,

Motion carried.

2. Resolution approving the Water & Wastewater Rates for Retail Customers for FY Ending June 30, 2018;
3. Resolution approving the Water Rates for Wholesale Customers for FY Ending June 30, 2018.
4. Water & Wastewater Capital Contribution Fees for FY Ending June 30, 2018.
5. Ancillary Charges for FY Ending June 30, 2018.

Motion: The Board combined the approval of rate resolutions 2-5. Each Resolution has been properly presented and is attached to these minutes and is made a part hereof. Recommendation of approval came from the Finance Committee, *requiring no second,*

All voted in favor, none opposed,

Motion carried.

6. Fiscal Year 2018 Operating Budget.

Motion: Recommendation for approval of Resolution for Fiscal Year 2018 Operating Budget came from the Finance Committee, *requiring no second,*

All voted in favor, none opposed,

Motion carried.

Election of Board Officers to take effect July 1, 2017.

- *Recommendation from the Personnel Committee for a Proposed Slate of Officers for FY2018 to remain the same,*

1. *Chair , Donna Altman*
2. *Vice-Chair, Michael Bell*
3. *Secretary/Treasurer, Don Manson*

Motion: Chair Donna Altman called for additional nominations from the floor, there being none she called for a vote for the slate recommended by the Personnel Committee, *requiring no second,*

All voted in favor, none opposed,

Motion carried.

Standing Committees for FY18 will be appointed next month at the annual July meeting. Chair Donna Altman asked the members if they had a preference to serve on a committee to please let her know.

Appointment to Levy-Limehouse-Bellinger Hill Community (LLBH) Advisory Committee.

- *Recommendation Submitted by the remaining Members of the LLBH Community Advisory Committee:*
 1. *Candidate for Consideration - Marcella B. Woode replacing Aisha Caul.*

Motion: Dr. Bill Singleton moved, seconded by Brandy Gray, to approve Marcella B. Woode to serve on the LLBH Advisory Committee.

All voted in favor, none opposed,

Motion carried.

PUBLIC COMMENT

Frank Turano

Commented that Alliance Consulting Engineers recently awarded a contract to run water and waste water line extensions to the Hardeeville Commerce Park and is also experiencing a wide range of costs from contractor bids.

(9:00a.m.)

EXECUTIVE SESSION

Motion: Jerry Schulze moved, seconded by Jimmy Baker, 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; Lempesis verified claim and the evaluation and compensation review of the general manager.

All voted in favor, none opposed,

Motion carried.

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

Chair Donna Altman, excused the GM, DGM O&TS and DGM F&A prior to discussing the evaluation and compensation of the general manager.

(9:23 a.m.)

RECONVENE

Motion: Dr. Bill Singleton moved, seconded by Vice-Chair Michael Bell, to reconvene regular session,

All voted in favor, none opposed,

Motion carried.

ACTION

Motion: Jimmy Baker moved, seconded by Lorraine Bond, to approve the General Manager Compensation recommended by the Board in Executive Session.

All voted in favor, none opposed,

Motion carried.

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 9:25 a.m.

APPROVED: 7/27/2017

Respectfully submitted,

Libby Breland, Clerk to Board

Signatures and Attachments on file.