

MINUTES OF THE MEMBERS OF THE BEAUFORT-JASPER WATER AND SEWER AUTHORITY MEETING HELD ON THURSDAY 11/16/2017

Be it remembered that the Members of the Beaufort-Jasper Water and Sewer Authority held its regular meeting Thursday, 11/16/2017 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; Jerry Schulze; Dr. Bill Singleton; Greg Padgett.

Members of the Authority not in attendance: David Lott, Thayer Rivers.

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; Allena Lee-Brown, Director of Human Resources; 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 8:00 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 10/26/2017 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.

WELCOME NEW MEMBER GREGORY A. PADGETT

On behalf of the Board, Chair Donna Altman welcomed Gregory Padgett.

PRESENTATION OF AUDIT RESULTS FOR THE FY 2017

Sarah Linkimer introduced Keith Hundley, CPA, Partner of Carr, Riggs & Ingram, LLC. who provided the audit highlights for FY 2017. Mr. Hundley reported that FY2017 was a good audit and was very pleased with the IT improvements. *Chair Donna Altman commended the entire Finance Department and the IT Department on their efforts.*

GENERAL MANAGERS REPORT

Ed Saxon submitted the following report:

1. Safety Report - We experienced no lost workday cases in October and have worked over 820,000 hours without a lost workday case. However, we had 3 incidents in October, all involving vehicles (backed into a structure, our vehicle was rear-ended, & damage to a dump truck due to improper placement of roll-up tarp). The BJWSA driver of the vehicle that was rear-ended received medical treatment and was a recordable injury. Take twos are up due in part to the 7 new employees brought on-board in the last couple of months.
2. Savannah River Basin - October was a good rain month for the basin as it received ~150% of average rainfall. Total year to date rainfall for the basin is 4-5 inches above normal. Lake levels have increased and are right at the Stage 2 Level and are predicted to stay at that level for the next 30 days. Weather forecast shows a warmer, drier winter.
3. FY18-FY21 Strategic Plan -The Strategic Themes workshop was held with the Core Group on 11/1 and I emailed you the report of the workshop. The next workshop to develop Critical Goals based on the Strategic Themes is set for 11/29. Jeff will brief the Board on the results of the Strategic Themes workshop.
4. Savannah River Summit - I briefed the Board on the Summit in September. The Summit will be held on Tuesday 12/5 from 10:30 to 2 PM at the Westin in Savannah. I've passed out the flyer for the event that shows BJWSA along with 4 other utilities and the nature Conservancy as hosts for the event. I am on the "Strong River, Strong Economy" panel. The event will target state and federal elected officials and relevant stakeholders along the Savannah River. The focus will be on the vitality of the Savannah as a major port and drinking water source and economic development driver, along with the SRCWF as a model for accomplishing source water protection through leveraged investments in land protection from programs like the SC Conservation Bank.
5. Town of Bluffton Meeting - Mike Bell and I met with the Mayor of Bluffton, The Town Manager and the Town's Engineering Manager on Tuesday to discuss sewer extensions. The Town is very interested in having sewer available to all Bluffton residents and is prioritizing the unserved areas with a focus on areas adjacent to the May River. They are also exploring innovative ways to fund the projects and would like for us to partner with them. They will provide us their priority list by the end of the year and Engineering will develop preliminary cost estimates for the projects to be considered with our FY19 CIP update.

6. RIA Grant for Bonaire Estates Sewer Project - BJWSA, in partnership with Beaufort County, applied for and received a \$500,000 RIA grant for the Bonaire Sewer Project. The RIA Grant will be coupled with Beaufort County's \$1,000,000 CDBG to help fund the project. We plan to bid the project in December.
 7. Shell Pt. Sewer - We held the 2nd meeting with the Shell Pt. community on 11/9 to discuss the mechanics of a front foot assessment project and our policy. Brian will provide the Board a summary of the meeting.
 8. WEO - We mailed the Restated and Amended WEO By-Laws and proposed Board slate ballot to all WEO members (360) on Wednesday 11/15. There is a WEO member meeting on 12/5 where the By-Laws and the new Board slate will be approved. Tupper, Grimsley & Dean are working with WEO on this effort. Also, we have sent the acting WEO Board a couple of rate scenarios that will allow them to generate enough revenue to break even or develop a small surplus.
 9. December Dates - A reminder, the Board meeting will be on 12/21 and the committee meetings will be held the week of 12/11. The Holiday Dinner Party will be held on Saturday 12/2 at the MCAS Officers Club starting at 6 PM. Please make sure you have RSVP'd with Pam. Holiday sharing will be on Friday 12/15 starting at noon at the Admin building.
- ***Strategic Planning Workshop.*** Jeff Boss gave a power point presentation that highlighted the planning process involving the established *Core Group* of employees. The five major *Strategic Themes* developed by the Group were discussed and the Board indicated their agreement with the workshop results. The next workshop on 11/29 will identify the *Critical Goals* needed to execute the *Strategic Themes* and staff will report the results at the December Board meeting. We are on schedule to present a “near final” draft to the Board at their March 2018 meeting. *A copy of the power point presentation titled: “Strategic Planning workshop – Strategic Themes” 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:
 1. SplashNewsletter - The winter newsletter will publish the first of January, featuring a “popular report” format to reflect the FY17 CAFR highlights.
 2. Holiday Dinner Party - Today is the last chance to RSVP for the Holiday Dinner Party.
 3. Holiday Sharing - As Ed reported in his GM report, the Holiday Sharing is Friday, December 15 at noon.
 4. Beaufort Chamber “Coffee with Colleagues” - is scheduled for Friday, January 19 from 8:30 to 9:30 am in the Admin Building Training Room.

A copy of the Community Projects Update memo dated 11/16/2017, 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 11/8/2017 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 Report - The projects were reviewed and discussed and the report was also included in the Board packets. The Old Bailey's Loop Sewerline CDBG project is complete and will be closed after the final letter from LCOG.
2. Military Projects Report – 2 current projects are remaining on the list.
3. Capacity Fee Collections – Were discussed in Committee, fees declined slightly due to the short month, but projects are on the horizon.
4. Safety Report – Was reviewed by the Committee.
5. Hardeeville WRF- Next month's Capital Projects meeting is planned on-site for the 13th, at 8am, Board Members were invited and the Committee meeting will be publicly noticed in the event of a quorum.
6. CIP Activity- Contract Awards were discussed and approved and will be presented under New Business along with FY18 CIP Deletions and one Addition.

Report of the Finance Committee. Committee Chair Don Manson reported that the Finance Committee met on 11/9/2017 and submitted the following report:

1. 10/31/2017 Interims - October was a great month for revenue. Total operating revenues were \$541 thousand over budget, while total operating expenses (including depreciation) are \$61 thousand under budget. Operating cash and ratios are healthy and within our limits and policies.
2. Call Center Metrics - The committee reviewed the call center metrics. The stats declined compared to prior month due to several factors including multiple phone outages and an increase of cutoffs. The average call wait time was 5.00 minutes and the abandonment rate was 12.5% in October. A major contributor to the extended wait times and abandonment rate increase were the 2 phone outages that occurred when CenturyLink experienced fiber cuts on the single line that feeds the Beaufort area and BJWSA. We are working with CenturyLink to establish a redundant feed which will minimize these types of outages. Additionally, IT is working with Hargray to establish a secondary phone connection for BJWSA that could be used in the event of a CenturyLink outage.

3. Capital Improvement Program - The Committee discussed and approved the *Deletions and Addition* to the CIP Plan for the FY2018 that will be presented in New Business today.

A copy of the financial report dated 10/31/2017, 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 11/7/2017 and submitted the following report:

1. Personnel Actions Report - 2.29 turnover rates; zero resignations in October.
2. Benefits Open Enrollment - 60 open enrollment changes this year compared to 12 in 2016; 37 new Money Plus accounts opened this year compared to 27 for 2016; 11 changes to Deferred Compensation accounts verses 5 changes last year.
3. United Way Update – \$11,519 of \$14,500 has been reached, which is 79% of our goal; 59 contributors, including Board Members.
4. SC Municipal Human Resources Association Annual Meeting - HR staff attended the SC Municipal HR Resources Association Annual Meeting Wednesday November - Friday November 10. Topics included were: Best Practices for Background Checks, FMLA, Workplace Violence response, Legal and PEBA Updates and Alternate Insurer Options.
5. Review Request for Proposal - Executive Search Firm for GM; Draft document was distributed for review and comments.
6. GM Job Description. Other job descriptions were provided as reference; meeting was held on 11/14/2017 to finalize draft.

Report of the Information Technology Plan Ad Hoc. Committee member Michael Bell reported that the Committee reviewed the status of several projects and gave the following report:

1. IT Initiatives - The GIS Project Tracker CIP, is currently 15% complete; target completion date is 6/30/2018. IT is currently working with Customer Service on testing the CIS test platform. Once completed, IT will work with AUS (vendor) to deploy the new production platform. We expect to have the full CIS transition completed by the end of February 2018.
2. Office 365 Migration - The IT team has completed the first step in the Office 365 migration, which is a mailbox move to the new email server. All seems well so far; IT plans to move roughly 20 pilot users to the new email server by November 21st, and will move the rest of the organization by the end of November. The next step would be IT moving completely into Office 365, which they are targeting for early December. Training with the employees will be held. ***Lorraine Bond asked if the Members could receive training on Office 365 as well.***

OLD BUSINESS

There was no old business.

NEW BUSINESS

Capital Improvement Program

Contract Awards

1. CIP-21487 Great Swamp Expansion Land Purchase for \$130,000 as presented and referenced in the memorandum from Tricia Kilgore dated 11/3/2017 and is attached to these minutes and is made a part hereof:

Motion: Recommendation for approval of CIP 21487 Great Swamp Expansion Land Purchase for \$130,000 came from the Capital Projects Committee, *requiring no second*,
All voted in favor, none opposed,

Motion carried.

2. CIP-21487 Great Swamp Expansion Material Purchase sole source through Aegion (formerly Underground Solutions) for \$1,009,379.40 as presented and referenced in the memorandum from Brian Chemsak dated 11/3/2017 and is attached to these minutes and is made a part hereof:

Motion: Recommendation for approval of CIP 21487 Great Swamp Expansion Material Purchase for \$1,009,379.40 came from the Capital Projects Committee, *requiring no second*,
All voted in favor, none opposed,

Motion carried.

3. CIP-21767 Lady's Island Sewer Diversion Material Purchase sole source through Aegion (formerly Underground Solutions) for \$547,917.00 as presented and referenced in the memorandum from Brian Chemsak dated 11/3/2017 and is attached to these minutes and is made a part hereof:

Motion: Recommendation for approval of CIP 21767 Lady's Island Sewer Diversion Material Purchase for \$547,917.00 came from the Capital Projects Committee, *requiring no second*,
All voted in favor, none opposed,

Motion carried.

FY18 CIP Deletions

1. CIP-21539-RH01 Greenwood Ct. Force Main Rerouting for \$200,000.00 as presented and referenced in the memorandum from Brian Chemsak dated 11/3/2017 and is attached to these minutes and is made a part hereof:

Motion: Recommendation for approval of deleting from the FY18 CIP Project 21539-RH01 Greenwood Ct. FM Rerouting for \$200,000.00 came from the Capital Projects Committee, *requiring no second*,

All voted in favor, none opposed,

Motion carried.

2. CIP-21996 Replace Great Swamp Boardwalk Decking for \$100,000.00 as presented and referenced in the memorandum from Brian Chemsak dated 11/3/2017 and is attached to these minutes and is made a part hereof:

Motion: Recommendation for approval of deleting from the FY18 CIP Project 21996 Replace Great Swamp Boardwalk Decking for \$100,000.00 came from the Capital Projects Committee, *requiring no second,*

All voted in favor, none opposed,

Motion carried.

FY18 CIP Addition

1. CIP 22180 Sanitary Sewer Evaluations Study (SSES) for \$100,000.00 as presented and referenced in the memorandum from Brian Chemsak dated 11/3/2017 and is attached to these minutes and is made a part hereof:

Motion: Recommendation for approval of adding to the FY18 CIP Project 22180 Sanitary Sewer Evaluations Study (SSES) for \$100,000.00 came from the Capital Projects Committee, *requiring no second,*

Discussion: The Chair commented that there is the possibility that we may see increases in future BJWSA capital projects budgets when we receive the bids and we should minimize adding projects to the approved CIP.

All voted in favor, none opposed,

Motion carried.

PUBLIC COMMENT

There was no public comment.

(9:17 a.m.)

EXECUTIVE SESSION

Motion: Secretary/Treasurer Don Manson moved, seconded by Lorraine Bond, to go into executive session for the purpose of discussing litigation matters regarding: Denise Jones, O'Quinn and Michael Boltin, pursuant to SC Code Ann. Section 30-4-70(a)(2) and the GM Hiring Plan, pursuant to SC Code Ann. Section 30-4-70(a)(1).

All voted in favor, none opposed,

Motion carried.

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

DGM O&TS and DGM F&A were excused for the discussion of the GM Hiring Plan.

(10:00 a.m.)

RECONVENE

Motion: Vice-Chair Michael Bell 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, Brandy Gray moved, seconded by Lorraine Bond, to adjourn the meeting at 10:01,

All voted in favor, none opposed,

Motion carried.

APPROVED: 12/21/2017

Respectfully submitted,

Libby Breland, Clerk to Board

Signatures and Attachments on file.