

## **MINUTES OF THE MEMBERS OF THE BEAUFORT-JASPER WATER AND SEWER AUTHORITY MEETING HELD ON THURSDAY 1/24/2019.**

Be it remembered that the Members of the Beaufort-Jasper Water and Sewer Authority held its regular meeting Thursday, 1/24/2019 at the BJWSA's new South of the Broad Operations Center. This meeting met the notice requirements of, and was properly constituted pursuant to, Chapter 4, Section 30-4-80(A) 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; Greg Padgett; Jerry Schulze; Dr. Bill Singleton.

Members of the Authority not in attendance: Thayer Rivers.

Staff in attendance: Ed Saxon, General Manager; Joe Mantua, General Manager; Sarah Linkimer, DGM, F&A; Will Bettis, Director of Business Services; Brian Chemsak, Director of Engineering; Kenneth Frazier, Director of Information Technology; Allena Lee-Brown, Director of Human Resources; Justin Thomas, Director of Field Operations; Pamela Flasch, Public Affairs Manager; Shawn Flood, Capital Projects Manager; Mike Jones, Revenue and Billing Manager; Linda Tillery, Customer Care Manager; Beth Lowther, Accounting Manager; Lou Brown, Public Education & Engagement Planner; Libby Breland, Executive Assistant/Clerk to the Board.

Legal Counsel in attendance: Erin Dean, Esq., Tupper, Grimsley, Dean & Canaday, PA.

Beaufort County Liaison to BJWSA: Council Member Brian E. Flewelling, District 5 (Okatie/Burton/Shell Pt.), was not in attendance.

Public in attendance: Andy Kinghorn, City of Beaufort appointee.

### **CALL TO ORDER**

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

### **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 Secretary/Treasurer Don Manson, seconded by Vice-Chair Michael Bell, to approve the minutes of the 12/20/2018 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**

1. Chair Donna Altman recognized prospective BJWSA Board Member, Andy Kinghorn. Once approved by the Governor of South Carolina, Mr. Kinghorn will replace the vacancy of the City of Beaufort's representation on the Board, previously held by David Lott (*deceased*).
2. Chair Donna Altman opened the floor to receive comments on CIP 1696-Hwy. 170 36-inch Waterline Extension. There being none, the Chair closed the floor and continued with the meeting.

## **GENERAL MANAGERS REPORT**

*Joe Mantua submitted the following report:*

*He thanked Libby Breland and Justin Thomas for setting up the room for the meeting.*

### **Asset Management**

1. Downtown Beaufort Main Break – On January 8, at approximately 3:30 pm a SCDOT contractor broke one of our 8” water mains in downtown Beaufort which resulted in loss of service to residents and businesses. The drop in pressure caused by this break created a boil water advisory situation. The BJWSA team worked diligently to send out notifications to all impacted customers, coordinate and execute the repair and respond to customer inquiries. Service was restored around 9:30 pm and the boil water advisory was lifted on Wednesday at roughly 7:30 pm. I'd like to commend staff for their professional and immediate attention in getting this situation under control and resolved as quickly as possible.
2. Galvanized Water Main Replacement – Brian to provide an update on the program.

### **Workforce Investment**

3. Safety Report – We finish the first half of the fiscal year with just 3 recordable injuries and 0 lost work days pushing our running total past 1.2 million hours. Take Twos were slightly below our 175/month goal for December however our monthly average for the past 5 months is well above the monthly goal. A fire drill was conducted at the Administration building on January 16 with excellent results. The building evacuated to the designated location in under 3 minutes; the fire department rep onsite indicated for a building our size the typical time is 4-5 minutes.

*Vice-Chair Michael Bell stated that the schools participate in active shooter training and asked if BJWSA has such training. Joe Mantua reported that active shooter training was conducted just recently, (1-10-19) for the Admin/F&A group and the Operations group at their quarterly meeting (1-22-19). Officer Bruce Oliver with the University of South Carolina - Beaufort Police gave a presentation on steps to take if there is an active shooter situation. He provided insight to prepare employees in case of an emergency involving a gunman.*

### **Preparation for Change**

4. GM Transition – Ed, Sarah and I continue to meet with our local officials and representatives. Since last month, we have met with Representative Erickson and attended the Hardeeville Town Council meeting. We also have plans to attend the Beaufort County, Jasper County, City of Beaufort, Port Royal and Bluffton meetings in the coming weeks. Ed provided a comprehensive schedule to you last week via e-mail. Additionally, we have visited a majority of our facilities and had the opportunity to interact with many of our staff members.

I would also like to thank Pam and her team for the wonderful welcoming reception that was held on January 10 at the Oldfield Clubhouse.

5. Crystal Clear 2022 Status Report – The Strategic Plan Committee continues outreach efforts to educate staff on the plan. Posters highlighting our mission, vision, values and five strategic themes are in place at our facilities and the high five program to encourage and recognize awareness of the program has been initiated.
6. Beaufort Futures Lab – I had the opportunity to attend the Beaufort Futures Lab on January 17. The event hosted by the City brought together a diverse group of 80 leaders from government, business and the community to conduct a visioning exercise to forecast what Beaufort will look like in 2030. A follow-up activity is scheduled for February 13.

## Organizational Excellence

7. PCI Compliance Update – The IT Team has done a fantastic job completing all work required to achieve PCI compliance. We are currently awaiting the Compliance Report that will confirm that goal has been met. *Shout out to Kenneth Frazier and his team.*
8. State Ethics Commission – Reminder to complete the electronic filing process to enter your statement of economic interests. Deadline for filing is March 30, 2019, Libby is available to help any Board members requiring assistance.
  - **Staff Presentation.** Brian Chemsak provided an update on the Galvanized Water Main Replacement program. The areas where the water lines are being replaced are shown in color graphics for each Division I-IV which are included with your CIP Update memo in your board packet.

*Greg Padgett inquired if there were more galvanized replacement projects. Brian Chemsak said that there are more areas which are being ranked (prioritized) by the number of complaints received for that particular area.*

## Customer Satisfaction and Engagement

- **Public Affairs Report.** Pamela Flasch highlighted recent and upcoming initiatives taking place throughout the service area:
  1. Public Awareness and Engagement: Please post your rack cards on your refrigerators and let Lou know if you will attend the events where we need your

responses. Please watch the event calendar in our newsletter for upcoming STEM events and other community outreach and engagement.

2. Customer Satisfaction Survey: We met Wednesday, January 23, with Dr. John Salazar's office from USC-B to discuss this year's Customer Satisfaction Survey. We will conduct an online survey again this year, and are excited to have data from 2015 and 2017 for comparison. This will help us with strategic goals under *Customer Satisfaction and Engagement*.
3. Lowcountry PIO Alliance: Another task that satisfies that goal is our quarterly PIO meeting. Next month, the Lowcountry PIO Alliance is hosting COL John Dorrian, The Citadel's VP for Communications & Marketing. He will talk to speak to the group on "*The Art and Science of successfully controlling your Narrative through Turbulent Times*" Wednesday, February 20 at 10 am. You are welcomed to join us, if you're interested. We invite more than 100 public information officers from SC and GA, and usually have attendance of around 25-30.

## 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 1/16/2019 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-December, 2018: The committee reviewed the list of projects; maintaining GPD for year-to-date.
2. Capacity Fee Collections FY19: Has increased believed from the busy construction and upcoming rate increase. December total revenue for water and sewer is \$1,345,300. Cumulative year-to-date capacity revenue is \$6,199,672. *Jerry Schulze asked if we exceeded the capacity fee budget. Sarah Linkimer replied yes and Ed Saxon added that the revenue stream is expected to continue.*
3. Developer Projects Activity Report Summary 12/1/2018-12/31/2018: 20 new projects reviewed/292 REU's • 5 DPR submittals/49 REU's • 7 pre-constructions/56 REU's • 5 service authorizations. Will include the status report showing the timeline of projects in the packet next month.
4. CIP Agenda Items: The committee received and approved the CIP request that is being brought forth under New Business today, including a Resolution authorizing a SRF loan application for CIP -1696 in the amount of \$8.25 million.

5. Hardeeville Water Reclamation Facility: The committee received a quarterly reconciliation report for the Hardeeville WWTP Expansion which was also included in the board packet.
6. Safety Report December-18: Received the report earlier and also included in your board packet.

*A copy of the CIP Update Memorandum from Shawn Flood dated 1/12/2019 is included in the Board Packet and is attached to these minutes and is made a part hereof.*

*Report of the Finance Committee.* Committee Chair Don Manson, reported that the Finance Committee met on 1/17/2019 and submitted the following report:

1. 12/31/2018 Financials: Total operating revenues are \$713 thousand over budget, while total operating expenses (including depreciation) are \$1.5 million under budget. Operating cash remains healthy.
2. December Call Center Metrics: The committee reviewed the call center metrics. The average call wait time was 47 seconds and the abandonment rate was 1% in December. *Great job to Linda and her staff.*
3. Investments: The committee discussed the current interest rates. All investments are on hold due to the decline in the rates. Staff continues to actively watch the market and work with Wells Fargo.
4. Thad Coleman, Juanita White Fund & Hardship Fund: The committee reviewed the Fiscal Year Summaries for the three assistance accounts.
5. Capital Improvements: In addition to receiving a quarterly reconciliation for the Hardeeville WWTP Expansion, the committee reviewed and approved the following CIP requests that will all be presented in New Business today:
  - New project request for CIP-2198 for Mossy Oaks Utility Relocations in the amount of \$375 thousand funded from grants
  - Budget increase for CIP-1891 City of Beaufort Misc. Sewer Laterals in the amount of \$50 thousand funded from grants
  - Budget transfer from CIP-1874 to CIP-1894 in the amount of \$2 million
  - Resolution authorizing the SRF Loan Application for CIP-1696 in the amount of \$8.25 million

*A copy of the financial report dated 12/31/2018, 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 1/15/2019 and submitted the following report:

1. Safety: Monthly Report for December 2018 shows 1378 days and 1,219,349 hours since last preventable lost work day • Take Two/Safety Talk #s fell off last month which is to be expected during holidays • Overall, doing well with meeting goals • 1 driving incident last month • New Quarterly Report outlines findings by Safety Specialist during his Field Observations; Report shows doing well with employees wearing gloves and high visibility vests, however there is opportunity for improvement properly wearing safety glasses • Quick Guide was updated and a copy provided to Board Members today.
2. Personnel Actions Report: Overall turnover maintains at 3.3% • only 2 separations (retirements) in December • Involuntary separations FY19 year-to-date – 2.77%.
3. Succession Planning: Restarting process • Contract updating and review underway • Kick-Off Meetings will be in February.
4. BJWSA University: Leadership Academy now encourages formal leaders and non-managerial employees to participate • Has contributed significantly to cross-recognition, collaboration and succession planning • Lunch & Learn sessions for current and past participants to keep the learning “alive” • New Certification Process for some departments includes HR to help employees and their supervisors ensure they have all materials necessary to prepare for and sign up for exams. *Vice-Chair Michael Bell gave a shout out to Pam Flasch and Lou Brown for producing the staff’s, “Weekly What’s Up” newsletter. Chair Donna Altman also commended the staff on actively continuing the job shadowing program.*
5. Miscellaneous: Reminder of upcoming dates/events e.g. after January Board Meeting will be Ribbon Cutting at SOB • 1/30 Ribbon Cutting at new Hardeeville plant • 2/15 Farewell to Ed for employees at Chelsea WTP • 2/21 Community Farewell to Ed at Beaufort Yacht & Sailing Club.

*Report of the Information Technology Plan Ad Hoc.* Committee Chair Jerry Schulze reported that the Committee reviewed the status of several projects and gave the following report:

1. Completed the first Cybersecurity Risk Assessment, vulnerabilities are being assessed on third party vendors/externally • the new SOB Operations center is receiving upgrade/replacement SCADA equipment • it’s recommended to dismantle the *IT Ad hoc Committee* and report periodically on updates under the CIP Committee Report.

*Chair Donna Altman commended the Ad hoc committee for doing such a great job since the assignment of this committee was a recommendation coming from the Audit report.*

## **OLD BUSINESS**

*Chair Donna Altman proposed going paperless with the Board Packets. The members currently receive the majority of the same information during the committee process. This would be healthy*

*for the environment and save staffs time. Electronic tablets could replace hard copied information. More information will be discussed at committees.*

## **NEW BUSINESS**

### **Capital Improvement Program**

#### *Addition(s)*

1. CIP 2198 **Mossy Oaks Utility Relocations** for \$375,000 as presented and referenced in the memorandum from Brian Chemsak dated 1/10/2019 and is attached to these minutes and is made a part hereof. The City of Beaufort is reimbursing BJWSA \$425,000 from the remaining Boundary Street Improvement Project Grant.

**Motion:** Recommendation for approval of adding CIP Project 2198 Mossy Oaks Utility Relocations for \$375,000, from Grants came from the Capital Projects Committee, *requiring no second,*

*All voted in favor, none opposed,*

**Motion passed unanimously.**

#### *Budget Adjustment*

2. CIP 1891 **City of Beaufort Misc. Sewer Laterals (FKA Duke Street Laterals)** from \$75,000 to \$125,000 as presented and referenced in the memorandum from Brain Chemsak dated 1/7/2019 and is attached to these minutes and is made a part hereof. The City of Beaufort is reimbursing BJWSA \$50,000 from the remaining Boundary Street Improvement Project Grant.

**Motion:** Recommendation to increase CIP 1891 City of Beaufort Misc. Sewer Laterals (FKA Duke Street Laterals) budget amount from \$75,000 to \$125,000, from Grants came from the Capital Projects Committee, *requiring no second,*

*All voted in favor, none opposed,*

**Motion passed unanimously.**

#### *Budget Transfer*

3. CIP 1874 **Chelsea Canal Crossing Improvements** Transfer to CIP 1894 **Raw Water Canal Improvements** as presented and referenced in the memorandum from Brain Chemsak dated 1/10/2019 and is attached to these minutes and is made a part hereof:

**Motion:** Recommendation to increase CIP 1874 Chelsea Canal Crossing Improvements transfer to CIP 1894 Raw Water Canal Improvements came from the Capital Projects Committee, *requiring no second,*

*All voted in favor, none opposed,*

**Motion passed unanimously.**

The Chair moved agenda item 5. under Contract Awards up at this time since it relates to project CIP 1874.

*Contract Award(s)*

5. CIP 1894 **Raw Water Canal Improvements** Engineering Contract Award to Cranston Engineering for \$336,429 (NTE) as presented and referenced in the memorandum from Shawn Flood dated 1/11/2019 and is attached to these minutes and is made a part hereof. Cranston Engineering has notable experience and reference checks.

**Motion:** Recommendation for approval of CIP 1894 Raw Water Canal Improvements Engineering Contract Award to Cranston Engineering for \$336,429 (NTE), came from the Capital Projects Committee, *requiring no second*,  
*All voted in favor, none opposed*,  
**Motion passed unanimously.**

*Change Orders*

4. CIP 2196 **Cherry Point EQ Tank Replacement** Change Order to Black & Veatch from \$91,750 to \$211,700, as presented and referenced in the memorandum from Shawn Flood dated 1/11/2019 and is attached to these minutes and is made a part hereof. BJWSA added services for a more traditional Design/Build/Build (DBB) contract for replacement of the equalization tank in lieu of an Alternative Delivery method.

**Motion:** Recommendation for CIP 2196 Cherry Point EQ Tank Replacement Change Order to Black & Veatch from \$91,750 to \$211,700 came from the Capital Projects Committee, *requiring no second*,  
*All voted in favor, none opposed*,  
**Motion passed unanimously.**

*Contract Award(s) cont'd*

6. CIP 2185 **Galvanized Waterline Replacement Program, Phase I, Div. II**, to Potter Contracting, LLC for \$785,582.81 as presented and referenced in the memorandum from Shawn Flood dated 1/11/2019 and is attached to these minutes and is made a part hereof:

**Motion:** Recommendation for CIP 2185 Galvanized Waterline Replacement Program, Phase I, Div. II, to Potter Contracting, LLC for \$785,582.81 came from the Capital Projects Committee, *requiring no second*,  
*All voted in favor, none opposed*,  
**Motion passed unanimously.**

*Resolution Approvals*

7. Resolution Authorizing the General Manager of BJWSA to complete and execute and submit



an Application to SRF for ~\$8.25M for the CIP 1696 Hwy 170 36-inch Water line Extension as presented and referenced and is attached to these minutes and is made a part hereof:

**Motion:** Recommendation for approval of Resolution Authorizing the General Manager of BJWSA to complete and execute and submit an Application to SRF for ~\$8.25M came from the Finance Committee, *requiring no second,*  
*All voted in favor, none opposed,*  
**Motion passed unanimously.**

## **PUBLIC COMMENT**

There were no further comments.

(8:48: a.m.)

## **EXECUTIVE SESSION**

**Motion:** Jimmy Baker moved, seconded by Dr. Bill Singleton, to go into executive session for the purpose of discussing litigation matters regarding: Michael Boltin, Edge litigation, pursuant to SC Code Ann. Section 30-4-70(a)(2),  
*All voted in favor, none opposed,*  
**Motion passed unanimously.**

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

(8:58 a.m.)

## **RECONVENE**

**Motion:** Brandy Gray moved, seconded by Dr. Bill Singleton, to reconvene regular session,  
*All voted in favor, none opposed,*  
**Motion passed unanimously.**

## **ACTION ITEMS ARISING FROM EXECUTIVE SESSION**

No action was taken.

## **ADJOURNMENT**

With no further business to come before the Board, and without objection, Brandy Gray moved, seconded, by Dr. Bill Singleton, to adjourn the meeting at, 8:59 a.m.  
*All voted in favor, none opposed,*  
**Motion passed unanimously.**

**APPROVED:** 2/28/2019

*Respectfully submitted,*  
*Libby Breland, Clerk to Board*  
Signatures and Attachments on file.