

MINUTES OF THE MEMBERS OF THE BEAUFORT-JASPER WATER AND SEWER AUTHORITY MEETING HELD ON THURSDAY 5/23/2019

Be it remembered that the Members of the Beaufort-Jasper Water and Sewer Authority held its regular meeting Thursday, 5/23/2019 at the Beaufort-Jasper Water & Sewer Authority Administration Building. 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; Thayer Rivers; Dr. Bill Singleton; Jerry Schulze, attended telephonically.

Members of the Authority not in attendance:

Staff in attendance: Joe Mantua, General Manager; Sarah Linkimer, DGM, F&A/O&TS; Will Bettis, Director of Business Services; Brian Chemsak, Director of Engineering; Kenneth Frazier, Director of Information Technology; Tricia Kilgore, Director of Treatment; Allena Lee-Brown, Director of Human Resources; Al Legare, Director of Tech Maintenance & SCADA; Pamela Flasch, Public Affairs Manager; Linda Tillery, Director Customer Care & Billing; Beth Lowther, Accounting Manager; 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: York Glover Sr., District 3 (Beaufort/Lady's Island/St. Helena Island/Parris Island), not in attendance.

Public in attendance: Frank Turano, Regional Manager, Alliance Consulting Engineers; Andre Lennon, P.E., Senior Project Manager (Charlotte NC), Alliance Consulting Engineers; Adam Hogan, P.E., Project Manager (Greenville SC), Alliance Consulting Engineers; Andy Kinghorn, Prospective BJWSA Board Member.

CALL TO ORDER

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

TELEPHONIC STATEMENT

"I, Chair Donna Altman announce that a quorum for this Meeting is physically present and Jerry Schulze IS ATTENDING THIS MEETING TELEPHONICALLY."

INVOCATION AND PLEDGE OF ALLEGIANCE

Chair Donna Altman gave the invocation and all joined in the Pledge of Allegiance to the flag of the United States.

IN REMEMBRANCE OF JACK E. BURKE

A moment of silence was held honoring the memory of former board member Jack E. Burke. Jack served on both Capital and Personnel Committees, and prior to moving to Hilton Head, gained valuable leadership and management experience during his highly successful 32 year career with IBM. Previously Jack was a member of the Hilton Head Public Service District's Board of Commissioners for 10 years which was instrumental in maintaining a strong cooperative relationship between the Town of Hilton Head and the BJWSA.

APPROVAL OF MINUTES

Motion: Moved by, Greg Padgett, seconded by, Vice-Chair Michael Bell, to approve the minutes of the 4/25/2019 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

Joe Mantua submitted the following report:

Asset Management

1. Chelsea Filter Replacement – The AWI underdrain purchase order has been issued, equipment is currently in fabrication with anticipated delivery in July.
2. Sanitary Sewer Overflow at PI 01 – On April 29, we experienced a pipe failure on the discharge forcemain at PI 01 resulting in a sanitary sewer overflow. Inspection of the 16” pipe section did not reveal a specific cause for the failure of this 10 year old pipe. Crews isolated the forcemain and rerouted flows into the onsite emergency storage tank. The spill area was bermed to prevent sewer runoff. The estimate volume of wastewater released was 20,000 gallons.

Workforce Investment

3. Safety Report – There were 183 completed take twos for April and the monthly average for the year is 185, both exceeding our stated goal of 175 per month. We have now surpassed 1.3 million safe work hours.
4. Selection of New DGM – Operations and Technical Services – I am very pleased to announce that Pat Burke will be joining the BJWSA Team as our new DGM, his first day is May 24. The selection team consisting of myself, Allena and Sarah along with the search firm of Cabot Consultants found Pat to be a unanimous choice.

Preparation for Change

5. Workforce Analysis – We received Jacobs’s report of initial findings and had a follow-up meeting on May 16. They identified some areas of focus and proposed next steps. Once we have reviewed in detail and developed our strategic approach for this, we will provide a briefing to the board.
6. Partnering with TCL – We had a great kick-off meeting with several staff at TCL including Dr. Gough, the President to discuss partnering opportunities in workforce recruitment strategies and education enhancement for our current staff.

Organizational Excellence

7. Security Awareness Training – The first training installment was completed this month with a participation rate of 96%. We will be working to get this to 100% with the future sessions.
8. Leadership Beaufort Class of 2019 – Congratulations to Brian Chemsak, a member of the Beaufort Leadership Class of 2019.
9. GFOA Recognition – We received notification from the Government Finance Officers Association that our 2018 comprehensive annual financial report (CAFR) qualifies for their Certificate of Achievement for Excellence in Financial Reporting. Congrats to our Finance Team and all involved with attaining this prestigious accomplishment.
10. NACWA Peak Performance – Point South Wastewater Treatment Plant earned the NACWA Platinum5 Peak Performance Award for achieving 5 years of 100% compliance. We will be recognized at the NACWA Summer Conference in July.
11. AWWA Partnership for Safe Water – Chelsea Water Treatment Plant earned the Partnership for Safe Water Presidents Award which we will receive along with Directors Awards for Cherry Point and Point Royal at next month’s AWWA Annual Conference.

Customer Satisfaction and Engagement

12. Customer Satisfaction Survey – We have reviewed the draft report provided by the researchers at USCB who conducted the Customer Satisfaction Survey. We are working with them to finalize the report and will be briefing the board at the July meeting.
13. Be the Beacon Campaign – Working collaboratively, Customer Service and Public Affairs kicked off our *Be the Beacon* campaign to increase awareness and enrollment of the *Eye on Water* program that allows customers to monitor their water usage.
14. National Drinking Water Week Open House – Despite a light turnout we had a successful Open House at the Chelsea Plant to celebrate National Drinking Water Week on May 9. Thanks to Pam, Lou and all the other staff who worked to pull this together.

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

Customer Satisfaction & Engagement

1. “Be the BEACON” Campaign: ongoing to boost Eye on Water engagement.
2. Customer Satisfaction Survey: USC-B will report with us July 25.
3. STEM (Science, Technology, Engineering and Math) Outreach and Customer Service: both banners are on display today.
4. Inaugural Wastewater Report: The Water Quality report will be ready by July 1. Many thanks to Tricia for suggesting this, as well as fishtank/pond outreach. Tricia spoke to how this project evolved.

Andy Kinghorn asked about the distribution method. Pam responded that the report would be posted online and distributed to all stakeholders. Chair Donna Altman gave praises for now having this report in an electronic format. Tricia was commended as well.

5. NACWA’s Strategic Communications Conference: Pam is attending the **NACWA’s Strategic Communication** conference first week of June.

COMMITTEE REPORTS

Report of the Executive Committee. Committee Chair Donna Altman stated that the Executive Committee met after the Board meeting on 4/25/2019 and discussed the following:

1. Compensation Comparison for Water Utility Boards in South Carolina. The comparison showed a wide range between utilities and it was agreed to maintain BJWSA’s current level with no recommendation to the Board.

Report of the Capital Projects Committee. Committee Chair Michael Bell reported that the Capital Projects Committee met on 5/15/2019 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 - The PER for Purrysburg WTP Expansion is under review by staff and will be submitted to DHEC in June | The Lady’s Island Sewer Diversion is completed with only a few punch list items remaining at the pump stations site | 55 of the 140 vacuum pits have been installed within the Bonaire Sewer Extension Project | Galvanized Waterline Projects: DIV I, Nearing completion, all customers are swapped over; DIV II, work is around 60% complete; DIV III, Material is onsite and work should start in late May; DIV IV, PO issued, scheduling precon | End of the FY goals is to have DIV I & II

completed with the other two in construction | Work has started on the Cherry Point EQ Tank replacement, erosion control has been installed and work is underway to empty the tank.

2. Capacity Fee Collections - During April, capacity fees were collected in the amount of \$411,109. The yearly total for capacity fees is \$8,494,288, which is \$3,400,000 over the projected amount.
3. Developer Projects Activity Summary - 16 precons were held in April and Service authorizations were issued to 100 REUs | New water taps totaled 170 and sewer taps totaled 160.
4. CIP Activity for Board Approval – CIP 2200 Hwy 170 Casings, the committee reviewed the request to add an additional project to install casing under Hwy 170 to be used for a future development. The committee approved this request and brings it to the Board for approval under New Business.
5. Miscellaneous – The committee reviewed the draft version of the FY20 update. This update adds some new projects as well as pulls some deferred projects back into the three year plan. The total amount of proposed projects for FY20 totals \$23,000,000. The scheduled projects plus the ongoing projects will bring the total to \$44,000,000 | The committee also held a Q&A concerning the FY20 Operating Budget.

A copy of the CIP Update Memorandum from Shawn Flood dated 5/10/2019, was included in the E (Electronic)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 5/16/2019, and submitted the following report:

- 1) 4/30/2019 Interims: Total operating revenues are \$1.1 million over budget, while total operating expenses (including depreciation) are \$1.7 million under budget. Operating cash and ratios are healthy and within our limits and policies.
- 2) Investments: The committee reviewed the investment report. Interest received to date is \$11,875.
- 3) FY 2020 Operating Budget: The public hearing for the budget was held May 14th and there were no attendees from the public. The budget resolutions are on today's agenda for approval.
- 4) April Call Center Metrics: The committee reviewed the call center metrics. The average call wait time was 1 minute 24 seconds and the abandonment rate was 3% in April.
- 5) Capital Improvements: The committee received and approved a new project request for CIP-2200 for the Hwy 170 Casing Installation in the amount of \$136,150 (fully reimbursed by

Beaufort County) that will be presented in New Business today. The committee also discussed the updates to the FY18-FY20 CIP Plan.

- 6) IT Update: Kenneth provided the IT FY19 Areas of Focus that included six significant project updates.

Joe Mantua added that Customer Service, while excelling, are really operating shorthanded. Hats off to Linda and her entire team.

Vice-Chair Michael Bell asked if we are monitoring innovative trends of other organizations that have this similar experience. Joe responded that they could look into technologies that would address this and that the Beacon campaign is part of the solution by reducing the number of calls into the call center, but certainly there are other opportunities to investigate with Jacobs Consultants.

A copy of the financial report dated 4/30/2019, 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 5/14/2019 and submitted the following report:

1. Personnel Actions Report: Year to date overall turnover rate is 5.5%.
2. Deputy General Manager, O&TS Update: Shares the enthusiasm of the hiring of the new Deputy GM.
3. Succession Planning: Continuing with Jacobs Consultants, identifying current and future gaps, benchmarking BJWSA with similar utilities.
4. TCL Partnership: Excited to be forming potential partnership opportunities with TCL.
5. FY2020 Operating Budget: Was discussed in length and is an Agenda Item under New Business for approval.
6. Board Leadership Award: Will be discussed in Executive Session today.
7. Slate of officers for FY2020: The Personnel Committee will bring a Slate of Officers for consideration for FY2020 during the June meeting and if anyone has a particular interest on the Board, please let the committee know.

OLD BUSINESS

Chair Donna Altman reported that while Andy Kinghorn's appointment is still pending, she thanked him for his participation and hopes that the Beaufort Delegation, now out of regular session of the General Assembly, will meet and take action.

NEW BUSINESS

Capital Improvement Program

CIP Addition(s)

1. CIP 2200 Hwy 170 Casing Installation added to the FY18-FY20 CIP for \$136,150 as presented and referenced in the memorandum from Brian Chemsak dated 5/9/2019 and is attached to these minutes and is made a part hereof:

Motion: Recommendation for approval of adding CIP Project #2200 Hwy 170 Casing Installation for \$136,150 to the FY18-FY20 CIP came from the Capital Projects Committee, *requiring no second,*

All voted in favor, none opposed,

Motion passed unanimously.

Resolution(s) for Approvals

Chair Donna Altman, commended the entire Finance department on preparing the budget, including comparable and historical data. The future will bring some hard decisions and we will be looking very hard at the fixed costs, reviewing and/or possibly renegotiating contracts. The Resolutions, with attached rates, were reviewed in each committee, but not formally approved, thereby, a singular motion is required for each Resolution:

1. Water & Wastewater Rates for Retail Customers for FY Ending June 30, 2020:

Motion: Jimmy Baker moved, seconded by Lorraine Bond, approving the Water & Wastewater Rates for Retail Customers for FY Ending June 30, 2020 as properly presented and is attached to these minutes and is made a part hereof,

All voted in favor, none opposed,

Motion passed unanimously.

2. Water Rates for Wholesale Customers for FY Ending June 30, 2020.

Motion: Vice-Chair Michael Bell moved, seconded by Lorraine Bond, approving the Water Rates for Wholesale Customers for FY Ending June 30, 2020 as properly presented and is attached to these minutes and is made a part hereof,

All voted in favor, none opposed,

Motion passed unanimously.

3. Ancillary Charges for FY Ending June 30, 2020.

Motion: Lorraine Bond moved, seconded by Greg Padgett, approving the Ancillary Charges for FY Ending June 30, 2020 as properly presented and is attached to these minutes and is made a part hereof,

All voted in favor, none opposed,

Motion passed unanimously.

4. Operating Budget FY2020.

Motion: Secretary/Treasurer Don Manson moved, seconded by Brandy Gray, approving the Operating Budget FY Ending June 30, 2020 as properly presented and is attached to these minutes and is made a part hereof,

All voted in favor, none opposed,

Motion passed unanimously.

PUBLIC COMMENT

Joe Mantua, formally thanked Sarah Linkimer, for temporarily filling the position of DGM Operation & Technical Services, along with her regular duties. This was a huge effort for Sarah and she did not hesitate to take on the extra tasks.

(8:40 a.m.)

EXECUTIVE SESSION

Motion: Jimmy Baker moved, seconded by, Dr. Bill Singleton, to go into executive session for the purpose of discussing Litigation/Claim Matters regarding: Kinard v. BJWSA and McCracken v. BJWSA Pursuant to SC Code Ann. Section 30-4-70(a)(2) and Personnel/Privacy Matters, regarding the selection of Nominee(s) to receive the BJWSA Board Leadership Award, Pursuant to SC Code Ann. Section 30-4-40(a)(2),

All voted in favor, none opposed,

Motion passed unanimously.

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

GM and DGM F&A/O&TS were excused for the Personnel/Privacy Issues, Pursuant to SC Code Ann. Section 30-4-40(a)(2), regarding: Selection of Nominee(s) to receive the BJWSA Board Leadership Award.

(9:12 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

Motion: Brandy Gray moved, seconded by Jimmy Baker, to award BJWSA Board Leadership Award as discussed in executive session,

All voted in favor, none opposed,

Motion passed unanimously.

TELEPHONIC STATEMENT

“I Chair Donna Altman, the Presiding Officer of this Meeting have previously stated that Jerry Schulze 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, and without objection, Dr. Bill Singleton, moved, seconded by Secretary/Treasurer Don Manson, to adjourn the meeting at, 9:13 a.m.

All voted in favor, none opposed,

Motion passed unanimously.

APPROVED: 6/27/2019

Respectfully submitted,

Libby Breland, Clerk to Board

Signatures and Attachments on file.