

MINUTES OF THE MEMBERS OF THE BEAUFORT-JASPER WATER AND SEWER AUTHORITY HELD ON AUGUST 22, 2013

Be it remembered that the Members of the Beaufort-Jasper Water and Sewer Authority held its regular meeting Thursday, August 22, 2013, 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 present: David Lott, Chair; Donna Altman, Vice-Chair; James N. Scott, Secretary/Treasurer; Jimmy Baker; Michael Bell; Lorraine Bond; Jack Burke; Brandy Gray; Donald Manson; Dr. Bill Singleton and Skeet Von Harten.

Members of the Authority absent: None

Staff present: Ed Saxon, General Manager; Dottie Hofmann, Chief Financial Officer; Ken Jordan, Chief Administrative Officer; Chris Petry, Chief Operating Officer; Charles Sexton, Chief Technical Services Officer; Tricia Kilgore, Director of Treatment; Al Legare, Director Maintenance and Military Programs; Will Bettis, Purchasing Manager; Matthew Brady, Communications Manager; Brian Chemsak, Capital Projects Manager; Sarah Linkimer, Controller; Julie Voges, HR Manager and Libby Breland, Executive Assistant/Clerk to Board.

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

Public present: Former Board Member John Rogers; D. Paul Sommerville, Chair, Beaufort County Council (District 2); Brian Flewelling, member, Beaufort County Council (District 5) and Frank Turano, Regional Manager, Alliance Consulting Engineers, Inc., Bluffton.

CALL TO ORDER

Chair David Lott called the meeting to order at 8:00 a.m., and announced that a quorum was present. Michael Bell gave the invocation and the Pledge of Allegiance followed.

(Telephonic Statement)

n/a, all members were physically present.

WELCOMING NEW BOARD MEMBERS, JIMMY BAKER, JACK E. BURKE AND DONALD A. MANSON.

Chair David Lott welcomed the newly appointed Board Members.

RECOGNITION OF JOHN D. ROGERS, FOR HIS YEARS OF SERVICE TO BJWSA

Chair David Lott presented to John Rogers, a Resolution and the traditional water meter plaque inscribed: "*In Recognition of 21 Years of Service on the Board of Directors to the Beaufort-Jasper Water & Sewer Authority December 1991-August 2013*". John Rogers received a standing ovation and many accolades including being referred to as an "*iconic legend*".

Motion: Michael Bell moved, seconded by Vice Chair Donna Altman, to approve the Resolution as presented,

All voted in favor, none opposed.

Motion passed unanimously.

APPROVAL OF MINUTES

Motion: Moved by Brandy Gray, seconded by Vice Chair Donna Altman, to approve the minutes of the July 25, 2013 annual board meeting as written and distributed in advance to the Members of the Authority,

A vote was held, Michael Bell abstained; he was not present at the meeting,

Motion Carried.

PUBLIC COMMENT

The public was recognized. Councilman Sommerville shared in the accolades of John Rogers.

GENERAL MANAGERS REPORT

Ed Saxon reported on the following issues:

1. Safety Report – There were no lost workday cases in July however we experienced one preventable back injury. Employee was physically pulling a pump in the bed of a truck resulting in a back strain.
A copy of the Safety Report dated August 1, 2013 is attached in these minutes and is made a part hereof.
2. Beaufort & Jasper Legislative Delegation Meetings – Received the Governor’s appointment letters for Mr. Manson, Mr. Burke, and Mr. Baker. Libby is preparing a history of the timelines associated with our Board appointments for the last 10 years. With this information, we will meet with certain members of the delegations to offer recommendations on how we can improve the process.
3. Admin Building Reception/Customer Service Area Security Upgrades – This project is going well and should be completed by the end of September. The final piece is the installation of the planter barriers and new furniture.
4. May River Water System – A meeting with the May River community will occur on August 28 and a draft agreement has been sent to the May River Water Company for their review and comment.
5. Strategic Focus Plan (SFP) – Staff has established goals and objectives for 3 of our 4 focus areas: Product, Stewardship and Community and will complete Workforce Development by mid-September. We will review these with the Board at the September Board meeting. On track for a late Fall 2013 completion.
6. NACWA Peak Performance/ SCDHEC AWOP Awards – Received the Gold Award for the Cherry Pt., Port Royal, Hardeeville and Laurel Bay wastewater facilities. The award represents a year of operations without a permit violation. Only plants that have NPDES

(discharge to waters) permits are eligible for the awards. Both the Chelsea and Purrysburg WTPs won DHEC's AWOP Award for outstanding water treatment.

7. Moss Creek – The CFO at Moss Creek has taken another job and has not yet been replaced. This has delayed things until a new CFO is in place.
8. Standard & Poor's Rating – In July, Staff had a conference call with S&P to discuss our current and future financial situation. As a result of that discussion, S&P affirmed our current “AA” rating and “Stable” outlook. They listed a stable service area economy, strong debt service coverage, ample system capacity, affordable/competitive rates, stable/diverse customer base, and good incomes with below average unemployment as the main reasons for the rating. Thanks to Sarah & Dottie for this fine effort.
9. Military Enhancement Committee (MEC) – Pat O'Neal & I attended the 8/2 briefing conducted by the MEC on their efforts in preparing for another potential round of BRAC. The Beaufort bases have a \$1.5B impact on the local economy and BJWSA has a \$250M+ 50 year contract with them in addition to the ~\$1.1M in annual water sales. On a recent trip to DC, the MEC discovered that the current sequestration budget cuts (\$500B over 10 years) could have the same effect as a BRAC if they continue for the long term. The MEC will monitor both the sequestration and BRAC efforts closely. One piece of good news is that Headquarters Marine confirmed that the F35 will be at MCAS next summer. Skeet Von Harten is on the MEC.
10. Emergency Communication Procedure for the Board – The Staff has developed a draft SOP and would like the Board's review and comment. Please send your comments to me or Matthew.
Michael Bell suggested adding the word “texts” to item 9 due to the limited band width.
David Lott suggested along with the policies, adding detailed procedures.
11. New Board Member Orientation - The Staff is developing a formal orientation program for new Board members and will “pilot test” it on the new members on September 24.
12. Lowcountry Regional Water System – Charles & I met with the Executive Director (Brian Burgess) and Chief Engineer for LRWS to get acquainted and see how things are going with LRWS. The LRWS merged the utility systems for Yemassee, Hampton, Varnville and Brunson and has the right to serve in all of Hampton County. Estill elected not to join LRWS & remain independent. LRWS is interested in having an emergency services agreement with BJWSA (similar to the one we had with Yemassee) to provide assistance in difficult situations. Will have a draft agreement for their review in the next 30 days.
13. Savannah River – Record rains continue to occur in the Savannah Basin and the resulting high levels/flows have caused water quality problems. Chris will explain this situation, our response and future mitigation plans.
A copy of the power point presentation by Chris Petry titled: “BJWSA Water Operations Taste and Odor Report” dated August 22, 2013 is attached to these minutes and is made a part hereof.

14. Employee Bonuses for FY13 Performance – After reviewing the FY13 yearend financials, the Leadership Team decided to award all BJWSA employees a 1 week pay bonus for their superior efforts in reducing costs to make up the significant revenue gap that occurred because of the early heavy summer rains.

Public Affairs Report

Matthew Brady highlighted community events and provided a summary memo dated August 14, 2013, identifying several projects taking place throughout the service area:

- Burton CDBG—Construction will finally begin soon on this. We’re adding a piece on Lamon Drive.
- Old Bailey—We will be sub-recipients, but we’re waiting for paperwork from Commerce to confirm that. Jasper County is paying for surveying, and we’re doing the engineering in house
- May River Estates— We will be distributing welcome packages at the homes with reminders tomorrow morning.
- Catfish Festival—We will attend the Catfish Festival in Hardeeville September 6 at Millstone Landing for “schools day.” We plan to hand out freebies and talk to the students. They will probably have the man-sized catfish walking around, so please stop by.
- Customer Out Reach on the odor/taste— We believe that most of the customers received the Press Release concerning this issue via newspaper, website, social media, in addition to coverage on TV/Radio). We’re looking at ways to increase our outreach on things like this, but our staff did a great job.
- Rural Infrastructure Authority—We are working with the City of Hardeeville in applying for an Economic Development grant, due September 9. The grant will seek funding for a sewer and water lines to serve the Commerce Park in Hardeeville.
- South Carolina Water & Wastewater Agency Response Network (SCWARN)—You may be interested that the steering committee will be holding the SCWARN training exercise on October 15 in Columbia. The topic will be severe storms and flooding. BJWSA staff, including me, will attend. I am meeting with the committee chair at Renewable Water Resources, (ReWa) on September 3.
- Public Affairs Council—I will be at the PAC in Denver for the Fall meeting the last week of September. Remember, this trip is reimbursed by AWWA.

A copy of the Community Projects Update memo dated August 14, 2013, is attached to these minutes and is made a part hereof.

COMMITTEE REPORTS

Executive Meeting

Chair David Lott stated that the Executive Committee did not meet therefore had no report.

Capital Projects

Since committee Chair Dr. Singleton was absent during the meeting, he deferred to member, Jack Burke to give the report. Jack Burke reported that the Capital Projects Committee met on Wednesday, August 14 to review the status of the Capital Program and Development Activity. Of note, the Military ISM (Initial System Modifications) Projects are complete. These were completed under budget and well ahead of schedule. All the projects were supposed to be started within 5 years of the contract. All the projects were completed within the 5 years. Two contract awards and two CIP additions will be presented under New Business. Ed Saxon complimented the staff on the completion of the Military ISM Projects.

A copy of the CIP Update memorandum dated August 12, 2013 is attached to these minutes and is made a part hereof.

Finance

Committee Chair Donna Altman reported that the committee did not meet due to the ongoing Audit, but will meet in September.

Personnel

Committee Chair Brandy Gray reported that the committee met on Tuesday August 20. The Compensation Study Presentation will be made in Executive Session.

OLD BUSINESS

There was no old business to discuss.

NEW BUSINESS

Capital Improvement Program.

1. *Purchase Approval* CIP #21544 – Purchase of Tube Settlers and Safety Grate for the Chelsea WTP from Brentwood Industries in the amount of \$199,799. This project is the replacement of the tube settlers which have deteriorated over the last 14 years. The last upgrade was in 1999.

Motion: Recommendation of approval of CIP #21544 for the purchase of the Brentwood tube settlers and safety grate for \$199,799 as presented and referenced in the memorandum from Tricia Kilgore, dated August 7, 2013, came from the Capital Projects Committee, *requiring no second,*

All voted in favor, none opposed.

Motion passed unanimously.

2. *Contract Award* CIP #21641 – Rehabilitation of the Headworks Structure at Cherry Point WWTP to Dun-Right in the amount of \$228,792. Hydrogen sulfide (H₂S) gas has accumulated in the headworks structure over the 4.5 years of service. This gas is present in all sewage and is very corrosive. This project includes recoating the headworks, adding H₂S control device and rehabilitating the bar screen.

Motion: Recommendation of approval of CIP #21641 Contract Award for the rehabilitation of the Headworks structure at Cherry Point WWTP to Dun-Right in the amount of \$228,792 as

presented and referenced in the memorandum from Charles Sexton, dated August 9, 2013, came from the Capital Projects Committee, *requiring no second*,
All voted in favor, none opposed.

Motion passed unanimously.

3. CIP Project Budget Additions FY 13-15

- a. CIP #21552 – Wastewater Pump Replacements for \$150,000. This project sets up a new account to track wastewater pump replacements previously funded from the general capital equipment account 21770.
- b. CIP #21553 – River Intake Canal Rehab \$50,000. The BJWSA Savannah River Intake is a 3,800 foot canal leading to the River Intake Pump Station. Portions of the Intake Canal are protected from the adjacent swamp/wetlands with sheet piling set to an elevation of 16’ msl. During the recent Savannah River Flooding event, the levels exceeded 16’ msl and overflowed the piling. In addition, a section of piling was compromised and needed emergency repairs. This project funded the repairs and additional efforts needed to rehab the sheet piling system.

Motion: Recommendation of approval of the CIP Project Budget Additions for FY13-15 as presented and referenced collectively in the memorandum from Charles Sexton, dated August 9, 2013, came from the Capital Projects Committee, *requiring no second*,
All voted in favor, none opposed.

Motion passed unanimously.

PUBLIC COMMENT

There were no additional public comments.

(9:53 a.m.)

EXECUTIVE SESSION

Motion: Brandy Gray moved, seconded by Vice Chair Donna Altman, to move into executive session to discuss personnel matters, receive a legal briefing, and review of the compensation study,

All voted in favor, none opposed.

Motion passed unanimously.

All persons were excused from the meeting. Legal counsel, the general manager, leadership team and Julie Voges remained for executive session.

During executive session, all staff members were excused from the meeting before discussing a personnel matter.

(10:40 a.m.)

RECONVENE

Motion: Lorraine Bond moved, seconded by Vice Chair Donna Altman, to reconvene regular session,

All voted in favor, none opposed.
Motion passed unanimously.

ACTION

Motion: Recommendation of approval to pay 100% of the general manager's health insurance, retroactive to date of hire came from the Personal Committee, *requiring no second,*
All voted in favor, none opposed.
Motion passed unanimously.

(Telephonic Statement)

n/a, all members were physically present.

ADJOURNMENT

With no further business, Michael Bell moved, seconded by Skeet Von Harten, to adjourn the meeting at 10:42 a.m.,
All voted in favor, none opposed.
Motion passed unanimously.

APPROVED: 9-26-13

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