

MINUTES OF THE MEMBERS OF THE BEAUFORT-JASPER WATER AND SEWER AUTHORITY MEETING HELD ON THURSDAY 6/28/2018

Be it remembered that the Members of the Beaufort-Jasper Water and Sewer Authority held its regular meeting Thursday, 6/28/2018 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; Greg Padgett; Thayer Rivers; Jerry Schulze; Dr. Bill Singleton.

Members of the Authority not in attendance:

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; Al Legare, Director of Tech Maintenance & SCADA; Pamela Flasch, Communications Manager; Beth Lowther, Accounting Supervisor; Linda Tillery, Customer Care 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: 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

Dr. Bill Singleton gave the invocation and all joined in the Pledge of Allegiance to the flag of the United States.

IN REMEMBRANCE OF DAVID S. LOTT

Chair Donna Altman announced the unfortunate passing of board member David Lott and the schedule for the drop-in the family is hosting for friends of David at their home Saturday, June 30th between 11 am - 1 pm. David was first appointed to the board January, 2011 and served in various capacities: member of the Personnel Committee; Capital Projects; the Information Technology Ad Hoc Committee; and Board Chair for 3-years. David was very instrumental in the resolution of the Railroad Class Action Lawsuit. A couple of memories were shared followed by a moment of silence.

APPROVAL OF MINUTES

Motion: Moved by Vice-Chair Michael Bell, seconded by Lorraine Bond, to approve the minutes of the 4/26/2018 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

The public was introduced and welcomed. There was no public comment at this time.

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 member Dr. Bill Singleton gave the report and reported that the Capital Projects Committee met on 6/20/2018 and reviewed the status of the Capital Program and Development Activity. A summary of noteworthy projects was included in the Board Packet, CIP Update, Rate Resolutions, and Impact Fees will be brought under New Business for approval.

A copy of the CIP Update Memorandum from Brian Chemsak dated 6/14/2018 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 Don Manson reported that the Finance Committee met on 6/21/2018 and submitted the following report:

1. **May Financials:** May was a great month for revenue. Total operating revenues are \$3.8 million over budget, while total operating expenses (including depreciation) are \$857 thousand over budget. Operating cash and ratios are healthy and within our limits and policies.
2. **May Call Center Metrics:** The Committee reviewed the call center metrics. The average call wait time was 48 seconds and the abandonment rate was to 1.77% in May.
3. **FY2018 Audit Schedule:** The Auditors will have a planning call with the Finance Committee at the July committee meeting. There are inventory cycle counts next week and year-end fieldwork will be in August.
4. **Financial Policies:** The committee discussed and reviewed the updated policies that will be presented in New Business today.
5. **FY19 Operating Budget:** The public hearing for the budget was held June 19th and there were no attendees from the public. The budget resolutions are on today's agenda for approval.
6. **Capital Improvements:** The committee discussed and approved a request for funding to the Town of Port Royal for \$199 thousand for the purchase of existing sewer credits. The

committee discussed and approved the update to the FY18 - FY20 CIP Plan, which includes galvanized pipe repairs for \$8M for the next two years.

7. 2018 Employee Handbook Draft: The committee discussed and reviewed the updated Employee Handbook changes that will be presented in New Business today.
8. GM Goals: The committee received the FY19 General Manager Goals that will be reviewed in July.

A copy of the financial report dated 5/31/2018, 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 6/19/2018 and submitted the following report:

1. Safety Program: The *Safety Report May-18* was received and discussed.
2. Personnel Actions Report: Overall employee turnover rate was 8.4%; we are tracking a different category; employee separation (less involuntary) which was 6.72%.
3. 2018 Employee Handbook draft: The review of the Employee Handbook started over a year ago, and added Veteran's Day as a holiday along with a category for interns. The Personnel Committee will recommend approval under New Business.
4. Financial Policies: The committee discussed and reviewed the updated policies that will be presented in New Business today; the FY19 Budget including the Impact fees PR Credit Purchase and the changes to the CIP Update for 18-20.
5. Customer Service Incentives Compensation Plan: Customer Service implemented an Incentives Compensation Plan and has done an outstanding job.
6. Blood Drive: BJWSA hosted another successful blood drive; 18 employees donated.
7. GM Goals and Performance Evaluation: Discussion will be held in July.
8. GM Recruitment Update: Will share an update in executive session.

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:

IT Initiatives Update: SCADA system target date for the new Hardeeville WRF is June 2018 ● financial and munis platform upgrade completion date June 2018 ● employee training and go-live scheduled for July 2018 for the new IT and GIS ticketing system ● relaunch intranet homepage portal by July 9 ● still on track to become PCI compliant by the end of the December 2018.

NEW BUSINESS

Capital Improvement Program

CIP Addition/CIP Budget Adjustment.

CIP Update to the approved FY18-FY20 CIP Plan

Approval for New CIP projects for FY19 and Budget Adjustments for FY19 as presented and referenced in the memorandum from Brian Chemsak dated 5/7/2018 and is attached to these minutes and is made a part hereof: \$24.5M total FY19 CIP with \$4M allocated for galvanized line replacement.

Motion: Recommendation for approval of adding CIP Projects New CIP projects for FY19 and Budget Adjustments for FY19 came from the Capital Projects Committee, *requiring no second, All voted in favor, none opposed,*

Motion passed unanimously.

Contract Award/Purchase Award.

CIP-21630 Parris Island Booster Pump Station – BRW Construction Group, Inc. LLC for \$370,615 as presented and referenced in the memorandum from Brian Chemsak dated 6/14/2018 and is attached to these minutes and is made a part hereof:

Motion: Recommendation for approval of CIP 21630 Contract Award to BRW Construction Group, Inc., LLC for \$370,615, came from the Capital Projects Committee, *requiring no second, All voted in favor, none opposed,*

Motion passed unanimously.

Town of Port Royal Columbia Ave. Sewer Project, Request for Funding.

BJWSA will enter into a Memorandum of Understanding with the Town of Port Royal to sell BJWSA 21,739 of gpd sewer capacity credits for \$199,99.80 as stated in the memorandum from Ed Saxon dated June 8, 2018 and is attached to these minutes and is made a part hereof. This project will gain approximately 70 new sewer customers:

Motion: Recommendation for approval to enter into a Memorandum of Understanding between the Town of Port Royal, and BJWSA, came from the Capital Projects Committee, *requiring no second,*

All voted in favor, none opposed,

Motion passed unanimously.

Approval of the Revised Employee Handbook.

As reported earlier, the review of the Employee Handbook started over a year ago, and went through an extensive review by HR, Leadership, Staff, and Legal Counsel. The Personnel Committee has reviewed and approved the updated Employee Handbook as presented.

Motion: Recommendation for approval of the changes to the Employee Handbook came from the Personnel Committee, *requiring no second,*

All voted in favor, none opposed,

Motion passed unanimously.

Approval of the Cash & Investment Policy.

The Cash and Investment Management Policy was last updated in March 2015. Since that time BJWSA has restructured leadership. Staff updated the policy and changed job title references to match current organization.

Motion: Resolution approving the changes to the Cash & Investment Policy as presented and attached to these minutes and is made a part hereof, came from the Finance Committee, *requiring no second,*

All voted in favor, none opposed,

Motion passed unanimously.

Approval of the General Financial Policy.

The General Financial Policy was last amended December 19, 2013. Like the Cash and Investment Policy, Staff titles have changed. Staff went through the Policy, cleaned up title references and made minor changes.

Motion: Resolution approving the changes to the General Financial Policy as presented and attached to these minutes and is made a part hereof, came from the Finance Committee, *requiring no second,*

All voted in favor, none opposed,

Motion passed unanimously.

Resolution Approving the FY 18-22 Strategic Focus Plan.

The “Strategic Focus Plan” for FY18-22 addresses the Authority’s opportunities to achieve best practices through 2022 and become a leading *Utility of the Future.*

Motion: Greg Padgett moved, seconded by Lorraine Bond, approving the Resolution for the *Crystal Clear 2022 Strategic Focus Plan* as presented and attached to these minutes and is made a part hereof,

All voted in favor, none opposed,

Motion passed unanimously.

FY 19 Budget Resolutions for Approval

1. Resolution approving the Water & Wastewater Rates for Retail Customers for FY Ending June 30, 2019.

Motion: Resolution approving the Water & Wastewater Rates for Retail Customers for FY Ending June 30, 2019 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 passed unanimously.

2. Resolution approving the Water Rates for Wholesale Customers for FY Ending June 30, 2019.

Motion: Resolution approving the Water Rates for Wholesale Customers for FY Ending June 30, 2019 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 passed unanimously.

3. Resolution approving the Water & Wastewater Capital Contribution Fees for FY Ending June 30, 2019.

Motion: Resolution approving the Water & Wastewater Capital Contribution Fees for FY Ending June 30, 2019 has been properly presented and is attached to these minutes and is made a part hereof. Recommendation of approval came from the Capital Projects Committee, *requiring no second*,

All voted in favor, none opposed,

Motion passed unanimously.

4. Resolution approving the Ancillary Charges for FY Ending June 30, 2019.

Motion: Resolution for the Ancillary Charges for FY Ending June 30, 2019 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 passed unanimously.

5. Resolution approving the Fiscal Year 2019 Operating Budget. An estimate of operating and non-operating revenues of \$66,669,580 has been prepared and operating and non-operating expenditures of \$63,369,580 forecasting a \$3,300,000 increase in net position. A Public Hearing to receive comments on the FY2019 Operating Budget was properly noticed and held on Tuesday, June 19, 2018. No public attending.

Motion: Recommendation for approval of Resolution for Fiscal Year 2019 Operating Budget came from the Finance Committee, *requiring no second*,

All voted in favor, none opposed,

Motion passed unanimously.

Election of Board Officers to take effect July 1, 2018.

- Recommendation from the Personnel Committee for a Proposed Slate of Officers for FY2019 to remain the same:
 - a. *Chair, Donna Altman*
 - b. *Vice-Chair, Michael Bell*
 - c. *Secretary/Treasurer, Don Manson*

Motion: Chair Donna Altman called for additional nominations from the floor, there being none, a motion was made by Jimmy Baker, seconded by Brandy Gray, to close the nominations. The Chair called for a vote for the slate of officers recommended by the Personnel Committee, *All voted in favor, none opposed,*
Motion passed unanimously.

GENERAL MANAGERS REPORT

Ed Saxon submitted the following report:

1. Safety Report: After 3+ years of working safely, we reached the 1,000,000 safe hour worked goal at the end of May and held a successful companywide safety meeting and briefing on June 1 at USCB New River campus. ~ 150 employees were present and all recommitted to continue to work safely and agreed to set a new goal of 2,000,000 safe work hours.
 2. Savannah River Basin: The basin experienced above average rainfall in May and Hartwell is at full pool level with Thurmond ~ 1.5 below full pool. The lakes are in great shape for the summer season.
 3. AWWA Annual Conference: I along with several staff members attended the annual water conference the week of June 11th. We received the 10 Year Directors Award for the Purrysburg WTP and Kevin and Tricia gave presentations on our algae control program and our Partnership efforts.
 4. Crystal Clear 2022 Report: We plan to mail the report to a large stakeholder group (city/county managers, councils, wholesale customers, etc.) the week of July 9th.
 5. Fire Hydrant IP/Gazette Article: I am sure you are aware of Sunday's front-page article in the IP/Gazette about the Seabrook fire and lack of fire hydrants. They asked for maps showing the location of all hydrants in Beaufort County and for security purpose, we denied that request. We are meeting with that reporter today to review the maps with her.
- **Public Affairs Report.** Pamela Flasch highlighted recent and upcoming initiatives taking place throughout the service area:
1. Publications: Our *Consumer Confidence Report* (Water Quality Report 2017) and *Splash* summer newsletters are ready to publish.
 2. Partnership with SRCWF: We will host stakeholders and property owners for a Lunch & Learn with the Savannah River Clean Water Fund (SRCWF) and the Longleaf Alliance August 22.
 3. Customer Focus Group: Our bi-annual customer focus group is re-scheduled for September 8 on site, with USC-B's Lowcountry & Resort Islands Tourism Institute handling the project.

OLD BUSINESS

Chair Donna Altman announced that Standing Committees for FY19 will be appointed next month at the annual July meeting and will start serving on their perspective committee in September since no Board meeting is held in the month of August. The Chair asked the members if they had a preference to serve on a committee to please let her know.

PUBLIC COMMENT

There was no public comment.

(8:40 a.m.)

EXECUTIVE SESSION

Motion: Vice-Chair Michael Bell moved, seconded by Lorraine Bond, to go into executive session for A. purpose of discussing negotiations and contractual issues surround the General Manager search, pursuant to SC Code Ann. Section 30-4-70(a)(1) and 30-4-70(a)(2) and B. litigation matters regarding: Michael Boltin, Edge, Rondelle Warren, O'Quinn and one claimant, Maria Del Marin Riley 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 prior to the discussion of the negotiations and contractual issues surround the General Manager search. Legal counsel remained.

Chair Donna Altman invited the GM; DGM O&TS and DGM F&A to be present for executive session for the legal briefing from Counsel.

(9:03 a.m.)

RECONVENE

Motion: Dr. Bill Singleton moved, seconded by Lorraine Bond, to reconvene regular session,
All voted in favor, none opposed,

Motion passed unanimously.

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, 9:04 a.m.

All voted in favor, none opposed,

Motion passed unanimously.

APPROVED 7/26/2018

Respectfully submitted,

Libby Breland, Clerk to Board

Signatures and Attachments on file.