

## **MINUTES OF THE MEMBERS OF THE BEAUFORT-JASPER WATER AND SEWER AUTHORITY MEETING HELD ON THURSDAY 6/23/2016**

Be it remembered that the Members of the Beaufort-Jasper Water and Sewer Authority held its regular meeting Thursday, 6/17/2016 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 David Lott; Vice-Chair Donna Altman; Secretary/Treasurer James Scott; Jimmy Baker; Michael Bell; Lorraine Bond; Jack Burke; Brandy Gray; Don Manson; Dr. Bill Singleton; Skeet Von Harten.

Members of the Authority not in attendance: All were present.

Staff in attendance: Ed Saxon, General Manager; Dottie Hofmann, DGM of F&A; Frank Eskridge, DGM of O&TS; Brian Chemsak, Director of Engineering; Joe DeVito, Director of Field Operations; Ken Jordan, Director of Planning, Safety & Security; Tricia Kilgore, Director of Treatment; Jim Baker, Capital Projects Manager; Allena Lee-Brown, HR Manager; Sarah Linkimer, Controller; Lou Brown, Communications Specialist; 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 David Lott presiding.

### **INVOCATION AND PLEDGE OF ALLEGIANCE**

Chair David Lott gave the invocation and all joined in the reciting of the Pledge of Allegiance.

### **APPROVAL OF MINUTES**

**Motion:** Moved by Skeet Von Harten, seconded by Michael Bell, to approve the minutes of the 5/26/2016 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 passed unanimously.**

### **PUBLIC COMMENT**

The public was introduced and welcomed.

## GENERAL MANAGERS REPORT

*Ed Saxon submitted the following report:*

1. Safety Report – We have gone over 350,000+ safe work hours without a lost work day injury and completed another month without a recordable injury. We had 4 incidents in June, 3 involving vehicles and 1 theft of copper wire from an operating pump station.
  2. Savannah River Basin – The basin has had sub-normal rainfall for the past 5 months and lake levels are about a 1 1/2 foot below the guide curves. The upper and middle basins continue to be in a moderate drought status. History shows that based on the past 2 very strong El Ninos we have experienced, we could be in for a dry summer.
  3. Association of Defense Communities Conference – With other members of the MEC, I attended the ADC conference this week in Washington DC to learn how other communities support their military installations. We also met with Lt. Gen. Jon Davis, the Deputy Commandant of Aviation for the Marines in the Pentagon to review the F-35B program and offer assistance to help with any local/legislative issues they have. Several ADC conference sessions dealt with water supply security, utility infrastructure and BRAC. Each branch of the military provided a brief on force and installation capacity.
  4. Hurricane Information – The annual Board Hurricane Information and instructions sheets were included in your Board package. There have been no changes this year. Please review and let us know if you have any questions.
  5. Jasper Port – Both states have announced that they will jointly spend \$15M during the next 3 years on studies needed to permit the Jasper Port. They plan to have the \$2 billion 1<sup>st</sup> Phase terminal online in the mid-2020s.
  6. Personnel Changes – Frank Eskridge has accepted another position and will be leaving us on 6/24. Tricia Kilgore has returned to BJWSA and is our new Director of Treatment. Kenneth Frazier has accepted the IT Director position and will start in mid-July.
  7. August Meeting – There will be no August Board meeting. Please plan accordingly.
  8. SC Sales Tax Refund – Staff has been working with the Dept. of Revenue regarding the refund of SC Sales Tax on certain wastewater associated expenses/purchases. Sarah will update the Board on this effort.
  9. Public Affairs – Pam is off today and Dottie will provide the Public Affairs report.
  10. Stakeholder Dashboard – For the past several months, key members of staff have been developing a Stakeholder Dashboard. Ken Jordan will discuss the process and present a draft for your consideration.
- ***SC Sales Tax Refund.*** Sarah Linkimer reported that BJWSA has been working with the SC Department of Revenue on the sales tax exempt status of the wastewater treatment process. The SC Department of Revenue's updated interpretation qualifies the Authority to be sales tax exempt on the wastewater treatment process. The Authority is able to go back 3 years to recoup sales taxes paid. The Authority has amended the past 3 years of sales tax returns and has contacted applicable vendors requesting refunds. The refunds total approximately \$500,000. The Board gave accolades to staff.
- ***Public Affairs Report.*** Pamela Flasch was on vacation so Dottie Hofmann highlighted community events and identified several projects taking place throughout the service area:

- NewsSplash. The summer newsletter *NewsSplash* will go to the printer today, barring any changes to the proposed 2017 slate of officers or the rates.
- 2016 Water Quality/Consumer Confidence Report (CCR). Lou Brown has completed the 2016 Water Quality/CCR, which will be available July 1.
- Recognition. Ed Saxon was recognized as a nominee for the ‘Lifetime of Leadership’ award at the Beaufort Regional Chamber Civitas Awards June 3. Pam Flasch was elected to the chamber’s board of directors.
- Customer Focus Group Report. A detailed report on the May 14 Focus Group will be included in the July board packets, and presented at the July board meeting.
- Engineering Projects. The communications department is working closely with the engineering department on a number of projects, including Boundary Street, Azalea Drive and Battery Park.
- Community Involvement/Tours. A church summer camp and TCL’s Upward Bound students toured the Chelsea plant recently, and upcoming tours and visits include an Eco-Camp program and our annual participation in Camp Sunshine, which is a summer program for developmentally-disabled youth.
- New Calendar of Events. Was updated and distributed.

*A summary memo dated 6/23/2016, was included in the Board packet and is attached to these minutes and is made a part hereof.*

- ***Stakeholder Dashboard***. Ken Jordan provided the first draft of the *Stakeholders Dashboard*. He briefly discussed the purpose of the Dashboard and the various elements and data displayed. The Board made several comments and suggested revisions. Staff will make the requested changes and provide a final Dashboard for the Board to approve at the July Board meeting. The Board congratulated Staff and expressed what a great job was done in producing the Dashboard and that this is going to be a great tool going forward.

## **COMMITTEE REPORTS**

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

***Report of the Capital Projects Committee***. Committee Chair Donald Manson reported that the Capital Projects Committee met on 6/15/2016 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:

- The Water Wastewater Master Plan Update. The New Master Plan is underway with an initial kickoff meeting and data collection. A draft report is expected to be ready in January 2017.
- Boundary Street Expansion Asset Relocation Project. Boundary St. work is still underway, the majority of the work on First St. has been completed and the contractor is staying ahead of the road contractor’s schedule.
- Town of Bluffton Jason St. Sewer Extension. This project is expected to be ready for bid by the end of July.

- Hardeeville WWTP Expansion. Bids for the Hardeeville Plant were received on June 7, 2016 and they are being evaluated by HDR. The contractor and HDR are also working on completing SRF forms. The low bid was under budget and came in at \$25,900,000; more information will be presented in July.
- Developer Activity for May. \$500,000 was collected in capacity fees.
- Items for Board Approval. The Committee reviewed and will bring a recommendation of approval for the CIP items under New Business.
- Water and Sewer Taps. Completed were 158 water taps and 131 sewer taps.

*A copy of the CIP Update Memorandum from Jim Baker dated 6/15/2016 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 Donna Altman reported that the Finance Committee met on 6/16/2016 and submitted the following report:

- 5/31/2016 Interims. Total operating revenues were \$188 thousand under budget year-to-date. Total operating expenses were under budget year-to-date, \$316 thousand without depreciation and \$61 thousand with depreciation. May capacity fee revenues were \$501 thousand, \$2.7 million over budget year-to-date. Developer contributions for the month totaled \$1.6 million and are \$3.9 million over budget year-to date. Operating cash remains healthy.
- Public Hearing. Was held on Tuesday, June 14, 2016 at 5 o'clock p.m. No public attended.
- Agenda Items for Approval. The committee reviewed, in detail, the rate resolutions and CIP activity that will be presented under New Business.
- 2016 Audit Schedule. New auditors of Carr, Riggs & Ingram, of Alabama, will begin their audit process soon.

*A copy of the financial report dated 5/31/2016, 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 Lorraine Bond reported that the Personnel Committee met on 6/14/2016 and submitted the following report:

- 5/31/2016 Safety Report – was reviewed.
- Confirm July Meeting Date/Time July 27 to meet with Pontifex. The July personnel committee meeting will be July 27<sup>th</sup> at 3pm so that we can meet with our compensation consultant, Pontifex.
- GM Evaluation Reminder. Due to HR as soon as possible.
- Key Positions Hiring Status. We were updated about the hiring status of 3 key positions. Those positions include the IT Director, Director of Treatment and the Deputy General Manager – Operations and Technical Services.
- Personnel Memo/Budget Q&A. We reviewed the FY17 Budget Personnel Memo. FY17 budget questions were solicited.
- Performance Evaluations/Merit Increase Planning. HR has concluded their review of employee Performance Evaluations and Merit Increase Planning is underway.

## OLD BUSINESS

There was no unfinished business.

## NEW BUSINESS

### A. Capital Improvement Program

#### *1. CIP Update to the Approved FY15-17 CIP Plan*

- New CIP projects for FY17 and Budget Adjustments for the FY16 projects carried over to FY17 were presented and referenced in the memorandum from Jim Baker dated 6/15/2016 and is attached to these minutes and is made a part hereof.

**Motion:** Recommendation for approval of the requested changes to the FY17 Capital Improvement Plan came from the Capital Projects, *requiring no second*,  
*All voted in favor, none opposed*,

**Motion passed unanimously.**

#### *2. FY17 Purchase Order Approval*

- FY17 Purchase Order for Meter Replacements to Carolina Meter & Supply for \$702,000.00 was presented and referenced in the Memorandum from Will Bettis dated 6/15/2016 and is attached to these minutes and is made a part hereof.

**Motion:** Recommendation for approval for FY17 Meter Replacements to Carolina Meter & Supply for \$702,000.00 came from the Capital Projects Committee, *requiring no second*,  
*All voted in favor, none opposed*,

**Motion passed unanimously.**

#### *3. Contract Award(s)*

- CIP 1551 (CDBG) Old Baileys Rd Sewer Line Extension Contract Award to Jordan Construction for \$587,629.00 was presented and referenced in the Memorandum from Brian Chemsak dated 6/15/2016 and is attached to these minutes and is made a part hereof. A *Budget Adjustment was included in the Approved FY15-17 CIP Plan Update.*

**Motion:** Recommendation for approval of CIP 1551 Old Baileys Rd Sewer Line Extension CDBG *contingent* Contract Award to Jordan Construction for \$587,629.00 came from the Capital Projects Committee, *requiring no second*,

*All voted in favor, none opposed*,

**Motion passed unanimously.**

- CIP 1703 Battery Park Galvanized WL Replacement Contract Award to Cross Contracting, LLC. for \$221,415.00 was presented and referenced in the Memorandum from Brian Chemsak dated 6/15/2016 and is attached to these minutes and is made a part hereof.

**Motion:** Recommendation for approval of CIP 1703 Battery Park Galvanized WL Replacement Contract Award to Cross Contracting, LLC. for \$221,415.00 came from the Capital Projects Committee, *requiring no second,*

*All voted in favor, none opposed,*

**Motion passed unanimously.**

- CIP 1739 SS08 Depot Rd Sewer Rehabilitation Contract Award to Layne Inliner for \$1,434,345.00 was presented and referenced in the Memorandum from Jim Baker dated 6/15/2016 and is attached to these minutes and is made a part hereof.

**Motion:** Recommendation for approval of CIP 1739 SS08 Depot Rd Sewer Rehabilitation Contract Award to Layne Inliner for \$1,434,345.00 came from the Capital Projects Committee, *requiring no second,*

*All voted in favor, none opposed,*

**Motion passed unanimously.**

#### B. FY17 Budget Resolutions for Approvals

The Board chose to combine the approval of rate resolutions 1-4. The staff gave a brief presentation on each Resolution and the impact on rate payers. Each Resolution is attached to these minutes and is made a part hereof.

1. Water & Wastewater Rates for Retail Customers for FY Ending June 30, 2017.
2. Water Rates for Wholesale Customers for FY Ending June 30, 2017.
3. Water & Wastewater Capital Contribution Fees for FY Ending June 30, 2017.
4. Ancillary Charges for FY Ending June 30, 2017.

**Motion:** Moved by Skeet von Harten, seconded by Jimmy Baker to approve the Water and Wastewater Rates and Ancillary Charges for FY Ending June 30, 2017 Resolutions as presented, *All voted in favor, none opposed.*

**Motion passed unanimously.**

5. Fiscal Year 2017 Operating Budget.

**Motion:** Recommendation of approval, of the Fiscal Year 2017 Operating Budget Resolution as presented, came out of the Finance Committee, *requiring no second,*

*All voted in favor, none opposed.*

**Motion passed unanimously.**

### C. Election of Officers to take effect July 1, 2016.

On behalf of the Personnel Committee, Committee Chair Lorraine Bond brought forth at the May 2016 meeting the following proposed slate of names to be officers of the Authority for FY 17: *Chair, Donna Altman; Vice-Chair, Michael Bell and Secretary/Treasurer, Don Manson.* Chair David Lott opened the floor for additional nominations.

**Motion:** With no other nominations received, Michael Bell moved to close the floor and approve the proposed slate of officers for FY17 as presented: *Chair, Donna Altman; Vice-Chair, Michael Bell and Secretary/Treasurer, Don Manson, requiring no second, All voted in favor, none opposed.*

**Motion passed unanimously.**

### D. Presentation of the BJWSA Board Leadership Award

Chairman David Lott presented Erin Dean with this year's BJWSA Board Leadership Award. He read into the record the nominators submittal; Erin provided outstanding legal advice and leadership in guiding BJWSA through the complexities of the railroad case. Even though I joined the Board after the case was well along, it became quickly and clearly evident that Ms. Dean went above and beyond in providing the Authority with excellent advice and utilized competent outside resources when necessary. She kept the Board and staff involved and informed..." Chairman Lott agreed with the comments and added that Erin provided outstanding availability, clarity and speed of advice, which is everything that you would want in a lawyer. Erin received a standing ovation. *Erin was very humbled and included her colleagues on her recognition.*

### **PUBLIC COMMENT**

Mr. Turano informed the Board that his firm, Alliance Engineering, was hired by the Joint Project Office to identify the routing of all utilities needed to support the proposed Jasper Ocean Terminal and he will work with BJWSA staff regarding the routes needed for the water & sewer facilities.

### **AMENDED AGENDA TO WAIVE EXECUTIVE SESSION**

Legal Counsel stated that since there were no updates on the pending litigation matters an Executive Session was not needed.

**Motion:** Brandy Gray moved, seconded by Jack Burke, to waive Executive Session as advised by legal counsel,  
*All voted in favor, none opposed.*

**Motion passed unanimously.**

*Michael Bell announced that Council of the Town of Bluffton met and has recommended his re-appointment.*

## **ADJOURNMENT**

With no further business to come before the Board, Chair David Lott adjourned the regular meeting of 6/23/2016 at, 9:26 a.m.

APPROVED: 7/28/2016

*Respectfully submitted,*

*Libby Breland, Clerk to Board*

Signatures and Attachments on file.

Agenda and supporting documents were distributed in advance and the meeting Agenda properly noticed at [www.bjwsa.org](http://www.bjwsa.org) and the main office *Information Center* bulletin board.