

MINUTES OF THE MEMBERS OF THE BEAUFORT-JASPER WATER AND SEWER AUTHORITY MEETING HELD ON OCTOBER 24, 2013

Be it remembered that the Members of the Beaufort-Jasper Water and Sewer Authority held its regular meeting Thursday, October 24, 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 and Dr. Bill Singleton.

Member of the Authority absent: Skeet Von Harten.

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; Will Bettis, Purchasing Manager; Matthew Brady, Communications Manager; Brian Chemsak, Capital Projects Manager; Sarah Linkimer, Controller; and Libby Breland, Executive Assistant/Clerk to Board.

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

Public present: Councilman Brian Flewelling, Beaufort County, District 5 (Okatie/Burton/Shell Point) 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.

INVOCATION AND PLEDGE OF ALLEGIANCE

Dr. Bill Singleton gave the invocation and all joined in the Pledge of Allegiance.

APPROVAL OF MINUTES

Motion: Moved by Lorraine Bond, seconded by Donna Altman, to approve the minutes of the September 26, 2013 regular board meeting as written and distributed in advance to the Members of the Authority.

A vote was held,

Motion passed unanimously.

Jack Burke made a request for an agenda item next month, defining standard procedures for the board members appointment process.

PUBLIC COMMENT

The public was recognized. There were no public comments at this time.

GENERAL MANAGERS REPORT

Ed Saxon submitted the following report:

1. Safety Report. There were no lost workday cases or recordable injuries and only 1 non-preventable incident in September. BJWSA has logged over 390,000 safe work hours without a lost workday case. Steve Lee, an experienced Tech Maintenance Mechanic was promoted to fill the new Safety Specialist position.
2. May River Water System. The design of the waterline extension to connect to the MRWS is complete and construction should start in early December. We expect to have a signed agreement by the end of October and take over the system prior to 12/31/13.
3. Savannah River Basin. The COE is expected to start their winter drawdown of Lake Hartwell & Thurmond in the next two weeks and will reduce lake levels by 4 foot in accordance with their normal Basin Management plan. September rains were below normal in the basin. Charles will provide a short presentation on the Savannah Lake levels and the COE's management plan.
4. Rural Infrastructure Authority (RIA) Grant. BJWSA has partnered with the City of Hardeeville and Jasper County to apply for a \$350,000 RIA grant to provide water and sewer infrastructure to the Hardeeville Commerce Park. We expect good news any day now.
5. Illegal PCB Dumping in the Upstate. At the Sept. meeting, I made the Board aware of the illegal dumping of PCB contaminated waste that wound up in upstate wastewater systems. DHEC issued a Public Notice about this issue and established emergency regulations concerning the PCB monitoring & disposals of sludge. In compliance with the emergency regulation, BJWSA sampled our sludge and no PCBs were detected. We will sample again in November and December to make sure we don't have a problem.
6. Board Member Liability Proposed Statute. I attended the Municipal Association of SC's (MASC) Legislative Committee meeting to present and obtain support for our proposed legislation. The MASC attorney requested a small change which we made and they will support our effort. The SC Association of Special Purpose Districts is also interested in this legislation and they are reviewing the legislation now. We continue to have talks with the local Legislative Delegations and hope to have the Bill sponsors lined up in the next two weeks. Thanks to Erin for her assistance with this.
7. United Way Campaign. The 2014 BJWSA United Way campaign is underway and we are at 70% of the \$15,200 goal and a 42% participation rate. There is still time for the Board members to be part of the BJWSA campaign if you would like to contribute. Just let me know. The Chief Officers have challenged the work force by agreeing to increase our individual UW contribution by \$1 for every employee that makes a donation.
8. SCEG Enhancements. BJWSA worked with SCEG to significantly improve the reliability and resiliency of the electrical service to the Chelsea WTP. SCEG replaced the medium voltage power lines that ran along our canal to their substation near Ridgeland with 115KV transmission lines on poles averaging 90' in height. In addition, they made improvements to the substation across the street from the Chelsea WTP to allow us to be served directly off the transmission system. In addition, moving the power poles and raising the power lines decreased the hazard exposure to our employees using heavy equipment to maintain the canal.
9. Sun City Hilton Head. On October 2, Mr. Manson and I attended a reception at Sun City HH recognizing local community leaders and volunteers. Additionally, on Oct 17, Staff held a

community meeting in the Magnolia Hall with Sun City residents to address their concerns about our recent water quality event associated with the elevated organics in the Savannah River. Mr. Manson helped set this up and attended as well. The meeting went well. Just for your information, BJWSDA has 7,300 water and 7,300 sewer accounts in Sun City, a very important customer.

10. Board/Committee Meeting Dates. A reminder that the committee and Board meetings are shifted up a week in November and December due to the holidays. The Board meeting dates will be 11/21 and 12/19 with the committees meeting the week prior.

At this time, Charles Sexton gave a brief update on the Savannah Lake levels and the COE management plan.

Public Affairs Report

Matthew Brady highlighted community events and identified several projects taking place throughout the service area:

- Burton CDBG. A progress meeting was held with BJWSA's engineer, DuPriest Construction Company and Lowcountry Council of Governments (LCOG). Meters will be set in a week or so. The project will be done by the end of the year, and the grant closes December 31.
- Community Development Block Grant (CDBG) Applications. A public meeting will be held on November 7 in Dale. LCOG and Councilman Gerald Dawson will be there. Seeking a grant for a water extension project down Seabrook Point Road and exploring options with the Department of Commerce of coupling a potential CDBG with an RIA grant.
- Group Tours. A group from the Osher Lifelong Learning Institute came and spent the day and toured the Chelsea water treatment plant, Cherry Point water reclamation facility, and the Great Swamp.
- Free Chlorine Switch Event. Beginning Saturday, October 26 as a routine maintenance program, BJWSA will temporarily change the drinking water treatment method and flush lines in the distribution systems for a three-week period. A press release has been issued.
- Community Event. Technical College of the Lowcountry, is hosting "Oysters & 5K by the Bay". BJWSA is sponsoring the 5K run by providing water for the event, and employee, Jim Bauer volunteered to help out.
- Veterans Day. BJWSA's annual Veterans Day Breakfast will be at IHOP in Beaufort November 11 at 7:30am. All employees, current and retired military veterans, are invited to attend as well as the Board Members.
- Safety and Wellness Festival. Will be held on November 8 this year and all members are invited to attend as well.

A summary memo dated October 15 2013, was included in the Board packet and 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

Committee Chair Dr. Singleton reported that there were no projects requiring committee approval at this time therefore the Committee did not meet.

Finance

Committee Chair Donna Altman reported that the Committee met on October 23 and reported the following:

- September 2013 Interims. Total operating revenues are \$1.1 million under budget, and \$600 thousand behind last year. Total operating expenses are \$476 thousand under budget and \$300 thousand under last year. Even with the revenue shortfall all of the ratios, targets and cash are healthy and within our limits and policies. Staff is doing a great job holding expenses to the line.
- FY 2013 Audit. Cherry Bekaert presented the audit results. They gave a clean “unmodified” opinion, which is a new term. They encountered no significant difficulties and there were no disagreements with management during the audit procedures. The audit stayed on the original timeline and was on schedule which speaks highly of the finance staff with all of the changes and retroactive restatements. The auditors will be presenting the audit to the full board at the November meeting.
- Changes in the 2013 Financial Statements. The format of the opinion letter from the auditors changed to be more user friendly. The Governmental Accounting Standards Board (GASB) Statement 63 and 65 were implemented for the first time. 63 is changing the wording on the financial statements and 65 was implemented early where debt issue costs were restated to when they were incurred and required retroactive restatement of financial statements for all periods presented.

Personnel

Committee Chair Brandy Gray reported that the Committee met on October 15, 2013 and reported the following:

- Compensation Benefits Study. Committee discussed more about the benefits data. The next step is for the managers to communicate to the employee groups and to work with consultant on employee’s evaluation tool, pay matrix, and training for supervisors.
- Employee Recognition Program. This program has been enhanced and supervisors will be trained.
- United Way Campaign. The campaign is going well as reported earlier in the GM report.
- Human Resources Manager. Advertising has been extended for this position.

OLD BUSINESS

There was no old business to discuss.

NEW BUSINESS

There was no new business to discuss.

PUBLIC COMMENT

There were no additional public comments.

(8: 40 a.m.)

EXECUTIVE SESSION

Motion: Brandy Gray moved, seconded by Donna Altman, to go into executive session for the purpose of discussing legal matters and personnel matters,

All voted in favor, none opposed.

Motion passed unanimously.

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

(9:15 a.m.)

RECONVENE

Motion: Donna Altman moved, seconded by Brandy Gray, to reconvene regular session,

All voted in favor, none opposed.

Motion passed unanimously.

ACTION

No action was taken.

ADJOURNMENT

With no further business, Brandy Gray moved, seconded by Jimmy Baker, to adjourn the meeting at 9:16 a.m.,

All voted in favor, none opposed.

Motion passed unanimously.

APPROVED: 11-21-13

Respectfully submitted,

Libby Breland, Clerk to Board

Signatures and Attachments on file.