

MINUTES OF THE MEMBERS OF THE BEAUFORT-JASPER WATER AND SEWER AUTHORITY HELD ON SEPTEMBER 26, 2013

Be it remembered that the Members of the Beaufort-Jasper Water and Sewer Authority held its regular meeting Thursday, September 26, 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 (telephonically); 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.

Staff present: Ed Saxon, General Manager; Dottie Hofmann, Chief Financial Officer; Ken Jordan, Chief Administrative Officer; Tricia Kilgore, Director of Treatment; Will Bettis, Purchasing 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., James "Jamie" Hood, Partner, Hood Law Firm, LLC (via video conferencing during Executive Session).

Public present: Former Member Gen. Pat O'Neal, Councilman Gerald Dawson, Beaufort County, District 1 (Sheldon/Dale/Lobeco/Burton), and Frank Turano, Regional Manager, Alliance Consulting Engineers, Inc., Bluffton.

CALL TO ORDER

Vice Chair Donna Altman, presiding, called the meeting to order at 8:00 a.m.

TELEPHONIC STATEMENT

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

INVOCATION AND PLEDGE OF ALLEGIANCE

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

RECOGNITION OF JAMES P. "PAT" O'NEAL FOR HIS YEARS OF SERVICE TO BJWSA

Vice Chair Donna Altman presented to Gen. Pat O'Neal, a Resolution and the traditional water meter plaque inscribed: *"In Recognition of 13 Years of Service on the Board of Directors to the Beaufort-Jasper Water & Sewer Authority 2000-2013"*.

Motion: Skeet Von Harten moved, seconded by Donald Manson, to approve the Resolution as presented,

All voted in favor, none opposed.

Motion passed unanimously.

Gen. O'Neal received a standing ovation and many accolades. He gave an acceptance speech before leaving.

APPROVAL OF MINUTES

Motion: Moved by Brandy Gray, seconded by Lorraine Bond, to approve the minutes of the August 22, 2013 regular board meeting as written and distributed in advance to the Members of the Authority,

A vote was held,

Motion passed unanimously.

PUBLIC COMMENT

The public was recognized. Even though Gen. O'Neal had left the meeting, Councilman Dawson, publicly thanked the General for his years of service on the BJWSA Board and specifically for reaching out to the community to help with the extension of water to the Dale and Lobeco communities. Frank Turano commended the Board on a seamless transition between new and retiring members.

GENERAL MANAGERS REPORT

Ed Saxon reported on the following issues:

- Safety Report – There were no lost workday cases or recordable injuries in August. BJWSA has gone 15 months without a lost workday case. *A copy of the Safety Report dated August 1, 2013 is attached in these minutes and is made a part hereof.*
- Beaufort & Jasper Legislative Delegation Board Appointments Process – Libby went through our files back to 2006 to try & determine the time required to get Members appointed. Based on the dates in our files for seven Member actions, it has taken, on average, 7 months from the time the political entity (Beaufort/Jasper County, City of Beaufort etc.) sends a recommendation to the Legislative Delegation to the date that the Governor makes the appointment. Some of the delay is caused by the infrequency of the Delegation meetings. In the future, Staff will periodically check with the Legislative Delegation clerks to closely monitor the status of pending nominations and once the Delegation has submitted the nominations to the Governor's office, I will follow up with Sen. Davis to help expedite the process.
- May River Water System – The August 28 community meeting went well and we are close to having a signed agreement. Design for the connection to the system is underway and the connection will occur prior to the end of Feb 2014.
- Navy Water Commodity Contract – Completed negotiations for the renewal of our wholesale water supply contract for the Navy. The term of this renewed contract is 10 years. Thanks to Dottie for leading this effort.
- Sewer for the Agape Family Life Center (AFLC) Jasper County – Engineering Staff met with Jasper County and the AFLC to discuss providing sewer to the center. Jasper County is interested in pursuing a CDBG to fund this project.
- New Board Member Orientation/Board Handbook - The formal orientation program for the new Board members (Mr. Burke, Mr. Manson, and Mr. Baker) was held on September 24 & went well. You will receive a copy of the Board Handbook today. The materials presented have been placed in the Dropbox for any member to review. *Jimmy Baker commended Ed*

and the Leadership Team, on the information they received and touring the facilities. Don Manson and Jack Baker concurred.

- Savannah River Basin Rains – August was another above average rainfall in the Basin (~175% of normal). September has been drier. The lakes remain at full pool but releases have diminished and the river is returning to normal levels. Tricia Kilgore provided a brief update on the water quality event caused by the excessive basin rainfall.
- House Introduces a WRDA Bill – The House will start committee and House consideration of their WRDA Bill in the next few weeks. The House version contains funding for the Savannah Harbor Expansion Project. If passed by the House, it will go to a conference committee to resolve the differences between the Senate & House versions.
- Rural Infrastructure Authority 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. BJWSA will commit \$150,000 to the project to rehab and upgrade HD 13 pump station. The HD13 rehab project was already funded in our FY14 CIP.
- Savannah Basin Summit – Attended the 9/18 Joint State Savannah River Basin Caucus Summit in Hartwell, Georgia. This bi-state caucus of state legislatures from the basin was formed in November 2012 to resolve issues that affect the Savannah River Basin region. At the Summit, the US COE, the Georgia and SC Departments of Natural Resources and The Nature Conservancy signed an agreement to kick-off the second portion of the Savannah River Basin Comprehensive Study. The \$908,000 study will be cost shared between the COE, both states and TNC and will prepare a drought contingency plan update based upon the most recent drought of record (from 2007-2009). Rep. Weston Newton represented our area at the Summit.
- Illegal PCB Dumping in the Upstate – PCB contaminated waste from unknown sources has been illicitly discharged into sewer systems in the upstate for the past month and recently, PCBs have been detected in waste streams in Richland County. Yesterday, DHEC issued a Public Notice about this issue and established emergency regulations concerning the PCB monitoring & disposals of sludge. PCBs are not expected to be found in waste water sludge because they were banned in the US over 30 years ago (Congress banned them in 1979). We have been following this situation closely for several weeks and plan to sample our sludge but do not anticipate finding any PCBs. This problem has become costly for the upstate utilities impacted and cleanup costs are estimated to run > \$5M. Apparently, a waste hauler has been dumping PCB contaminated waste in various grease traps and this contaminated waste gets transported to the WWTPs when grease traps are routinely pumped out.
- Board Member Liability Proposed Statute – Erin has worked with Belton Zeigler of Pope Zeigler, LLC to develop proposed legislation to protect individual Board Members from being liable in suit for actions taken in their capacity as BOD for various government entities. Erin will explain the details. I have discussed this effort with Rep. Newton and Sen. Davis and they are supportive. I plan to review this at the October Municipal Association of SC Legislative Committee meeting and meet with the Director of the Special Purpose Districts Association to solicit their support. The SC Water Quality Association and Water Utility Council have already expressed their support. We plan to pre-file this legislation in December.

- United Way Campaign – The 2014 BJWSA United Way campaign is underway and we have set a goal of \$15,200 and 70% participation rate. I have given each Member the letter kicking off our campaign and the UW annual campaign form. If you would like to contribute on behalf of BJWSA, you can fill out the form and return to me or Cindi in HR.
- Strategic Focus Plan (SFP) – I emailed the Board a memo summarizing our SFP efforts to date and listing proposed Business Objectives and associated Key Strategies. We are asking for your review and feedback on these prior to us setting goals, crafting action plans with completion dates and establishing performance measures associated with these objectives and key strategies. We are on track for a completion of the SFP in January 2014. *Ken Jordan gave a brief power point presentation highlighting the key strategies and plan.*

Public Affairs Report

Ed Saxon reported that Matthew Brady was out of town attending a conference. *A summary memo dated September 10, 2013, was included in the Board packet and is attached to these minutes and is made a part hereof.*

COMMITTEE REPORTS

Executive Meeting

Vice Chair Donna Altman stated that the Executive Committee did not meet therefore had no report.

Capital Projects

Committee Chair Dr. Singleton reported that the Committee met on Wednesday September 18 and reviewed the committee charter and status of the Capital Program and Development Activity. One contract award and three CIP additions will be presented under New Business. *A copy of the CIP Update memorandum dated September 16, 2013 is attached to these minutes and is made a part hereof.*

Finance

Committee Chair Donna Altman reported that the Committee met on September 19 and reported the following:

- August 2013 Interims. Total revenues are \$864 thousand under budget, while total operating expenses (including depreciation) are \$416 thousand under budget. July and August revenues were under budget due to excess rainfall. Staff will review September YTD financials to determine if they need to develop a plan to cut expenses to meet budget targets.
- Thad Coleman Fund – Update. The fund assisted 13 individuals in FY2013 providing \$17,680 in assistance. The fund remains healthy due to the increase in number of customers participating in the round up program.
- Board Approval Thresholds. The Committee discussed limits on unbudgeted expenditures and thresholds for Board approval. Dottie Hofmann will draft language into the General Financial Policies for the Committee to review, receive comments and subsequently approve.
- Compensation Study. Staff fielded questions that were very helpful to the committee.
- GM FY14 Goals. Received the FY14 goals for the GM.

Personnel

Committee Chair Brandy Gray reported that the Committee met on Tuesday September 17 and reported the following:

- GM FY14 Goals. The proposed GM goals were reviewed with Ed Saxon. All committees received and were to review the goals so that the board could adopt at the board meeting.
- Compensation Study Recommendations. Ken reviewed the compensation study recommendations memorandum from staff and the implementation plan. The Personnel Committee will discuss the benefits comparison more at the October Personnel Committee meeting.
- Affordable Care Act. We are on track with our compliance of the Affordable Care Act.
- United Way Campaign. Ed shared our efforts on kicking off the United Way campaign.

OLD BUSINESS

There was no old business to discuss.

NEW BUSINESS

Capital Improvement Program.

1. *Contract Award CIP #21681 – Emergency Generator Air Quality Compliance*. This project consists of retrofitting the exhaust system of four standby generators in order to comply with the EPA's RICE NESHAP rules. Staff recommends award to Boan Mechanical, Inc. of Savannah, GA. The contract amount is within the total project budget of \$250,000.00.

Motion: Recommendation of approval of CIP #21681 Contract Award for the Emergency Generator Air Quality Compliance retrofit in the amount of \$207,960.60 as presented and referenced in the memorandum from Jared Hostetler, dated September 16, 2013, came from the Capital Projects Committee, *requiring no second*,
All voted in favor, none opposed.

Motion passed unanimously.

2. CIP 2014 Project Budget Additions

- a. CIP #21551 – Old Bailey's Road Sewer Line Extension CDBG - \$450,000.00. This project will extend sewer from the Heyward Point Subdivision to 30 LMI residents along Old Baileys Road in Jasper County. The project will be funded by CDBG fund with BJWSA being a sub-recipient. The funds for this project will be provided in FY14.
- b. CIP #21715 – May River Water Company Connection - \$100,000.00. This project will extend water service along Hwy 46 and connect to the existing MRWC well system currently serving 25-30 residents in May River Plantation. The funds for this project will be provided in FY14.
- c. CIP #22147 – MCAS-Pine Grove II Demolition & WL Relocation - \$199,425.00. This project includes installing a new waterline to replace the system that will be removed in the Pine Grove II housing development and the removal of existing sewer structures. The funds for this project will be provided as a NRC contract modification in FY14.

Motion: Recommendation of approval of the CIP 2014 Project Budget Additions as presented and referenced collectively in the memorandum from Brian Chemsak, dated September 16, 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.

(9:10 a.m.)

EXECUTIVE SESSION

Motion: Skeet Von Harten moved, seconded by Jimmy Baker, to go into executive session to receive a legal briefing and discuss 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. Chair David Lott remained telephonically. Jamie Hood joined via video conferencing.

(9:45a.m.)

RECONVENE

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

Motion passed unanimously.

ACTION

No action taken.

TELEPHONIC STATEMENT

“I Donna Altman, the Presiding Officer of this Meeting have previously stated that David Lott 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 II of the Bylaw.”

ADJOURNMENT

With no further business, Brandy Gray moved, seconded by Jimmy Baker, to adjourn the meeting at 9:50 a.m.,

All voted in favor, none opposed.

Motion passed unanimously.

APPROVED: 10-24-13

Respectfully submitted,

Libby Breland, Clerk to Board

Signatures and Attachments on file.