

MINUTES OF THE MEMBERS OF THE BEAUFORT-JASPER WATER AND SEWER AUTHORITY MEETING HELD ON APRIL 24, 2014

Be it remembered that the Members of the Beaufort-Jasper Water and Sewer Authority held its regular meeting Thursday, April 24, 2014, 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: 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 not in attendance:

Staff in attendance: 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; Will Bettis, Purchasing & Risk Manager; Matthew Brady, Communications Manager; Allena Lee-Brown, HR Manager; Brian Chemsak, Capital Projects Manager; Sarah Linkimer and Libby Breland, Executive Assistant/Clerk to Board.

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

Public in attendance: Frank Turano, Regional Manager, Alliance Consulting Engineers, Inc., Bluffton, SC.

CALL TO ORDER

Chair David Lott called the meeting to order at 8:00a.m.

INVOCATION AND PLEDGE OF ALLEGIANCE

Michael Bell gave the invocation and all joined in the Pledge of Allegiance to the flag of the United States.

APPROVAL OF MINUTES

Motion: Moved by Brandy Gray, seconded by James Scott, to approve the minutes of the March 27, 2014 regular board meeting as written and distributed in advance to the Members of the Authority.

A vote was held,

Motion carried.

PUBLIC COMMENT

The public was recognized.

GENERAL MANAGERS REPORT

Ed Saxon submitted the following report:

Safety/Wellness Report – There were no lost workday cases, no injuries and 1 incident in March. We are approaching 2 years without experiencing a Lost Workday Case, working over 550,000 safe man-hours. Hopefully, the Board can join us today at 2:00 under the shed behind the Chelsea WTP to celebrate this accomplishment. We will be serving cake & ice cream between 2-2:30PM, make a few announcements at 2:30 & kick off a voluntary 5K run/ 3K walk on our campus ~2:45ish.

Savannah River Basin – Charles & I attended the Keowee-Toxaway Drought Management Advisory Group (KT-DMAG) meeting held by Duke in Anderson yesterday. The KT reservoirs are located in the headwaters of the Savannah River basin above Lake Hartwell. An update on Duke's KT FERC licensing was provided and most public drinking water systems that take water from the basin in SC and Ga. were present along with the COE and SC/Ga regulators. Much of the discussion was centered on the impact of Duke's releases from KT on Basin operations and Ga/SC drought strategies. Charles is BJWSA's representative on the many Savannah Basin committees/groups.

FY14-FY17 Strategic Vision – A draft of the final document was presented at all committee meetings. We have asked the Board to provide comments by May 9th so that we can have a final document ready for Board adoption at the May 22 Board meeting. Once adopted, we will make wide distribution to all stakeholders via email, direct mail and posting on our Website. The Staff is committed to using this document to direct all that we do, to quickly adapt to changing conditions/priorities and routinely report progress on these strategies and goals. The most recent draft was provided to you today.

4/7-4/9 NACWA/WEF Water Policy Forum & Fly-In – I attended this Forum that is annually held in Washington, DC. I met with the staffs of Sen. Graham, Sen. Scott, Rep. Clyburn and Rep. Sanford while there. The Water Resources Development Act (WRDA) is in the Sen/House Conference committee to work out the differences between their respective bills. They are optimistic that a compromise is near which will include a mechanism to have new water projects added to the COE's programs. Currently, with the prohibition of earmarks, there is no way to add new projects.

Board Retreat 5/27 – I have distributed the proposed agenda for the retreat. It will be held in the Community Room of the Palmetto Electric building off Hwy 278 across from the USCB Hilton Head Gateway Campus. The Staff looks forward to the Retreat.

BJWSA Family Fun Day Picnic – The BJWSA family picnic will be held on Saturday, 5/3 from 10-2 on the grounds here. You and your family are invited & all you need to bring is yourself & lawn chairs. Just let me know if you can make it.

Jack Burke Reappointment – Mr. Burke filled the unexpired term of Charlie White which ends 7/1/2014. The Town of Hilton Head has recommended that Jack be reappointed and has sent their recommendation letter to the Legislative Delegation. We will follow-up with the delegation to make sure Jack's reappointment is on their agenda for the June meeting.

Taste & Odor Study Final Report Summary – We have received the final report from Hazen & Sawyer and Chris will provide a brief summary and our plans regarding implementing their recommendations.

Board Group Photo – A photographer will be here to take several Board group photos after the Board meeting.

Lt. Col. William C. "Pete" Hall – Attended funeral services for former Board Member Pete Hall. He served 10 years on the Board, from September 1982 – November 1992.

Taste & Odor Study Final Report Summary.

Chris Petry discussed BJWSA's plans to implement the recommendations from the Hazen and Sawyer Taste and Odor Study. BJWSA has already implemented some of the recommendations; development of a canal/reservoir water quality monitoring plan, purchase of real time algae analyzers, and upgrades to the PAC (Powdered Activated Carbon) feed system. Several others, sensory taste and odor monitoring and training, detailed management strategies and an early Alert Level Framework (ALF) will be implemented in the next 60 days. Staff is confident that by implementing these measures, future taste & odor events will be significantly reduced. Chair David Lott commended management's decision to engage a consultant and asked that a press release be prepared to inform the public of the study's outcome.

A copy of the Taste and Odor Control Study, by Hazen and Sawyer, dated April 2014; Contract 32263-004 is attached to these minutes and is made a part hereof.

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

- NOB Taste and Odor Event Focus Group. Two sessions are planned for May 17 to get feedback that will help with future notifications to the public.
- Earth Day Event. BJWSA participated in two Earth Day Events, one in Port Royal and one on Parris Island.
- Company Picnic. Being held on Saturday, May 3, 10am-2pm. All members were invited.
- Drinking Water Week. Is being recognized during the week of May 5. BJWSA will hold a Customer Appreciation Day, Friday, May 9th, with a cook out on the lawn, and a raffle will be held for various prizes. All Members were invited.
- Stuart Point WL Extension Project- CDBG. This project looks very promising for a grant.
- Seabrook Point Water Line Extension. This community has had several incidences of property fires. The Property Owners Association (POA) is very interested in pursuing a CDBG or a Front Foot Assessment to get a water line extended which will also provide them with fire protection. Charles Sexton added that he has received a petition of signatures and there are approximately 150 lots.

A summary memo dated April 15, 2014, was included in the Board packet and is attached to these minutes and is made a part hereof.

COMMITTEE REPORTS

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

Report of the Capital Projects Committee Committee Chair Dr. Bill Singleton reported that the Capital Projects Committee met on April 16, 2014 and reviewed the status of the Capital Program and Development Activity. One budget addition for FY12-14 will be presented under

New Business for Board approval. A summary of noteworthy projects was included in the Board Packet. Some projects of note:

- Generator Relocation (21625). The generator came from Parris Island and has been rebuilt and installed at Palm Key. This will prevent call outs during power outages in Palm Key.
- Misc. WW Pump Station Replacements (21359) – This rehab project continues with the completion of the pump station at the Air Station and the Gatherings.
- Proposed FY15 Rates. Dottie Hoffman provided an update on the proposed FY15 Rates.
- Strategic Focus Plan. Ed Saxon provided a copy of the Executive Summary of the Strategic Focus Plan for review.

A copy of the CIP Update memorandum from Charles Sexton dated April 10, 2014 was included in the Board Packet and is attached to these minutes and is made a part hereof.

Report of the Finance Committee Donna Altman gave the committee report and reported that the Finance Committee met on April 17, 2014 and submitted the following report:

- March 2014 Interims. Year to Date operating revenues are \$463 thousand under budget and \$351 thousand ahead of last year at the same time. Total operating expenses are \$1.1 million under budget and \$340 thousand under last year at the same time. Operating cash remains healthy. Liquidity is at 1.42 and target is 1.8, but it is expected to rebound in the last quarter and should hit our target by year-end.
- Call Center Status. There was a 20% increase in calls in January, but even with the increase the wait times were still under 2 minutes, so the operators did a great job.
- Proposed Rate Study. Planning three workshops for the rate model, 4-hour sessions, Dottie will send out the times and dates to the Board.

A copy of the financial report dated March 31, 2014, 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 Brandy Gray reported that the Personnel Committee met on April 15, 2014 and submitted the following report:

- FY2015 Rate Update. Wholesale, residential and commercial water and sewer rates and 10 year rate histories were reviewed.
- Compensation Study. Received an update of the implementation process and remaining timeline.
- GM Evaluation. Finalizing the GM Evaluation document and timeline of the process.
- Employee Survey. Participating in the South Carolina Best Places to Work. Will receive anonymous employee feedback by department advising strengths and weakness. The surveys are to be completed by May 16, 2014.

OLD BUSINESS

There was no old business.

NEW BUSINESS

A. Capital Improvement Program

1. *Budget Additions*

➤ *CIP Additions #21772* – Bonaire Subdivision WL Replacement \$500,000. This project replaces the galvanized water system in the Bonaire Estates Neighborhood. The galvanized pipe has reached the end of its life and is causing water pressure and water quality complaints.

Motion: Recommendation for approval of CIP #21772 Bonaire Subdivision WL Replacement **\$500,000** as presented and referenced in the memorandum from Charles Sexton, dated April 10, 2014 came from the Capital Projects Committee, *requiring no second,*

All voted in favor, none opposed.

Motion passed unanimously.

PUBLIC COMMENT

No public comments

(9:05a.m.)

EXECUTIVE SESSION

Motion: Jimmy Baker moved, seconded by Donna Altman, to go into executive session for the purpose of discussing legal matters,

All voted in favor, none opposed.

Motion passed unanimously.

Chair David Lott, excused all persons from the meeting. Legal counsel, the general manager, and staff of the leadership team remained for executive session.

(9:15a.m.)

RECONVENE

Motion: Donna Altman moved, seconded by Dr. Singleton, 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 9:15a.m,

All voted in favor, none opposed.

Motion passed unanimously.

APPROVED: 5-22-14

Respectfully submitted,

Libby Breland, Clerk to Board

Signatures and Attachments on file.