

MINUTES OF THE MEMBERS OF THE BEAUFORT-JASPER WATER AND SEWER AUTHORITY MEETING HELD ON JUNE 26, 2014

Be it remembered that the Members of the Beaufort-Jasper Water and Sewer Authority held its regular meeting Thursday, June 26, 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; and Dr. Bill Singleton.

Members of the Authority not in attendance: Skeet Von Harten.

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; Joe DeVito, Director Field Operations; Will Bettis, Purchasing & Risk Manager; Matthew Brady, Communications Manager; Allena Lee-Brown, HR Manager; Brian Chemsak, Capital Projects Manager; Dick Deuel, Development Projects Manager; Sarah Linkimer, Finance Manager; Jon Lohr, Manager of Information Systems and Libby Breland, Executive Assistant/Clerk to Board.

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

Beaufort County Liaison to BJWSA: Council Member Brian E. Flewelling, (District 5: Okatie/Burton/Shell Pt.)

Public in attendance: Frank Turano, Regional Manager, Alliance Consulting Engineers; Margaret Bukkosy, resident of the Seabrook Point area.

CALL TO ORDER

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

INVOCATION AND PLEDGE OF ALLEGIANCE

Jack Burke gave the invocation and all joined in the Pledge of Allegiance to the flag of the United States.

APPROVAL OF MINUTES

Motion: Moved by Lorraine Bond, seconded by Dr. Bill Singleton, to approve the minutes of the May 22, 2014 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 recognized.

Margaret Bukkosy. Ms. Bukkosy addressed the Board regarding public water service to the Seabrook Point area. To consider changing the standards of requirements concerning the % of ballot votes needed to approve the project and the number of residences that would be required to connect to water. To consider mandatory water connection policy that would increase the possibility of obtaining water infrastructure extension monies; “what can we do better to support the grant writing process so that Beaufort County residents can benefit”. How can BJWSA find solutions to retro-fit areas to provide water and fire protection? Chair, David Lott stated that he would personally follow-up with staff regarding her concerns and get back with Ms. Bukkosy.

Councilman Flewelling. Reported on two issues that may impact BJWSA’s future planning of infrastructure: 1). A new Community Development Code of the Government Standards Ordinance has gone through first reading which may change the Beaufort County Comprehensive Plan, 2). Rural and Critical Lands referendum will likely be on the November ballot, a new green print (code and draft zoning maps), which will show areas protected that also may impact the availability of water and sewer service in certain areas. BJWSA’s staff had an opportunity to provide comments and the County incorporated the recommended changes.

GENERAL MANAGERS REPORT

Ed Saxon submitted the following report:

1. Safety/Wellness Report – There were no lost workday cases, no injuries or incidents in May, 3rd time in FY14 that we have had a spotless safety record. Approaching 600,000 safe hours worked. From a wellness perspective, we had an excellent nutritionist speak at our monthly F&A employee meeting who provided many tips regarding healthy eating.
2. Savannah River Basin – The Basin experienced normal rainfall in May and the lakes levels still remain near full pool.
3. Beaufort County Capital Sales Tax Commission –Our project, the \$5.5M Critical Operations Center was not included on the final list submitted to the County for consideration. The County Council voted not to pursue the 1 cent sales tax referendum this November.
4. Water/WW Managers Coalition – Participated in a general industry discussion and exchange of information with 15+ state Water/WW Utility Managers (mostly coastal) hosted by Mt. Pleasant. Everyone is having the same problems we are in regards to experiencing rising operations cost coupled with a significant reduction in per capita consumption. Every utility will raise rates in FY15 and the majority has been raising rates annually for several years. This group decided to meet semi-annually.
5. Charlie Peyton – Mr. Peyton passed away on June 21 and his funeral is today at 2 at The Parish Church of St Helena. Charlie was on the BJWSA Board for 10 years, serving as Chair for 6.
6. Board Compensation – Staff was asked to survey various utilities and entities to gather Board Compensation information. I’ve distributed a summary report showing the results from 8 other utilities and Beaufort/Jasper local entities. Article III, Section 2. g) states that the BJWSA Board has the power “To fix the compensation of themselves...” The BJWSA Board

compensation was last changed in 1999. A general discussion on the need for a more efficient flow of information from the staff to the Board was held. The Chair and GM will develop a process to improve this issue.

7. Levy Advisory Committee (LAC) – A meeting was held on June 3 and a quorum was present. The planned connection of the Levy system to BJWSA’s main system via the new 36” main was discussed along with the FY15 Levy rates and the status of the Levy Capital Fund. There are 2 vacancies on the LAC and the LAC plans to recommend replacement candidates to the BJWSA Board for consideration and approval at the July BJWSA Board meeting. Thanks to Mrs. Bond for attending.
8. Hurricane/Emergency Preparedness – We conducted an internal tabletop exercise May 1st. Three staff attended the annual Beaufort County hurricane planning event on June 5th. Next week Beaufort Co. Emergency Mgmt. will come to talk with employees about the County’s plan and family preparedness. Staff will attend the annual Jasper County meeting when we’re notified. BJWSA was one of the founding members of the SCWARN, where utilities help utilities during times of crisis. We’re active in the network to ensure it’s available if we need it or can render assistance. Chris and Ken will give you an overview of our hurricane preparedness and response plan.
9. August Board Meeting - There will be no Board meeting in August and no committee meetings unless necessary.
10. Charles Sexton – Last day with BJWSA is July 3, 2014.

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

- Camp Treasure Chest – Beaufort County Disabilities and Special Needs summer camp for special needs children and teens. He attended the camp and performed a few experiments.
- Customer Survey- This was performed in-house and with the data received, we are setting a baseline with a goal to improve our customer rating each year.
- Summer/Fall 2014 NewsSplash Newsletter – Included in this edition is information about the rate increases. A press release will be issued once the rate resolutions are approved.
- Beaufort Water Festival Events – BJWSA employees will be participating in this year’s Children’s Day, Raft Races and Grand Parade events.

A summary memo dated June 19, 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 June 18, 2014 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:

- Cherry Point Headworks Coating and Belt Press Rehab. Coating is complete on the headworks and the rehab of the belt press is complete with a new lube system being added.
- FY15-17 CIP Plan. A Resolution will be brought before the board under new business.
- FY15 Proposed Rates. Dottie Hofmann provided a report on the new rates and answered questions by the committee.
- NOB Customer Focus Group Meeting. Ken Jordan provided a comprehensive report of the taste and odor focus group meetings.

A copy of the CIP Update memorandum from Charles Sexton dated June 17, 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 reported that the Finance Committee met on June 19, 2014 and submitted the following report:

- May 2014 Interims. Year to Date operating revenues are \$1.4M under budget. Total operating expenses are \$1.2M. Liquidity is still below target. Capacity fees received in May were \$256 thousand.
- Resolutions for Adoption. Five Resolutions pertaining to rates and the operating budget will be presented under new business for Board approval.
- FY15-17 CIP Plan – The CIP Plan was reviewed.
- GM Evaluation. Was reviewed in committee.

A copy of the financial report dated May 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 June 17, 2014 and submitted the following report:

- Safety Update. Received an update on the Safety Report dated June 1, 2014.
- NOB Focus Group Report. Ken Jordan also provided a comprehensive report of the taste and odor focus group meetings.
- Compensation Study Implementation Update. Performance appraisals with employees completed by July 16, payroll increases effective with pay of July 18.
- GM Evaluation. Received feedback from all 11 Board Members and will present a merit increase recommendation in Executive Session.

OLD BUSINESS

The NOB Customer Focus Group report was reviewed through committees. There was no other old business to discuss.

NEW BUSINESS

Resolutions for Adoption.

1. Water & Wastewater Rates for Retail Customers for FY Ending June 30, 2015.

Motion: Recommendation of approval, of the Water & Wastewater Rates for Retail Customers for FY Ending June 30, 2015 Resolution as presented, came out of the Finance Committee, *requiring no second,*

All voted in favor, none opposed.

Motion passed unanimously.

2. Water Rates for Wholesale Customers for FY Ending June 30, 2015.

Motion: Recommendation of approval, of the Water Rates for Wholesale Customers for FY Ending June 30, 2015 Resolution as presented, came out of the Finance Committee, *requiring no second,*

All voted in favor, none opposed.

Motion passed unanimously.

3. Water & Wastewater Capital Contribution Fees for FY Ending June 30, 2015.

Motion: Recommendation of approval, of the Water and Wastewater Capital Contribution Fees for FY Ending June 30, 2015 Resolution as presented, came out of the Finance Committee, *requiring no second,*

All voted in favor, none opposed.

Motion passed unanimously.

4. Ancillary Charges for FY Ending June 30, 2015.

Motion: Recommendation of approval, of the Ancillary Charges for FY Ending June 30, 2015 Resolution as presented, came out of the Finance Committee, *requiring no second,*

All voted in favor, none opposed.

Motion passed unanimously.

5. Fiscal Year 2015 Operating Budget. A Public Hearing was properly advertised and held at 5pm on June 24th at the administration office of the Authority. There were no public in attendance therefore, no comments were received.

Motion: Recommendation of approval, of the Fiscal Year 2015 Operating Budget Resolution as presented, came out of the Finance Committee, *requiring no second,*

All voted in favor, none opposed.

Motion passed unanimously.

6. Capital Improvement Plan FY2015-2017.

Motion: Recommendation of approval, of the Capital Improvement Plan FY2015-2017 Resolution as presented, moved by Michael Bell, seconded by Brandy Gray,

All voted in favor, none opposed.

Motion passed unanimously.

Originals of the above Resolutions presented and dated June 26, 2014 have been properly executed and corporate seal affixed and are attached to these minutes and are made a part hereof.

Election of Officers.

On behalf of the Personnel Committee, Committee Chair Brandy Gray brought forth at the May 2014 meeting the following proposed slate of names to be officers of the Authority for FY 15: *Chair, David Lott; Vice Chair, Donna Altman and Secretary/Treasurer, James Scott.* Chair, David Lott, opened the floor for additional nominations. With no other nominations received, Chair, David Lott, closed the nominations.

Motion: Recommendation of approval for the proposed slate of officers for FY15, *Chair, David Lott; Vice Chair, Donna Altman and Secretary/Treasurer, James Scott,* came out of the Personnel Committee, *requiring no second, All voted in favor, none opposed.*

Motion passed unanimously.

Standing Committees

Chair David Lott, stated that if any member has a preference of a different committee assignment to let him know. He will, at the Annual meeting of the Authority, with the concurrence of a majority of the Membership of the Authority, appoint the Chair and members of each standing committee.

PUBLIC COMMENT

There were no public comments.

9:05a.m.

EXECUTIVE SESSION

Motion: Brandy Gray moved, seconded by Jack Burke, to go into executive session for the purpose of discussing legal matters and the General Manager Evaluation.

All voted in favor, none opposed.

Motion passed unanimously.

Chair David Lott, excused all persons from the meeting. Legal counsel, the general manager, and CFO remained for the executive session for the legal briefing. The GM and CFO were excused for the GM evaluation discussion.

9:55 a.m.

RECONVENE

Motion: Donna Altman moved, seconded by Dr. Bill Singleton, to reconvene regular session,

All voted in favor, none opposed.

Motion passed unanimously.

ACTION

Motion: On behalf of the Personnel Committee, Committee Chair Brandy Gray moved, *requiring no second,* to approve a salary increase for the GM for the rate as recommended by the Personnel Committee,

All voted in favor, none opposed.

Motion passed unanimously.

ADJOURNMENT

With no further business to come before the Board, Brandy Gray moved, seconded by Lorraine Bond, to adjourn the meeting at 10:00 a.m.,

All voted in favor, none opposed.

Motion passed unanimously.

APPROVED: 7/24/2014

Respectfully submitted,

Libby Breland, Clerk to Board

Signatures and Attachments on file.