

MINUTES OF THE MEMBERS OF THE BEAUFORT-JASPER WATER AND SEWER AUTHORITY MEETING HELD ON THURSDAY 12/18/2014.

Be it remembered that the Members of the Beaufort-Jasper Water and Sewer Authority held its regular meeting Thursday, 12/18/2014, at the Port Royal Sound Maritime Center. 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; Jimmy Baker; Lorraine Bond; Jack Burke; Brandy Gray; Donald Manson; Dr. Bill Singleton and Skeet Von Harten.

Members of the Authority not in attendance: Secretary/Treasurer James Scott and Michael Bell.

Staff in attendance: Chris Petry, Chief Operating Officer; Dottie Hofmann, Chief Financial Officer; Ken Jordan, Chief Administrative Officer; Allena Lee-Brown, HR Manager; Brian Chemsak, Capital Projects Manager; Sarah Linkimer, Controller; Joshua Terry, Director of Information Technology; Lou Brown, communications; Cindi Burke, Benefits Administrator and Libby Breland, Executive Assistant/Clerk to the Board.

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

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

CALL TO ORDER

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

Chair David Lott asked everyone to join him in a moment of silence, honoring the recent passing of former board member Charlie White.

INVOCATION AND PLEDGE OF ALLEGIANCE

Skeet Von Harten 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 Dr. Bill Singleton, to approve the minutes of the 11/20/2014 regular board meeting as written and distributed in advance to the Members of the Authority. No corrections were noted, David Lott abstained.

All voted in favor, none opposed,

Motion passed.

PUBLIC COMMENT

The public was recognized. No comments were received.

GENERAL MANAGERS REPORT

Dottie Hofmann submitted Ed Saxon's General Manager's report in his absence(Ed was on vacation):

1. Safety/Wellness Report – We did not have any incidents in November. We anticipate exceeding 750,000 safe work hours without a lost work day case in January and plan to provide all employees a memento of this event. Initiated our Tobacco Free Workplace on 12/1 and signage is in place. We are in our 6 month transition period and off to a good start.
2. Savannah River Basin – On 11/20 the SC Drought Response Committee placed the entire state in the first level of drought due mainly to lack of rainfall and associated dry conditions. Recent rains have provided substantial relief. Basin lakes remain at the Stage 1 level ~ 3.5' below full pool.
3. CTSO Vacancy – I am pleased to announce that Frank Eskridge has accepted our offer and will join BJWSA February 2. Thanks to the Board for participating in the receptions we had for both candidates.
4. New IT Director – Ken will introduce our new IT Director, Joshua Terry.
5. Levy-Limehouse Advisory Committee Meeting – The LLBH Advisory Committee met on 12/9. Chris and Libby conducted the meeting. The plan to convert the LLBH system from groundwater to surface water was discussed. The current plan is to connect LLBH to the new 36" Purrysburg transmission main the week of January 26. LLBH customers will be notified 2 weeks prior to the conversion.
6. Service Lateral Maintenance Agreements (HomeServe) – We continue to work on finalizing the contract with HomeServe which will provide a warranty program for our customer's water and/or sewer service lines. We expect to execute the contract by the end of the year and roll out the program in the 1st Qtr CY15.
7. Charlie White – I am saddened to report the passing of Dr Charlie White. Charlie was on our Board representing Hilton Head for 11 years. Mr. Bell and I attended a celebration of Charlie's life on 12/11. Libby has passed out the program from that event.
8. Hardeeville WWTP Expansion Project – At the January Board meeting, we will hold a Public Meeting on the project and discuss the \$20M loan from the State Revolving Fund.
9. North American Society for Trenchless Technology (NASTT) – I have been elected to the NASTT Board representing Public Utilities. NASTT is an engineering society of individuals and public/private organizations that support and use trenchless technology (directional drilling, pipe rehab, etc.).
 - **Staff Presentation-Chris Petry.** As part of the "Value of Water Coalition" BJWSA has produced a local video, produced by Stephen Wollwerth, Wollwerth Films, Beaufort, SC, titled the "Value of Water". A link to the video is on BJWSA's website.
 - **Staff Presentation-Allena Lee-Brown.** Allena presented a power point providing an update of the BJWSA Health/Wellness Program and future initiatives benefiting BJWSA and its employees. *A copy of the power point presentation titled "BJWSA Wellness Commitment" is attached to these minutes and is made a part hereof.*

- **Public Affairs Report.** Ken Jordan introduced BJWSA's new IT Director, Joshua Terry. Ken then highlighted community events and identified several projects taking place throughout the service area:
- Holiday Sharing. This year was another great event. A professional photo including all the employees was taken by Stephen Wollwerth, employees played horseshoes, corn hole and bingo. Skeet Von Harten also attended.
 - Flushable Campaign. 10 utilities are partnering in a joint effort, to bring awareness of what should and should not be flushed. A media day was held on Monday in Charleston, S.C. Utility trucks will be wrapped with messages promoting the campaign.
 - 750,000 Safe Work Hours. T-shirts will be given to the employees in recognition. Libby has a list for the Board members to request their size.

A summary memo, Community Projects Update, dated 12/12/2014, 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. 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 12/10/2014 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:

- Purrysburg WTP Alum Pond Dredging. The contractor has started dredging the Alum pond and has removed about 30% of the material.
- Misc. WW Pump Station Replacements. The rehab of HD04 has been completed.
- New Business Item. One CIP Addition for approval will be held under new business
- New Bill Format. We reviewed the new customer bill formats. The new bills will be rolled out to customers at the beginning of January

A copy of the CIP Update memorandum from Brian Chemsak dated 12/5/2014 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 12/11/2014 and submitted the following report:

- 11/30/2014 Interims. Total operating revenues were \$40 thousand over budget year-to-date. Expenses were under budget year-to-date, \$465 thousand without depreciation and \$340 thousand with depreciation. Capacity fee revenues for 11/30/2014 were \$211 thousand, \$840 thousand over budget year-to-date. Cash is healthy, ratios are within our limits and policies; liquidity has increased from 1.98 to 3.20 for this fiscal year-to-date. The Authority's target liquidity is 1.80.

- New Customer Service Bills Sample. The new bills will have a lot more historical information. Our website will contain information about the new bills which will be rolled out in early January

A copy of the financial report dated 11/30/2014, was included in the Board packet and is attached to these minutes and is made a part hereof.

Dottie Hofmann recognized Sarah Linkimer regarding her efforts in producing the FY2014 CAFR.

Report of the Personnel Committee. Committee Chair Brandy Gray reported that the Personnel Committee met and submitted the following report:

- Safety and Wellness Update.
- Performance Management. The Performance Management form revision process is ongoing.
- BJWSA University. Staff attended a Manufacturers Round Table which was very useful. TCL, Beaufort has recently purchased portable equipment to be used for on-site pneumatic and hydraulic training. A Skills Gap Assessment pilot program continues and search has begun for a Training and Development Specialist.

OLD BUSINESS

There was no old business.

NEW BUSINESS

Capital Improvement Program

CIP Additions

Staff recommends that the following project be added to the FY2015-2017 CIP:

1. CIP # 21673 Hwy 21 and Shanklin Rd. Waterline Improvements. This project includes removing some existing abandoned features at the intersection as well as improves the valves at the intersection before the final improvements take place. The funds for this project will be added to the C&D fund for FY15.

Motion: Recommendation for approval of adding CIP Projects #21673, Hwy 21 and Shanklin Rd. Waterline Improvements project in the amount of \$100,000.00 to the FY2015-2017 CIP as presented and referenced in the memorandum from Brian Chemsak, dated 12/5/2014 came from the Capital Projects Committee, *requiring no second,*

All voted in favor, none opposed,

Motion passed unanimously.

Board Member Compensation Policy – Approval. Jack Burke expressed that he would like the Policy to be reviewed every year. After a brief discussion, Chair David Lott, said the Policy will be reviewed every two years and there is no proposed increase in compensation at this time.

Motion: Personnel Committee Member Brandy Gray, moved to approve the Board Member Compensation Policy for BJWSA Members. Coming from committee, *requiring no second*, All voted in favor, none opposed,
Motion passed unanimously.

PUBLIC COMMENT

There were no public comments.

(8:50a.m.)

EXECUTIVE SESSION

Motion: Jimmy Baker moved, seconded by Lorraine Bond, to go into executive session for the purpose of receiving legal advice regarding: 1. Jarman litigation, 2. 10 Frontage Rd. litigation, 3. Hoogenboom litigation, 4. Patel Appeal and 5. Contract for legal services - Erin D. Dean, Esq.
All voted in favor, none opposed.

Motion passed unanimously.

Chair David Lott, excused all persons from the meeting. Legal counsel, CFO; CAO, and COO remained for the executive session for the legal briefing.

(9:15a.m.) Legal Counsel, Erin D. Dean, Esq. left executive session for the purpose of discussing her contract for legal services.

(9:20a.m.)

RECONVENE

Motion: Brandy Gray, moved, seconded by Jimmy Baker, to reconvene regular session,
All voted in favor, none opposed.

Motion passed unanimously.

ACTION

Motion: Chair David Lott, moved, seconded by Jimmy Baker, to renew contract services of Tupper, Grimsley and Dean, P.A. and specifically, Erin D. Dean, Esq. for another four (4) year term from January 1, 2015 to December 31, 2018 and increase the hourly rate to \$235/hour for regular services and \$275/hour for matters involving litigation.

All voted in favor, none opposed.

Motion passed unanimously.

ADJOURNMENT

With no further business to come before the Board, Brandy Gray, moved, seconded by Vice-Chair Donna Altman, to adjourn the meeting at, 9:25 a.m.

All voted in favor, none opposed.

Motion passed unanimously.

A tour of the Port Royal Sound Maritime Center followed.

APPROVED: 1/22/2015

Respectfully submitted,

Libby Breland, Clerk to Board

Signatures and Attachments on file.