

MINUTES OF THE MEMBERS OF THE BEAUFORT-JASPER WATER AND SEWER AUTHORITY MEETING HELD ON THURSDAY 2/26/2015.

Be it remembered that the Members of the Beaufort-Jasper Water and Sewer Authority held its regular meeting Thursday, 2/26/2015, 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.

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

Staff in attendance: Ed Saxon, General Manager; Frank Eskridge, Chief Technical Services Officer; Dottie Hofmann, Chief Financial Officer; Ken Jordan, Chief Administrative Officer; Chris Petry, Chief Operating Officer; Allena Lee-Brown, HR Manager; Will Bettis, Purchasing & Risk Manager; Brian Chemsak, Capital Projects Manager; Joe DeVito, Director Field Operations; Sarah Linkimer, Controller; Steve Lee, Safety Specialist; Libby Breland, Executive Assistant/Clerk to the Board and other staff.

Legal Counsel in attendance: Erin Dean, Esq., Tupper, Grimsley & Dean, P.A.; Margaret C. Pope, and Joe Lucas, Esquires, Pope Ziegler Law Firm.

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

CALL TO ORDER

The meeting convened at 8:00 a.m., Chair David Lott presiding.

INVOCATION AND PLEDGE OF ALLEGIANCE

Chair David Lott gave the invocation and lead in the Pledge of Allegiance to the flag of the United States.

APPROVAL OF MINUTES

Motion: Michael Bell moved, seconded by Vice-Chair Donna Altman, to approve the minutes of the 1/22/2015 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 introduced and welcomed. There was no public comment.

GENERAL MANAGERS REPORT

Ed Saxon submitted the following report:

1. WEA Sea Island District Awards - The following BJWSA personnel received awards at the District's annual banquet: Joe Moran - Maintenance, Shawna Williford - Laboratory, Johnnie Wilson - Field Operations & Brian Chemsak - Engineering. They are here with us today. *The staff was commended and received a round of applause.*

ORDER OF BUSINESS

After the Awards Presentation, the GM Report and order of business was suspended to move into Executive Session to accommodate Legal Counsel's, Erin Dean, schedule.

EXECUTIVE SESSION (8:05a.m.)

Motion: Jimmy Baker moved, seconded by Dr. Bill Singleton, to go into executive session for the purpose of discussing legal matters regarding: 1. Jarman litigation, 2. 10 Frontage Road litigation, 3. Hoogenboom/Smith/Van Zyle litigation, 4. Jones litigation, 5 Patel litigation appeal.

All voted in favor, none opposed,

Motion passed unanimously

Chair David Lott, excused all persons from the meeting. Members of the Authority, legal counsel, general manager, CFO, CAO, CTSO and COO remained for the executive session for the legal briefing.

RECONVENE (8:25a.m.)

Motion: Brandy Gray moved, seconded by Lorraine Bond, to reconvene into regular session,

All voted in favor, none opposed,

Motion passed unanimously

ACTION

There was no action taken.

GENERAL MANAGERS REPORT (cont'd)

2. Safety Report - We had one minor incident in December, our vehicle was sideswiped while parked. Our employees have worked over 780,000 hours without suffering a lost work time injury. A City of Columbia utility employee was killed when an excavated 12' deep trench collapsed while he was working in the trench. OSHA is investigating this tragic incident. We share these incidents with all employees to continually stress the importance of following all safety procedures and to ensure our procedures for similar work reflect the best safety practices. Ken distributed our Quick Guide for emergency response procedures and provided a brief overview.
3. Wellness - The Wellness Team is developing Physical Activity and Nutrition Policies and a proposed budget for FY16. Implementation of the Tobacco Free Campus continues to go well.

4. New CTSO - Please welcome Frank Eskridge, our newest member of the BJWSA Team. Frank brings a wealth of water/wastewater and Savannah River basin experience.
5. Savannah River Basin -The basin lakes are in great shape and are operating on their guide curves. Lake Thurmond is expected to be at full pool by late May.
6. Levy-Limehouse Connection to Main System -The connection was delayed to mid-March due to the maintenance related shutdown of the Purrysburg WTP.
7. Filing of Statement of Economic Interest - A reminder, the deadline for your 2015 filing is March 30. Libby will be glad to assist you with this.
8. Chelsea WTP 10 Year Partnership Directors Award - Congratulations to the Chelsea WTP staff, all BJWSA employees and the Board for enabling the efforts needed to achieve the 10 Year Partnership Directors Award for the Chelsea WTP. Purrysburg WTP is on track to win this award in 2016 and both plants will submit the application for the Phase IV Award within the year. The Phase IV award is the epitome of excellence in the water treatment industry.
9. Board Reappointments - Libby is working with Dr. Singleton, Mrs. Bond and Mrs. Gray on their reappointments. Their terms end on July 1, 2015 and we are submitting re-nomination letters to the Jasper & Beaufort County Delegations for their consideration.
10. 2/19 AWWA Legislative Breakfast – I attended the breakfast and was able to meet with Sen. Davis, Rep. Erickson and Rep. Herbkersman to discuss several Bills under consideration by the Legislature.
11. Jasper County Council Presentation -1 am on the agenda for the Monday 3/2 JC Council meeting which will be at the Hardeeville Council Chambers starting at 6:30 PM. I plan to talk about the investments BJWSA has made in Jasper County over the past 10 years & our future plans.
12. BJWSA Board Information Topics - I've handed out an updated list of topics. The highlighted topics have been presented to the Board over the past year at retreats and various Board or committee meetings. The items in red are new topics added to the list. Please review and let me know if there are other topics of interest you would like to add to the list.
 - ***Staff Presentation-Dottie Hofmann.*** *Dottie gave a presentation on Financial Ratios. She highlighted the current ratio (liquidity); operating ratio; equity to long term debt ratio, debt service coverage, reserves and also utility comparison. She presented BJWSA's current benchmarks for these ratios, the rating agency benchmarks and proposed changes to BJWSA's benchmarks. She also explained how each ratio was calculated and the significance of each ratio. Margaret Pope and Joe Lucas of Pope Zeigler, LLC were on hand to provide an update on the market, talk about the recent SEC changes and the importance of Financial Advisors.*
 - ***Public Affairs Report.*** *Ken Jordan announced that Mrs. Pamela Flasch will be joining us March 2 as our new Communications Manager; Ken shared her resume with the Board last week.*

A community projects summary memo dated 2/18/2015, was included in the Board packet and is attached to these minutes and is made a part hereof.

Legal Counsel Erin Dean exited the meeting.

COMMITTEE REPORTS

Report of the Executive Committee. Committee Chair David Lott stated that the Executive Committee did meet and discussed the following topics:

- Agenda Items - Board Input. The Board would like to be included in the Board Agenda drafting process allowing the members to comment and add topics of their interest.
- BJWSA List of Board Informational Issues.
- Relationship between Board Members and staff. Okay to directly communicate with staff and make Ed aware of your communication.

Report of the Capital Projects Committee. Committee Chair Dr. Bill Singleton reported that the Capital Projects Committee met on 2/18/2015 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:

- Purysburg WTP Alum Pond Excavation. The dredging is complete.
- Development Activity. Was reviewed, 6 projects currently under review and 5 projects have been started.
- New business. Two items will be presented under new business for Board approval.

A copy of the CIP Update memorandum from Brian Chemsak dated 2/18/2015 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 2/19/2015 and submitted the following report:

- 1/31/2015 Interims. Total operating revenues were \$260 thousand over budget projection year-to-date. Operating expenses were under budget year-to-date, \$478 thousand without depreciation and \$294 thousand with depreciation. Capacity fees revenue for 1/31/2015 were \$144 thousand, and \$785 thousand over budget year-to-date. Cash is healthy, ratios are within our limits and policies; liquidity has increased from 1.98 to 3.4 for this fiscal year-to-date. The Authority's target liquidity is 1.80.
- Rate Model. The rate model is still on track for March.
- CIP Projects for Approval. Brian Chemsak went over in detail, the preconstruction contract award for the Hardeeville WWTP expansion and how the Selection Team evaluated the bid proposals and came up with the "Best Value" offer. This will be brought before the Board under new business for approval along with a CIP addition.
- Finance Committee Charter. The committee reviewed its charter and minor changes are proposed.

A copy of the financial report dated 1/31/2015, 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 2/17/2015 and submitted the following report:

- Personnel Committee Charter. Review is complete, no changes recommended at this time.
- BJWSA University. Ongoing search for training and development specialist. Laying the foundation in partnering with other public works organizations.
- Wellness Update. Physical Activity and Nutrition policies have been developed by the teams. Meetings were held on 2/17 and 2/18 with Beaufort Memorial Hospital, BB&T Wellness Director and other public works organizations to explore partnerships to enhance employee wellness.
- Safety Update. As stated in Ed's GM Report, record of no lost work days continue.

OLD BUSINESS

There was no old business.

NEW BUSINESS

Capital Improvement Program

CIP Additions

1. CIP 21694 Beaufort County Perryclear Bridge Replacement Waterline Relocation. Beaufort County is replacing the bridge on Perryclear Drive. BJWSA's 8" waterline attached to the existing bridge will have to be removed and relocated before the old bridge is demolished. The scope of the construction project will consist of installing the new line using the horizontal directional drill method. The budgetary cost estimate for this work amounts to \$150,000.

Motion: Jimmy Baker moved, seconded by Lorraine Bond, for approval of adding CIP Project 21694 Beaufort County Perryclear Bridge Replacement Waterline Relocation as presented and referenced in the memorandum from Brian Chemsak, dated 2/16/2015,

All voted in favor, none opposed,

Motion passed unanimously.

Contract Award

1. CIP 21670 Preconstruction Contract Award Hardeeville WWTP Expansion. BJWSA's Selection Team has selected Haskell as the "Best Value" offer for preconstruction and construction services for the project. Haskell will work with BJWSA and HDR during the preconstruction phase to help reduce project costs through providing insight on pricing options, site layout, value engineering and construction methods. At the end of this phase, BJWSA will have a 60% design which will be the basis for negotiations with Haskell to develop a Guaranteed Maximum Price (GMP) to complete construction of the Hardeeville WWTP Expansion. Staff recommends awarding Haskell a preconstruction contract in the amount of \$107,850.

Motion: Lorraine Bond moved, seconded by Jimmy Baker for approval of CIP 21670 Preconstruction Contract Award to Haskell for \$107,850 as presented and referenced in the memorandum from Brian Chemsak, dated 2/16/2015,

All voted in favor, none opposed,

Motion passed unanimously.

PUBLIC COMMENT

There was no public comment.

ADJOURNMENT

With no further business to come before the Board, Vice-Chair Donna Altman, moved, seconded by Lorraine Bond, to adjourn the meeting at 9:40a.m.,

All voted in favor, none opposed.

Motion passed unanimously.

APPROVED: 3/26/2015

Respectfully submitted,

Libby Breland, Clerk to Board

Signatures and Attachments on file.