

## **MINUTES OF THE MEMBERS OF THE BEAUFORT-JASPER WATER AND SEWER AUTHORITY MEETING HELD ON THURSDAY 2/23/2017**

Be it remembered that the Members of the Beaufort-Jasper Water and Sewer Authority held its regular meeting Thursday, 2/23/2017 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: Chair Donna Altman; Vice-Chair Michael Bell Secretary/Treasurer Don Manson; Lorraine Bond; Brandy Gray; David Lott; Thayer Rivers; Jerry Schulze; James Scott.

Members of the Authority not in attendance: Dr. Bill Singleton.

Staff in attendance: Ed Saxon, General Manager; Dottie Hofmann, DGM of F&A; Jeff Boss, DGM of O&TS; Brian Chemsak, Director of Engineering; Jim Baker, Capital Projects Manager; Ken Jordan, Director of Planning, Safety & Security; Kenneth Frazier, Director of Information Technology; Will Bettis, Purchasing & Risk Manager; Pamela Flasch, Communications Manager; Sarah Linkimer, Controller; Allena Lee-Brown, HR Manager; Libby Breland, Executive Assistant/Clerk to the Board; Lou Brown, Communications Specialist.

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

Beaufort County Liaison to BJWSA: Not in attendance.

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

### **CALL TO ORDER**

The meeting convened at 8:00 a.m., Chair Donna Altman presiding.

### **INVOCATION AND PLEDGE OF ALLEGIANCE**

Thayer Rivers 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 Secretary/Treasurer Don Manson, to approve the minutes of the 1/26/2017 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 carried.**

### **PUBLIC COMMENT**

The public was introduced and welcomed. There was no public comment at this time.

## GENERAL MANAGERS REPORT

*Ed Saxon submitted the following report:*

1. Safety Report – January was another excellent safety month. We have now worked over 700 days straight without a lost workday case and have amassed over 560,000 safe work hours toward our 1,000,000 hour goal. We had 1 vehicle incident and no recordable injuries. Our biannual Safety Survey will be conducted in April.
2. Savannah River Basin – The SC Drought Committee met on Feb 2 and the Beaufort County drought status was downgraded from Incipient to Normal. The upper NW corner of the state remains in the Severe Drought status. Basin lake levels have stabilized at the Stage 2 Drought range and are expected to rise gradually this winter. Forecasters are predicting a warm, dry spring.
3. Purrysburg WTP Presidents Award – In late January, we were notified by the Partnership for Safe Water that the Purrysburg WTP has been elected to receive the President’s Award. The Purrysburg WTP is among a group of elite utilities to achieve this award which recognizes the highest possible level of individual filter performance. Congratulations to Tricia, Kevin and the entire team at Purrysburg for demonstrating their commitment to superior treatment plant performance.
4. Annual SCDHEC Sanitary Survey - For the 12<sup>th</sup> consecutive year, BJWSA received the “Satisfactory Rating” (highest rating) during SCDHEC’s annual survey of our water system, from the raw water system to our customers’ meter, and our operations. Congratulations to the many BJWSA Departments that contributed to this outstanding achievement.
5. Board Orientation for Mr. Rivers – The orientation was held on February 14<sup>th</sup>. Several staff members gave presentations on the various BJWSA departments and tours of Chelsea WTP and Cherry Pt WRF were conducted.
6. Dowlingwood Sewer Release – I notified the Board about a sewer release to Battery Creek on 2/16. 6600 gallons were released during the event which was caused by a power failure on the primary line serving the station. Our response was delayed due to a problem with our Outlook email system that occurred at the same time of the power failure. Once the email system returned to normal, the alarms associated with the event were sent to the appropriate personnel and the response was immediate. Kenneth can explain the connection between our email and SCADA alarms.
7. 3/22 Training Exercise – Beaufort County Emergency Services and BJWSA will be conducting a training exercise on March 22 at our Chelsea WTP and Admin Building site. Ken Jordan will brief you on the details.
8. Boundary St Project – I am pleased to report that we completed our last planned Boundary St outage on Tuesday, 2/21. Our work in the project corridor is 95+% complete. Our Contractor, Potter Construction, NOB Field Ops Group, Engineering and Communications have worked great together to successfully complete this very difficult, disruptive project.

9. Legislative Issues – There are several Bills being discussed in Columbia that directly impact BJWSA. **H3726 SC Pension Reform** that would cap employee contributions at 9% (currently 8.7%) and employer contribution would go from current 11.56% to 13.56% in FY18 and a 1% annual increase through 2023 to help bridge the \$20B existing shortfall. **H3516 SCDOT Road Funding** which would increase gasoline tax and provide other revenue streams to provide SCDOT ~\$1B/yr additional funding for road projects. The state utility associations are working with SCDOT on an amendment to allow SCDOT to share utility relocation costs caused by road projects & making progress.

➤ **Public Affairs Report.** Pamela Flasch highlighted recent and upcoming initiatives taking place throughout the service area:

1. Chlorine Flush - There will be a temporary change in the drinking water treatment throughout the service area over a two-week period starting February 24 through March 10. The change is part of the routine maintenance program for the utilities' water distributions systems.
2. Media Coverage - We've been getting a lot of press lately for both the Hardeeville project and the President's Award. One of our wastewater videos is currently in the Smithsonian's Traveling exhibit. We're adding a page to the website in order to capture that coverage.
3. Customer Interaction Research - Research, Inc. is performing our new Customer Interaction Research, following up on issues handled by customer service, the meter division and field operations. So far they have given us three follow-up calls.
4. Customer Satisfaction Survey - Our bi-annual customer satisfaction survey will take place in late April, with a report available at either the June or July board meeting.

*A summary memo dated 2/23/2017, was included in the Board packet and is attached to these minutes and is made a part hereof.*

- Pam Flasch gave a brief presentation of the 2017 Crisis Communication Plan highlighting the goals of the Communications Department during a crisis. *A copy of the BJWSA 2017 Crisis Communication Plan is attached to these minutes and is made a part hereof.*
- Will Bettis provided an update on the FEMA Reimbursements from the claims submitted due to the damage from Hurricane Matthew.

## COMMITTEE REPORTS

**Report of the Executive Committee.** Committee Chair Donna Altman stated that the Executive Committee met on 1/26/2017 and 2/15/2017 to review a request from the General Manager about the accrual rate of his annual leave. A recommendation will be forthcoming to the Board in Executive Session. The following topics were also discussed:

1. Ad Hoc Committee: The Committee discussed the implementation of the technology plan. We agreed to establish an Ad Hoc Committee to receive updates and reports and to monitor the status through its completion. **David Lott, Michael Bell, and Jerry Schulze** have agreed to serve on this committee. If anyone else is interested in serving, please let me know.
2. Hardship Fund: We discussed the staffs request for the Board to name the Hardship Fund. Michael Bell gave us a summary of how the name for the Thad Coleman Fund was created years ago. There was no action.
3. Board Attendance at Employee Events: Lorraine asked we consider ways to recognize the staff as a whole to show our appreciation of their services. The Executive Committee thought it would be beneficial for board members to improve their visibility with the employees. We thought improving our attendance and participation at the staff events, i.e. Employee Fun Day, Xmas sharing, etc.
4. BJWSA Archive Room: Michael Bell discussed an idea of creating an archive room to show the origin and evolution of the Authority, something similar to the Savannah River Plant's museum room. This would be a valuable tool to be used for field trips, organizations, and students that visit BJWSA to show our history and share our stories.
5. Leadership Award Submissions: Reminder that nominations for the Leadership Award needs to be submitted to Allena by March 31<sup>st</sup>.

***Report of the Capital Projects Committee.*** Committee Chair Michael Bell reported that the Capital Projects Committee met on 2/15/2017 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:

1. CIP Project Activity: Water/Wastewater Master Plan will be completed in March and discussed at the board retreat; the Boundary Street Expansion Asset Relocation is nearly complete; the contractor for the Sam's Point Water Main Installation project is beginning to disconnect the individual service lines to the existing transmission line within the roadway.
2. Hardeeville WRF Expansion Contractors Report: Included in Board Packet for advanced review.
3. Military Report for January FY 2017: Included in Board Packet for advanced review.
4. Developer Project Activity: 5 new projects reviewed; 5 pre-cons; 6 DRP submittals totaling 212 REUs; 4 service authorizations.
5. Safety Report: 3 recordable injuries.
6. New Business: two contract awards will be brought under new business for approval.

*A copy of the CIP Update Memorandum from Jim Baker dated 2/15/2017 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 Brandy Gray reported that the Finance Committee met on 2/16/2017 and submitted the following report:

1. 1/31/2017 Interims. January was a fantastic month! Total operating revenues are \$3.8 million or 13% over budget, while total operating expenses (including depreciation) are \$276 thousand or 2% under budget. Capacity Fees year to date are \$2.5 million compared to an annual budget of \$3.0 million and developer contribution of systems are \$3.7 million with an annual budget of \$3.0 million. Operating cash and ratios continue to be healthy and within our limits and policies. The equity to long-term debt ratio decreased due to the first SRF draw for the Hardeeville Expansion.

*A copy of the financial report dated 1/31/2017, 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 David Lott reported that the Personnel Committee met on 2/14/2017 and submitted the following report:

1. Safety: the January Safety Report was reviewed; Ed gave a detailed report in his GM report.
2. Personnel Actions Report: Voluntary turnover year-to-date FY17 is 1.19%
3. The New Assessment process: The assessments or tests will be an additional tool to help ensure we hire the best qualified. It is being implemented initially in departments where we do the most hiring – Customer Service, Field Operations, and Maintenance since they have some similarities with Field Operations positions. Applicants will be able to take the assessments online in the comfort of their homes or at the local library if they don't have a computer.
4. Compensation Policy: We were updated on the key changes planned for the Compensation Policy. Changes are focused on increasing flexibility and enhancing our ability to attract and retain employees. We will continue our policy of not increasing pay for those employees paid at their salary grade maximum. Instead, those employees receive lump sum bonuses.
5. Retire/Rehire Policy: There was considerable discussion about the Retire/Rehire Policy. We will visit this topic in Executive Session as it applies to the General Manager!
6. State Pension Plan: A PEBA Retirement Seminar was held on January 31<sup>st</sup>; 47 employees attended the on-site seminar. Lots of positive feedback was received!
7. OneBlood Blood Drive: The Blood Drive conducted on February 8<sup>th</sup> yielded 22 units of whole blood which can potentially save up to 66 lives.

## **OLD BUSINESS**

There was no old business.

## NEW BUSINESS

### Capital Improvement Program

#### *Contract Award(s)*

CIP 1725 Purchase Order Update/Approval for the purchase of a Flender H3BV13 Gearbox for \$106,544.00 to Ovivo, USA as presented and referenced in the memorandum from Al Legare dated 2/15/2017 and is attached to these minutes and is made a part hereof:

**Motion:** Recommendation for approval of FY17 Purchase Order for \$16,544.00 to Ovivo came from the Capital Projects Committee, *requiring no second*,  
*All voted in favor, none opposed*,

**Motion carried.**

CIP 1864 Purchase Order Approval to BRW in the amount of \$135,133.00 as presented and referenced in the memorandum from Brian Chemsak dated 2/9/2017 and is attached to these minutes and is made a part hereof:

**Motion:** Recommendation for approval of Purchase Order for \$135,133.00 to BRW came from the Capital Projects Committee, *requiring no second*,  
*All voted in favor, none opposed*,

**Motion carried.**

## PUBLIC COMMENT

There was no public comment.

(9:15 a.m.)

## EXECUTIVE SESSION

**Motion:** Vice-Chair Michael Bell moved, seconded by Lorraine Bond, to go into executive session for the purpose of discussing litigation matters regarding: Smith/Van Zyle, Sauls Funeral Home, Earling and Christine Olsen, Denise Jones and O'Quinn Claim and a personnel matter regarding the general manager compensation package.

*All voted in favor, none opposed*,

**Motion carried.**

*Chair Donna Altman, excused all persons from the meeting. Legal counsel, GM; DGM F&A ; DGM O&TS remained for executive session for the legal briefing.*

At 9:20 a.m. the staff was excused to discuss the general manager's compensation package.

(9:35 a.m.)

## RECONVENE

**Motion:** Jerry Schulze moved, seconded by James Scott, to reconvene regular session,

*All voted in favor, none opposed*,

**Motion carried.**

## **ACTION**

**Motion:** Vice-Chair Michael Bell moved, seconded by Brandy Gray, to align the GM compensation package with the BJWSA vacation accrual policy for those participating in the Retire/Rehire TERI Program. The Personnel Committee will review the Retire/Rehire Policy prior to the end of the TERI program in June 30, 2018.

*All voted in favor, none opposed,*

**Motion carried.**

## **ADJOURNMENT**

With no further business to come before the Board, James Scott, moved, seconded by Jerry Schulze, to adjourn the meeting at 9:45 a.m.

*All voted in favor, none opposed,*

**Motion carried.**

APPROVED: 3/23/2017

*Respectfully submitted,*

*Libby Breland, Clerk to Board*

Signatures and Attachments on file.