

MINUTES OF THE MEMBERS OF THE BEAUFORT-JASPER WATER AND SEWER AUTHORITY MEETING HELD ON THURSDAY 4/27/2017

Be it remembered that the Members of the Beaufort-Jasper Water and Sewer Authority held its regular meeting Thursday, 4/27/2017 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; Jimmy Baker; Lorraine Bond; Brandy Gray; Thayer Rivers; Jerry Schulze; James Scott; Dr. Bill Singleton.

Members of the Authority not in attendance: David Lott

Staff in attendance: Ed Saxon, General Manager; Jeff Boss, DGM of O&TS; Sarah Linkimer, DGM of F&A; Brian Chemsak, Director of Engineering; Joe DeVito, Director of Field Operations; Kenneth Frazier, Director of Information Technology; Tricia Kilgore, Director of Treatment; Jim Baker, Capital Projects Manager; Will Bettis, Purchasing & Risk Manager; Pamela Flasch, Communications Manager; Mike Jones, Revenue and Billing Manager; Allena Lee-Brown, HR Manager; Libby Breland, Executive Assistant/Clerk to the Board.

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

James Scott gave the invocation and all joined in the Pledge of Allegiance to the flag of the United States.

APPROVAL OF MINUTES

Motion: Moved by, Dr. Bill Singleton, seconded by James Scott, to approve the minutes of the 3/23/2017 regular board meeting as written and distributed in advance to the Members of the Authority. No corrections were noted,

A vote was held; Michael Bell abstained, due to his absence at the meeting.

Motion carried.

PUBLIC COMMENT

The public was introduced and welcomed. There was no public comment.

GENERAL MANAGERS REPORT

Ed Saxon submitted the following report:

1. Safety Report – We have now worked over 2 years (765 days) without a lost workday case and have amassed over 637,000 safe work hours toward our 1,000,000 hour goal. In March, we had 2 minor incidents and 1 recordable injury, a mild shoulder sprain. The biannual Safety Survey was conducted on April 26 and we had a great turnout. We hope to exceed the 84% favorable rating we received on the 2015 survey; results will be available in June.
2. Savannah River Basin – Even though March is typically the wettest month of the year, March basin rainfall continued the lower than normal 15 month trend. The upper basin March rainfall was ~65% of the average. The upper NW corner of the state remains in the Severe Drought category. Due to April rains, the basin lake levels have risen 2 feet but remain at the Stage 2 drought level range.
3. Legislative Issues – The differences between the Senate & the House versions of House Bill 3726, the Pension Reform Bill, have been resolved and both the House and Senate have ratified the revised Bill. The Governor signed the Bill this week. The Bill caps employee contributions at 9% starting 7/1/17 and employer contributions would increase an additional 2% of wages in FY18 followed by a 1% annual increase through 2023. The current proposed FY18 state budget includes funding for ½ (1% of wages) of the employer increase for FY18. It is uncertain as to whether this FY18 state funding will occur in subsequent years. Each 1% increment increases the BJWSA burden by ~ \$160,000 annually.
4. Phone System Update – I am pleased to announce that the new Cisco phone system was completely online by Friday April 14th. IT and Customer Service has been debugging the call center software but problems were minimal. All numbers have changed except for the main Customer Service/Information number (843-987-9200) and the Military direct line to CS. Libby has a list of key numbers to replace the one in your Board handbook. The old phone system and phone numbers will be taken out of service on April 28th.
5. Economic Impact of Beaufort's Military Community - The SC Military Base Task Force recently released the results of a study by the USC Darla Moore School of Business on the Economic Impact of South Carolina's Military Community. The total statewide annual impact is \$24.1 billion with the Beaufort Region's impact shown as \$2.2 Billion (from MCAS, MCRD-PI, Naval Hospital, DoD Contracting firms, military retirees and veterans and, SC National Guard & Army Reserves). I can email you a copy of the study if you would like one.
6. May 25th Board Retreat – A reminder, there will be no May Board meeting. Instead, we will have the Board Retreat on May 25th at Hilton Head Lakes South – The Lake Clubhouse. We will begin at 9 and I have sent out a draft agenda for your review and comment. We will have normal committee meetings the week of May 22nd.
7. High Consumption Article – We sent the Board the 4/7 Island Packet article about high consumption complaints in Sun City from a couple of customers. In the days following the

article we received 34 calls from other customers inquiring about high consumption (14 from Sun City, 13 Bluffton & 7 NOB). We sent emails to the Board explaining how we investigate and resolve these inquiries. As mentioned in the emails, in all these cases, we have found no problems with the meter and transponder and once we have installed the Beacon transponder, the customer is able to see their actual usage in near real time and better understands how they use water. Joe and Mike will explain to the Board how the meter and the Orion and Beacon transponders work.

➤ **Staff Presentations -**

- *Joe DeVito* gave a slide presentation on the new metering system, BEACON[®] advanced Metering Analytics (AMA) by Badger Meter. The new BEACON[®] transponders will capture meter reading data via a cellular-based communication technology. The data will be hosted in cloud-based software that will allow customers to access their consumption data in near “real time” via the internet.
A copy of the slide presentation titled: “Badger Meter” is attached to these minutes and is made a part hereof.

- *Pam Flasch* gave a power point presentation on the Customer Interaction Survey; 2017. Areas of focus were Objectives; Methodology; Overall Satisfaction and Staff Member Performance. Research Inc., from Alpharetta, Ga is calling on average 50 customers monthly who have contacted BJWSA with an issue or concern to determine how effective we were in resolving their issue. This was the initial report and for the first quarter of 2017, 92% of the 150 called were very satisfied with overall satisfaction and for staff member performance 98% satisfaction with our staff and 95% satisfaction with staff’s helpfulness.
A copy of the power point presentation titled: “Customer Interaction Survey First Quarter 2017” is attached to these minutes and is made a part hereof.

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

1. Drinking Water Week - **Drinking Water Week** is **May 8-12**, and we will have coffee with experts in the lobby Monday through Thursday from 8:30 to 10 am, and our annual cookout Friday from 11 am to 1 pm. Please join us!
2. Hurricane Preparedness Workshop - Lou and I attended the Chatham County Hurricane Center last week; she and two field ops supervisors will be in attendance at the Sun City Hurricane Workshop Thursday, May 25.
3. Pubic Information Officers Alliance - Our PIO Alliance meets Tuesday, June 20 at BJWSA.
4. Employee Fun Day - The company picnic is Saturday, April 29 at the Oscar Frazier Park, Bluffton, 10:00am-2pm.

A summary memo dated 4/27/2017, 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 Donna Altman stated that the Executive Committee did not meet.

Report of the Capital Projects Committee. Committee Chair Michael Bell reported that the Capital Projects Committee met on 4/19/2017 and reviewed the status of the Capital Program and Development Activity. A summary of noteworthy projects was included in the Board Packet. Michael Bell deferred to Brian Chemsak for highlights; Brian reported that the committee reviewed in depth the standard reports:

1. Project Activity Sheet Review & Discussion.
2. Developer Projects Activity Summary.

A copy of the CIP Update Memorandum from Jim Baker dated 4/19/2017 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 4/20/2017 and submitted the following report:

1. 3/31/2017 Interims. March Financials: March was another great month! Total operating revenues are \$5.0 million or 14% over budget, while total operating expenses (including depreciation) are \$45 thousand or 0.1% under budget. Capacity Fees year to date are \$2.975 million compared to an annual budget of \$3.0 million and developer contribution of systems are \$5.3 million with an annual budget of \$3.1 million. Operating cash and ratios continue to be healthy and within our limits and policies.
2. Capital Improvement Program. The Committee reviewed and approved 1 CIP budget adjustment and 1 CIP change order that will be presented in new business.
3. FY18 Budget. The FY18 Budget presentation will be next month at the May Board retreat. The public hearing for the budget is June 13. The budget will come to the board for approval at the June 23 board meeting.

Michael Bell inquired about the monthly Call Center Stats reports generated by the new phone system. The data is being collected and we will review them with the Board once we have a full month of data to report.

A copy of the financial report dated 3/31/2017, was included in the Board packet and is attached to these minutes and is made a part hereof.

Report of the Personnel Committee. Committee member Jimmy Baker reported that the Personnel Committee met on 4/18/2017 and submitted the following report:

1. Safety Update – Given under the GM’s report.
2. Personnel Actions Report – Emphasized that the year-to-date turnover rate is down compared to last year.
3. Board Leadership Award - Will be discussed in execution session.

4. GM Evaluation - Deadline to turn in the forms is May 25 to Erin Dean who will then tabulate the results.
5. Slate of officers - Personnel Committee will bring a recommendation to the Board followed by election in June.
6. Employee Fun day - Reminder, Saturday, April 29 at the Oscar Frazier Park, Bluffton, 10:00 a.m. - 2 p.m.

Report of the Ad Hoc - Information Technology Committee. Committee member Jerry Schulze, reported that the Ad hoc committee met on 4/18/2017 and submitted the following report:

1. Phone system replacement - Went live.
2. Network Administrative - Hired and now have full staff.
3. IT Masterplan - Will be completed by December 31st.
4. Various Goals - Goals were set: implement IT information; Office 365; achieve Payment Card Industry Data Security Standard (PCI DSS) compliance ~ the current version is 3.2; End of Life (EOL) platforms; metrics.

OLD BUSINESS

There was no old business.

NEW BUSINESS

Capital Improvement Program

Contract Award(s)

1. CIP-21487 Great Swamp Expansion to 15 MGD Engineering Contract Award to HGB, Savannah GA for \$ 225,000 NTE as presented and referenced in the memorandum from Tricia Kilgore dated 4/17/2017 and is attached to these minutes and is made a part hereof:

Motion: Recommendation for approval of CIP 21487 Engineering Contract Award to HGB for \$225,000 NTE came from the Capital Projects Committee, *requiring no second, All voted in favor, none opposed,*

Motion carried.

2. CIP 21668 Alum Drying Bed Sludge Removal at Chelsea to Keiffer Lumber for \$200,000 as presented and referenced in the memorandum from Jim Baker dated 4/17/2017 and is attached to these minutes and is made a part hereof:

Motion: Recommendation for approval of CIP 21668 Contract Award to Keiffer Lumber for \$200,000 came from the Capital Projects Committee, *requiring no second, A vote was held, James Scott recused himself,*

Motion carried.

3. CIP 21738 Polk Village Galvanized Water Line Replacement to Potter Construction, LLC for \$524,367 as presented and referenced in the memorandum from Jim Baker dated 4/17/2017 and is attached to these minutes and is made a part hereof:

Motion: Recommendation for approval of CIP 21738 Contract Award to Potter Construction, LLC for \$524,367 came from the Capital Projects Committee, *requiring no second*,
All voted in favor, none opposed,
Motion carried.

Change Order

1. CIP 21767 Lady's Island Sewer Diversion Change Order for Engineering Services to Hazen Engineering for \$144,900 increase as presented and referenced in the memorandum from Jim Baker dated 4/17/2017 and is attached to these minutes and is made a part hereof:

Motion: Recommendation for approval of CIP 21767 Change Order to Hazen Engineering for \$144,900 came from the Capital Projects Committee, *requiring no second*,
All voted in favor, none opposed,
Motion carried.

Budget Adjustment

1. CIP 21759 Broad River Ground Storage Tank - New Generator - \$350,000 Increase (from \$400,000 to \$750,000), as presented and referenced in the memorandum from Jim Baker dated 3/10/2017 and is attached to these minutes and is made a part hereof:

Motion: Recommendation for approval of CIP 21759 Broad River GST - New Generator \$350,000 increase (from \$400,000 to \$750,000), *requiring no second*,
All voted in favor, none opposed,
Motion carried.

PUBLIC COMMENT

There was no public comment.

(9:04 a.m.)

EXECUTIVE SESSION

Motion: Jerry Schulze moved, seconded by Vice-Chair Michael Bell, 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, O'Quinn Claim and the BJWSA Board Leadership Award.

All voted in favor, none opposed,

Motion carried.

Chair Donna Altman, excused all persons from the meeting. Legal counsel, GM; DGM O&TS and DGM F&A remained for executive session. Brandy Gray left prior to the end of executive session.

(9:15 a.m.)

RECONVENE

Motion: Vice-Chair Michael Bell moved, seconded by Secretary/Treasurer Don Manson, to reconvene regular session,

All voted in favor, none opposed,

Motion carried.

ACTION

Motion: Lorraine Bond moved, seconded by Dr. Bill Singleton, to award the BJWSA Board Leadership Award to the nominee as discussed in executive session.

All voted in favor, none opposed,

Motion carried.

ADJOURNMENT

With no further business to come before the Board, Dr. Bill Singleton moved, seconded by Lorraine Bond, to adjourn the meeting at 9:18 a.m.,

All voted in favor, none opposed,

Motion carried.

APPROVED: 6/22/2017

Respectfully submitted,

Libby Breland, Clerk to Board

Signatures and Attachments on file.