

MINUTES OF THE MEMBERS OF THE BEAUFORT-JASPER WATER AND SEWER AUTHORITY MEETING HELD ON THURSDAY 10/25/2018

Be it remembered that the Members of the Beaufort-Jasper Water and Sewer Authority held its regular meeting Thursday, 10/25/2018 at the Beaufort-Jasper Water & Sewer Authority Administration Building. This meeting met the notice requirements of, and was properly constituted pursuant to, Chapter 4, Section 30-4-80(A) 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; Greg Padgett; Dr. Bill Singleton; Jerry Schulze.

Members of the Authority not in attendance: Thayer Rivers.

Staff in attendance: Ed Saxon, General Manager; Sarah Linkimer, DGM, F&A; Will Bettis, Director of Business Services; Brian Chemsak, Director of Engineering; Kenneth Frazier, Director of Information Technology; Tricia Kilgore, Director of Treatment; Allena Lee-Brown, Director of Human Resources; Shawn Flood, Capital Projects Manager; Pamela Flasch, Communications Manager; Justin Thomas, Director of Field Operations; Mike Jones, Revenue and Billing Manager; Beth Lowther, Accounting Supervisor; Libby Breland, Executive Assistant/Clerk to the Board; Tracey Gandhi, Training and Development Specialist; Mike Carter, Field Operations, North of the Broad Utility Compliance.

Legal Counsel in attendance: James Grimsley, Esq., Tupper, Grimsley, Dean & Canaday, PA.

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

Greg Padgett gave the invocation and all joined in the Pledge of Allegiance to the flag of the United States.

APPROVAL OF MINUTES

Motion: Moved by, Jerry Schulze, seconded by Greg Padgett, to approve the minutes of the 9/27/2018 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 - September was another great safety month for BJWSA with no injuries and only 1 minor incident. Through September, we have worked over 1.126 million hours without a lost work day case. The employee annual health/safety celebration and the 1st of the FY19 semiannual State of the Authority meetings is set for Friday November 9th at the Bowling Alley in Beaufort on Ribaut Road from noon to 3. We will be closing at 11:00 that day for this all employee function and the Board is welcome to attend.
2. Savannah River Basin - We are now in the fall dry period and lake levels have decreased slightly. Hartwell is 2' below full pool and Thurmond is 3.8' below full pool. They are expected to remain at these levels for the next 60 days.
3. New Director of Field Operations -Justin Thomas has been promoted to the Director of Field Operations. Justin has worked for BJWSA for 12 years and previously was the Field Operation Manager. Congratulations Justin.
4. Employee of the 3rd Quarter CY18 - I am pleased to announce that Michael Carter was selected as the Employee of the Quarter. Michael has been with BJWSA since 2007 and is a Field Operator III in our NOB Utility Compliance group. Please recognize Michael.
5. Tropical Storm Michael -Other than closing on Thursday October 11th, we saw no impacts from the storm.
6. Certified Professional Training Certification. – I briefed the Board last month on the BJWSAU Leadership Academy that Tracey developed and is teaching. Today, I am pleased to announce that Tracey has earned the *Certified Professional in Learning and Performance* credential from the “Association for Talent Development Certification Institute”. She successfully passed several challenging examinations to earn this certification. Congratulations Tracey.
7. Annual Distribution System Maintenance - A reminder, our annual distribution system maintenance starts tomorrow and extends through November 9. Customers may detect a slight chlorine taste and odor during this time.
8. November Board Meeting: A reminder, due to the holidays, the November Board meeting will be on Thursday 11/15 and the committee meetings will be held the week of 11/5.
9. **Public Affairs** - Pam will provide the Public Affairs report which includes a presentation on our recent farmer’s market focus groups. A copy of the slide show titled, “*Our TWO-WAY Communication CHANNEL for engaging our customers*” is attached and is made a part hereof.

- **Public Affairs Report.** Pamela Flasch highlighted recent and upcoming initiatives taking place throughout the service area:
1. Community Events: We have received 11 videos from two schools for our “Imagine a Day without Water” contests. We will announce the winner(s) after our judges select them.
 2. Company Events: Please don’t forget to let Lou know if you’re planning to attend the Veterans Day breakfast or the Holiday Dinner.
 3. Customer Focus Groups: Today we have results from our Farmers Market “Focus Groups.” This was such an authentic process, that we’re planning to roll out a monthly on-site engagement program for 2019. *The Board thought that by going out into the community was a great idea and initiative taken by the staff.*

COMMITTEE REPORTS

Report of the Executive Committee. Committee Chair Donna Altman, stated that the Executive Committee meet on 9/27/2018 and discussed the following:

1. New GM Transition: Conveyance of Ed’s priority’s with Joe Mantua; preferred communication between Joe Mantua and the Board; the Board’s priority’s for his first 100 days. The Executive Committee plans to meet again and review the details further.
2. Welcome Reception: Is planned for Joe Mantua, January 10 to include the public and dignitaries.
3. Bonus Program for the GM: Discussions with Cabot, identified that currently there is no bonus program for rewarding the general manager. The Chair assigned the Personnel Committee the task of developing a bonus program for the GM with a goal of having a program in place within 12 months. The committee will work with consultants to start the process.
4. Policy Changes: Beginning with the new GM, the Chair or Vice-Chair will approve GM travel and expense reports.

Report of the Capital Projects Committee. Committee Chair Michael Bell, reported that the Capital Projects Committee met on 10/17/2018. Extensive discussion and review of *CIP Project Activity Through September, 2018* was held. One particular project required further clarification that lead the Committee to look at the way they monitor the activity and the methods used to bring projects to the Board. Committee Chair Michael Bell, suggested the committee may review these items. A summary of noteworthy projects was included in the Board Packet. The following projects and activity were highlighted:

1. CIP Project Activity Sheet Review & Discussion: The Certificate of Occupancy is expected by the end of October on the *South of the Broad Operations Center* • the *Hardeeville WWTP*

Expansion punch list is completed and the contractor should be through it by the end of October • Construction is complete and the contractor is working on the punch list for the *Waddell Gardens Water Line Replacement* • *PRIWRF Headworks Rehab* project was completed successfully and performance exceeded the operations department expectations • the underground piping is complete for the *Lady's Island Sewer Diversion project* and the wall installation is nearing completion • *Purrysburg WTP Structure Filter Rehab* construction on the first filter is currently underway with removal of media and demolitions of the underdrain system • Div. I construction is in contract signing stage for the *Galvanized Water Line Replacement Program* for the Shell Point area.

2. FY19 First Quarter Capacity Fee Collections: \$1.9M water and sewer capacity revenue for September; ~209,990 kgals water and ~145,580 kgals sewer; ~\$2.487M YTD capacity revenue.
3. Developer Projects Activity Summary: 12 new projects reviewed; 7 DRP submittal; 5 pre-constructions; 3 service authorizations.
4. September 2018: NOB - 16 water taps/21 sewer taps; SOB - 89 water taps/131 sewer taps. Committee had a conversation on tracking commercial square footage.
5. New Business: Committee approved two contract awards that will be brought forward under New Business along with a budget adjustment associated with one of the awards.
6. Cherry Point EQ Tank Update: The Committee received an update that will also be discussed today.
7. Bluffton Sewer Extension Letter: Also reviewed the letter dated October 23, 2018, from Ed Saxon to Town Manager, Marc Orlando, responding to extending sewer into the May River Watershed.
8. Capacity Credits Certificate List (10/1/2018): the Committee reviewed the list and will bring it to the Board at a later time to allow more discussion.
9. Development Policy and Procedure Manual: Agenda item under New Business.

A copy of the CIP Update Memorandum from Shawn Flood dated 9/19/2018 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 Don Manson, reported that the Finance Committee met on 10/18/2018, and submitted the following report:

1. Wells Fargo Investment Discussion: Members from the Investment team at Wells Fargo presented a sample investment portfolio to the committee and explained the process if we choose to go down that path.

2. FY2018 Audit Update: The Committee received the FY18 Audit results from our auditors Carr, Riggs & Ingram. The Authority received an Unmodified Opinion (clean opinion). The auditors will present the results to the full Board next month. *Committee Chair Don Manson, commended the Staff.*
3. September Financials: Total operating revenues are \$408 thousand under budget, while total operating expenses (including depreciation) are \$834 thousand under budget. Operating cash and ratios are healthy and within our limits and policies.
4. September Call Center Metrics: The Committee reviewed the call center metrics. The average call wait time was 1.01 minutes and the abandonment rate was 2% in September. *Committee Chair Don Manson, stated that this was an amazing improvement, and commended Linda Tillery and her team.*
5. Capital Improvements: The Committee discussed and approved a \$207 thousand budget increase for CIP-1861 that will be presented in New Business today.
6. Cross Connection Control Policy: The Committee discussed and reviewed the Cross Connection Control Policy that will be presented in New Business today. *Committee Chair Don Manson, commended the staff.*
7. Bluffton Sewer Extension Memo: The Committee discussed and reviewed correspondence between BJWSA and the Town of Bluffton regarding sewer extensions.
8. Capacity Credits List: The Committee received a listing of Capacity Credits for their review.
9. Cherry Point EQ Tank Update: The Committee discussed a memo from Black & Veatch that showed a possible second option for the Cherry Point EQ tank repair.
10. Developer Policy and Procedure Manual Q&A: The Committee discussed and reviewed the Developer Policy and Procedure Manual that will be presented in New Business today. *Committee Chair Don Manson also commended the staff.*

A copy of the financial report dated 9/30/2018, 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 Jimmy Baker, reported that the Personnel Committee met on 10/16/2018 and submitted the following report:

1. Introductions: Welcomed new Committee Member Greg Padgett.
2. Cross Connection Control Policy Draft: Justin Thomas reviewed the draft policy with the Committee, which will be discussed under New Business.

3. Discussion of GM Contract: the Committee discussed the need to develop an employment contract for the new GM. After a good discussion, the Committee, with counsel's support, recommended continuing the GM as an at-will employee without a contract.
4. Safety Report Update: The *Safety Report for FY19* September-18 was received and discussed.
5. Personnel Actions Report: Overall employee turnover rate was 3.3%, which is in line with prior years.
6. Welcome Reception for Joe Mantua: January 10, 2019, at Oldfield River Club, more details forthcoming.
7. Farewell Reception for Ed Saxon: Planning details.
8. Benefits Update: Due to Hurricane Florence, the employee health screening is rescheduled to October 30, open enrollment is throughout October and includes some benefit changes this year for the employees, which averages a 4.1 % increase in health insurance premiums; fees have been reduced and now \$500 can now be carried over into the following year for the Flexible Spending Accounts.
9. 2018 Employee Survey Update: Positive trends have been seen in employee satisfaction and the committee recommends with concurrence by the Chair to have staff present the results of the 2018 survey to the full Board in November.
10. Succession Planning Update: Deferred until new GM is on board.
11. Town of Bluffton Sewer Extension Letter: Reviewed letter dated October 23, 2018 from Ed Saxon to Town Manager, Marc Orlando, responding to extending sewer into the May River Watershed.

Report of the Information Technology Plan Ad Hoc. Committee Chair Jerry Schulze, reported that the Committee met on 10/24/2018, and reviewed the status of several projects and gave the following report:

- IT Initiatives Update: PCI compliance is on schedule to be completed by December 31, 2018 • the auditors require a risk assessment of cyber security by the end of the year, which is also part of the PCI compliance and this piece will be completed by the end of November • GIS vendor, ESRI, was on site to perform a health check of the entire IT/GIS system and the results will help give a roadmap for the next system upgrade to occur late spring-summer of next year.

OLD BUSINESS

Update on the EQ Tank Assessment.

Ed Saxon updated the Members on the status of the repair/replacement effort of the failed Cherry Pt EQ Tank. We were notified by the SC Insurance Reserve Fund (IRF) that our claim that a severe storm accompanied by heavy lightning caused the dome failure was denied. Black and Veatch engineers conducted an inspection of the EQ tank to assess the overall condition of the tank to offer an opinion of the cause of the tank dome failure and recommend methods to replace the tank. B&V stated that coating delamination failures throughout the tank structure exposed the concrete walls and dome to a severe chemical attack (hydrogen sulfide exposure) which weakened the structure. B&V stated that the tank walls below grade and the base slab were in good shape and developed an alternative replacement method that would reuse the base slab and save ~\$1M over the replacement with a similar pre-stressed tank. We are investigating the constructability of this alternative with contractors and B&V. We have shared the B&V and IRF reports with Erin and have tried but have been unable to obtain the original 2006 construction file from Jacobs Engineering, the firm that acquired Jordan, Jones and Goulding in 2010. Brian Chemsak will prepare a "white paper" discussing the circumstances associated with the design and construction of the tank and our history with hydrogen sulfide issues in the SOB sewer collection and treatment system. We will present this paper to the Capital Projects Committee in December along with a path forward. SOB Wastewater Operations has done a tremendous job adjusting plant operations to meet all permit requirements.

NEW BUSINESS

Capital Improvement Program

CIP Budget Adjustment.

CIP 1861 Bonaire Estates Sewer Extension CDBG Budget Increase Approval from \$857,419 to \$1,064,866 as presented and referenced in the memorandum from Brian Chemsak dated 10/10/2018 and is attached to these minutes and is made a part hereof. This approval will be contingent upon Beaufort County Council approving the increase in their portion of the funding:

Motion: Recommendation for approval of adding CIP 1861 Bonaire Estates Sewer Extension CDBG Budget Increase for \$207,447 contingent upon Beaufort County Council approving their portion of the funding came from the Capital Projects Committee, *requiring no second*,
All voted in favor, none opposed,

Motion passed unanimously.

Contract Award

CIP 1861 Bonaire Estates Sewer Extension CDBG Contract Award to Jordan Construction for \$3,197,973 as presented and referenced in the memorandum from Shawn Flood dated 10/15/2018, and is attached to these minutes and is made a part hereof. This approval will also be contingent upon Beaufort County Council approving the contract award:

Motion: Recommendation for approval of CIP 1861 Bonaire Estates Sewer Extension CDBG Contract Award to Jordan Construction for \$3,197,973 contingent upon Beaufort County Council approving the contract award came from the Capital Projects Committee, *requiring no second,*

All voted in favor, none opposed,

Motion passed unanimously.

CIP 1366 Purrysburg Expansion from 15 MGD to 30 MGD Contract Award to Goodwyn, Mills and Cawood (GMC) for \$1,900,000 as presented and referenced in the memorandum from Brian Chemsak dated 10/10/2018, and is attached to these minutes and is made a part hereof. This project is funded by revenue bonds:

Motion: Recommendation for approval of CIP 1366 Purrysburg Expansion from 15 MGD to 30 MGD Contract Award to Goodwyn, Mills and Cawood (GMC) for \$1,900,000 came from the Capital Projects Committee, *requiring no second,*

All voted in favor, none opposed,

Motion passed unanimously.

Resolution Adopting BJWSA Cross-Connection Control Policy Manual.

Inadvertent connection of a water distribution line to another water source or a source of pollution could create damage to the water system and a serious risk to public health. SC DHEC requires that BJWSA develop and implement a program for the control of cross connections. Staff has developed a Cross-Connection Control Policy Manual that provides policy and procedures for the use of the best available control technology and a targeted enforcement program and has properly been presented through each Committee for consideration.

Motion: Moved by, Vice-Chair Michael Bell, seconded by, Lorraine Bond, approving the Resolution *Adopting BJWSA Cross-Connection Control Policy Manual* as presented and attached to these minutes and is made a part hereof,

All voted in favor, none opposed,

Motion passed unanimously.

Resolution Adopting BJWSA Development Policy and Procedure Manual.

The Developer Policy and Procedure Manual is to provide guidelines for the orderly installation of water and sewer systems in an effort to meet the growing needs of the development community in the BJWSA service area. Staff has reviewed and refined the previously adopted Manual and has properly presented through each Committee for consideration.

Motion: Moved by, Jerry Schulze, seconded by, Greg Padgett, approving the Resolution *Adopting BJWSA Development Policy and Procedure Manual* as presented and attached to these minutes and is made a part hereof,

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, and without objection, Jimmy Baker moved, seconded by, Greg Padgett, to adjourn the meeting at, 9:05 a.m.,

All voted in favor, none opposed,

Motion passed unanimously.

APPROVED: 11/15/2018

Respectfully submitted,

Libby Breland, Clerk to Board

Signatures and Attachments on file.