

MINUTES OF THE MEMBERS OF THE BEAUFORT-JASPER WATER AND SEWER AUTHORITY MEETING HELD ON THURSDAY 3/26/2020

Be it remembered that the Members of the Beaufort-Jasper Water and Sewer Authority held its regular meeting Thursday, 3/26/2020 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 Michael Bell; Vice-Chair Jimmy Baker; Secretary/Treasurer Greg Padgett; Donna Altman; Lorraine Bond, (Telephonic); Brandy Gray, (Telephonic); Andy Kinghorn; Don Manson; Jerry Schulze, (Telephonic); Dr. Bill Singleton.

Members of the Authority not in attendance: Thayer Rivers.

Key Staff in attendance: Joe Mantua, General Manager; Pat Burke, DGM of O&TS; Sarah Linkimer, DGM, F&A; Libby Breland, Executive Assistant/Clerk to the Board.

Staff attending Telephonically: Brian Chemsak, Director of Engineering; Tricia Kilgore, Director of Treatment; Allena Lee-Brown, Director of Human Resources; Kenneth Frazier, Director of Information Technology; Beth Lowther, Director of Finance & Support Services; Linda Tillery, Director Customer Care & Billing; Pamela Flasch, Public Affairs Manager; Shawn Flood, Capital Projects Manager; Tammy Holman, Procurement & Risk Manager.

Legal Counsel in attendance: Erin Dean, Esq., Tupper, Grimsley, Dean & Canaday, PA. Attending telephonically were, Joe Lucas, Managing Member and Gary Pope, Jr., Member, of the Pope Flynn Group.

Beaufort County Liaison to BJWSA: York Glover Sr., District 3 (Beaufort/Lady's Island/St. Helena Island/Parris Island) was not in attendance.

Public in attendance: No Public Attended

CALL TO ORDER

The meeting convened at 8:00 a.m., Chair Michael Bell presiding.

TELEPHONIC STATEMENT

"I, Chair Michael Bell announce that a quorum for this Meeting is physically present and Lorraine Bond; Brandy Gray; Jerry Schulze, IS ATTENDING THIS MEETING TELEPHONICALLY."

INVOCATION AND PLEDGE OF ALLEGIANCE

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

PUBLIC COMMENT

No comments.

APPROVAL OF MINUTES

Motion: Moved by, Secretary/Treasurer Greg Padgett, seconded by Andy Kinghorn, to approve the minutes of the 2/26/2020 special 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.

Motion: Moved by Vice-Chair Jimmy Baker, seconded by Dr. Bill Singleton, to approve the minutes of the 2/27/2020 regular board meeting as written and distributed in advance to the Members of the Authority. A recommendation was made by Donna Altman to add an addendum to include generalized remarks identifying the subject of concern made by the staff during public comment relating to the employee benefits changes. Donna will work with Libby to formulate the addendum,

All voted in favor, none opposed,

Motion carried with the addition of the noted addendum.

GENERAL MANAGERS REPORT

Joe Mantua prefaced his report by thanking the board for attending, allowing the order of business to continue. He also gave accolades to the staff for their resilience during these difficult situations, working hard and doing a great job. He first gave an update on the COVID 19:

1. COVID- 19 – We have been monitoring the rapidly evolving COVID-19 situation since last month and making periodic adjustments as necessary. We have suspended all service disconnections for lack of payment and restored service for any disconnects to ensure the community has access to clean water for sanitation during this crisis. We have also made several changes including the temporary closing of the Customer Service lobby area, suspension of use of the Community Room and any other meeting spaces by outside parties, directed staff to limit direct contact and interaction with the public, cancelled World Water Day events, postponed our plans to conduct Customer Focus groups, suspended all business travel through the end of April and employed measures to allow non-essential employees to work from home. We will continue to monitor the situation and adapt as necessary.

Discussion: Joe and Staff addressed points by the Board in areas of offering payment plans for customers, which is already an option, freezing non-essential vacancies, cutting back on non-discretionary salaries for the current budget year, impacts on revenue stream, daily water productions and the amount of customers that may withdraw from direct bank drafts knowing that they will not be turned off for non-payment. It was recommended that inserts be included and a notice on the bills softly stating that charges are accruing and is the responsibility of the customer.

Asset Management

2. SOB Operations Center Update – Building remediation efforts were completed this month. Air quality samples indicate levels acceptable to occupy the building. Temperature and humidity are being monitored through remote sensors at five minute intervals with data downloaded weekly. Our consultant will be conducting quarterly air quality sampling also. All staff assigned to the facility have been moved back in.
3. Purrysburg – The Savannah River lakes upstream of our intake have gone from experiencing drought conditions to overflowing. This has resulted in flooding of the lower water basins, and we have experienced new record high water levels at the BJWSA river intake. Near our intake, sheet piling separates our canal from an adjacent swamp. Water level in the swamp has risen and caused an overtopping of the sheet piling. The overtopping swamp water has made it to our Purrysburg WTP. On March 15, our Purrysburg WTP was forced to temporarily shut down due to treatment problems, specifically an inability to form a floc heavy enough to settle. Our treatment operators, under the direction of Kevin Sexton, reacted quickly and spent long hours over the weekend running various jar tests to find a chemical dosage that would overcome the poor raw water quality. Our operations team has been making adjustments to get us back to normal operating conditions. During the past couple of weeks, we have had to sporadically take Purrysburg off-line in order to make other adjustments to account for variations in raw water quality. Note that system pressures and tank levels during the outages were largely unaffected due to a corresponding increased level of production at our Chelsea WTP. Fortunately raw water quality at Purrysburg has improved.
4. Asset Manager Search – We have identified a highly qualified candidate and will be conducting a second interview in early April.

Workforce Investment

5. Safety Report – In February we had no recordable injuries and no lost work day cases bringing us to more than 1.6M hours since our last preventable lost work day case. Take twos and safety talks for the months were above our stated goals.
6. New Employees and Promotions – We are pleased to welcome Tami Groff, Cycle Billing Coordinator and Jonathan Thomas, Field Operator I to the BJWSA Team.

Preparation for Change

7. High School Internship Program – We hosted approximately 70 high school juniors and seniors from Beaufort and Jasper County schools at Open Houses on March 4 and 6. The students were provided a brief overview of the organization, details regarding internship opportunities in Customer Service and Field Operations, and were given a tour of the Chelsea Plant. The respective school districts will be screening candidates and we had planned to interview potential interns in early April however this has been impacted by the recent developments with the coronavirus. We are partnering with our neighboring utilities Hilton Head PSD, Broad Creek PSD and South Island PSD on this program.

8. Employee Handbook Changes – Five employee meetings were held during the week of March 2 to provide additional information and answer questions related to the handbook changes that were approved at the February Board meeting

Organizational Excellence

9. Journal Article on Trick or Treatment – The SCAWWA and WEASC quarterly newsletter featured an article on BJWSA’s Trick or Treatment activities that took place last October. This included quotes from Public Affairs’ Lou Brown who did an outstanding job as the architect of the very successful event.
10. World Class Technician – Congratulations to Benjie Bennett, Fleet Technician III, who was recently the recipient of the World Class Technician award given by the National Institute for Automotive Service Excellence in partnership with the Auto Care Association. The two organizations provide this annual recognition to professional technicians who have achieved the extraordinary accomplishment of attaining ASE certification in 22 specific areas during the previous calendar year.

Customer Satisfaction and Engagement

11. Stakeholder Engagement – I had the opportunity to speak at the March meeting of the Beaufort branch of Green Drinks, a group that meets monthly focusing on various environmental topics. Kenneth Frazier attended the ribbon cutting ceremony of the Cyber Lab at Ridgeland Hardeeville High School.

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

1. We continue to post reminders about “what not to flush” during this time. Instead of asking people not to flush napkins, flushable wipes, etc., we learned that we have to tell them to throw those items in the garbage if they are forced to use them due to a lack of toilet paper. We boosted (paid ad) our Facebook post, and we were encouraged to have four reporters/editors/news directors reach out about this issue. We sent it out over the weekend to media, PIOs, municipalities and our wholesale customers. Our boosts and other engagement also encouraged more than 70 followers to share this post on social media:

- **Staff Presentations- Brian Chemsak; BJWSA Goals for Design-Build Delivery.** Brian gave a brief overview identifying goals for design build, establishing contracts and assists in the interview and selection process. The first collaborative delivery project is waterlines in the City of Beaufort, Bluffton Parkway and construction of a 1,500,000 gallon elevated storage tank with the same contractor. Echoed by Erin Dean, the industry is moving towards this design-build delivery methodology. *A copy of the presentation (PDF format) titled, “BJWSA Goals for Design-Build Delivery” is attached to these minutes and is made a part hereof.*

COMMITTEE REPORTS

Report of the Executive Committee. Committee Chair Michael Bell stated that the Executive Committee did not meet.

Report of the Capital Projects Committee. Committee Chair Don Manson reported that the Capital Projects Committee met on 3/18/2020 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:

Project Highlights

1. The Purrysburg Expansion to 30 MGD Phase 1 construction continues with the new clearwell base slab placed and scaffolding being erected for the tank wall construction.
2. Highway 170 36-Inch Water Main Extension redesign is complete to place the pipeline in the DOT right of way. Permitting agencies are currently reviewing and expected to bid in March.
3. The Cherry Point Equalization tank Drain line repair was completed and the structure has passed hydraulic leak testing. The tank is expected to be placed online next week.
4. The Bonaire Estates Sewer Extension system is operational with LMI customers continuing to be tied in and initial non-LMI customers starting the process.
5. Galvanized Waterline Projects:
 - o Phase I:
 - a. DIV I and II – Construction is complete and is closing out.
 - b. DIV III and IV – Approximately 90% complete with tie-ins remaining.
 - o Phase II:
 - c. Division I – Preliminary design review is complete with 90% design documents expected in April
 - d. Division II – Preliminary design review is currently underway.
6. CPWRF UV Replacement – Electrical building and work for the first channel is complete. Civil work is underway for sidewalks and grading. Startup of the first channel equipment begins March 23rd.

Developer Report

7. During February, capacity fees were collected in the amount of \$83,221.74; Year-To-Date total for capacity fees is \$9,744,440.71; 7 precons were held and 14 service authorizations were issued; new water taps totaled 127 and sewer taps totaled 91.

CIP Activity for Board Approval

8. Change Order for CIP-1970 (CP10 and CP67 Upgrades)

Miscellaneous

9. Design Build Presentation

A copy of the CIP Update Memorandum from Shawn Flood dated 3/13/2020 is included in the Board Packet and is attached to these minutes and is made a part hereof.

Report of the Finance Committee. Committee Chair Greg Padgett reported that the Finance Committee met on 3/19/2020 and submitted the following report:

1. SRF Loans Refunding: Amy Vitner, from First Tryon, reached out to staff at the beginning of March to discuss doing a bank refunding of several BJWSA's SRF loans that are currently at a rate of 2.25%. Working under a quick timeline, an RFP was distributed to banks on March 9th with bids due by noon on March 18th. The Finance Committee was given the results the next day at the committee meeting on March 19th. Due to volatility in the market because of COVID, the bids ranged from 1.45% to 2.8%. We were very fortunate to receive a rate of 1.45%, which will result in an approximate Net Present Value savings of \$900 thousand and cash flow savings of \$1.1 million. Members from both First Tyron and Pope Flynn were on the phone to discuss the transaction and the resolution for the refunding with the committee. The resolution will be presented in New Business today and is supported by the Finance Committee.
2. O&M Contract Award: The committee discussed and approved a \$299,415 contact award to Eagle Solutions for the Alum Ponds that will be presented in New Business today.
3. FY2020 YTD Financial Statements and Investments: Total operating revenues are \$2.4 million over budget, while total operating expenses (including depreciation) are \$1.8 million under budget. The committee reviewed the investment report and interest received this period was \$37,750.
4. FY2021 Operating Budget Update: The committee discussed the budget schedule and the challenges associated with the FY21 Budget. Staff has changed directions on the budget and will be working on a worst case scenario budget for FY21 with the idea if the economy changes, a revised budget can be brought to the Board for approval during the FY21 fiscal year.
5. February Call Center Metrics: The committee reviewed the call center metrics. The average call wait time was 50 seconds and the abandonment rate was 3% in February.
6. Customer Service Policies: The committee discussed the Draft Customer Service Policies that will be presented in New Business today.

7. Capital Improvement Program: The committee discussed and approved a \$132,190 change order for CIP-1970 that will be presented in New Business today.
8. IT Update: Kenneth provided the IT FY20 Areas of Focus that included three significant project updates.
9. Miscellaneous: The committee discussed the Board Leadership award nomination process since nominations are due to the Director of Human Resources in March.

A copy of the financial report dated 2/29/2020, 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 3/17/2020 and submitted the following report:

1. Personnel Actions Report: 2 involuntary separations; 2 voluntary separations.
2. Benefits Update: Joe Mantua facilitated 5 follow-up employee meetings to allow for questions and answers regarding the transition of PTO with low attendance.
3. New Employee Handbooks: were distributed electronically and awaiting receipt of acknowledgment forms indicating a hard copy or electronic copy.
4. SC Deferred Compensation and Aflac Group: On site meetings were cancelled, and rescheduled as virtual meetings offering staff guidance on paid out funds.
5. Board Leadership Award: March is the month for consideration, submit recommendation to Allena. Any employee, staff department, community member, firm, business, past or current board member can be recognized. HR will then forward all nominations to the personnel committee in advance of the April meeting for consideration, then to the board in April. The board will select a candidate as part of executive session in May. A plaque will be procured and presented by the Board Chair or his/her designee at the June meeting. A Board Leadership Award does not have to be given each year.
6. Blood Drive: 26 individuals gave 24 units of blood with a potential to save 72 lives.
7. Miscellaneous: Minor tweaks to the employee handbook will be presented next month.

OLD BUSINESS

There was no old business.

NEW BUSINESS

Capital Improvement Program

CIP Change Order

CIP 1970, Pump Stations CP19 (Rosehill) and CP67 (Bluffton Regional) to Black & Veatch for \$132,190.00 as presented and referenced in the memorandum from Shawn Flood dated 3/13/2020 and is attached to these minutes and its original is made a part hereof,

Motion: Recommendation for approval of CIP 1970, Pump Stations CP19 (Rosehill) and CP67 (Bluffton Regional) Change Order to Black & Veatch for \$132,190.00 came from the Capital Projects Committee, *requiring no second,*

All voted in favor, none opposed,

Motion passed unanimously.

O & M Contract Award

Contract Award for the removal of (solids) sludge from the Purrysburg WTP Alum Pond to Eagle Solutions for \$299,415 as presented and referenced in the memorandum from Tricia Kilgore dated 3/16/2020 and is attached to these minutes and its original is made a part hereof,

Motion: Recommendation for approval of Contract Award for the removal of (solids) sludge from the Purrysburg WTP Alum Pond to Eagle Solutions for \$299,415 came from the Finance Committee, *requiring no second,*

All voted in favor, none opposed,

Motion passed unanimously.

Customer Service Policies - Approval

The draft Customer Service Policies was presented by Sarah Linkimer,

Motion: Vice-Chair Jimmy Baker moved, seconded by Donna Altman, to approve the Customer Service Policies as written and presented on this day of March 26, 2020,

All voted in favor, none opposed,

Motion passed unanimously.

Resolution(s) Approvals

2020A Series Resolution – Providing for the Issuance and Sale of a Waterworks and Sewer System Refunding Revenue Bond, Series 2020A, of the Beaufort-Jasper Water and Sewer Authority, South Carolina, and other Matters Relating Thereto,

Motion: Secretary/Treasurer Greg Padgett moved, seconded by Don Manson, approving the 2020A Series Resolution Providing for the Issuance and Sale of a Waterworks and Sewer System Refunding Revenue Bond, Series 2020A, of the Beaufort-Jasper Water and Sewer Authority, South Carolina, and other Matters Relating Thereto as presented,

Discussion: Joe Lucas and Gary Pope added that the proceeds of the Series 2020A Refunding Revenue Bond would be used to refund all or a portion collectively of the Series 2004, 2005, 2008, 2009A, 2011B and Series 2012 Bonds. The maturity date of the new bond is August 1, 2032 and of the closing is scheduled for April 16th, 2020.

All voted in favor, none opposed,

Motion passed unanimously.

A copy of the 2020A Series Resolution, was included in the Board packet and its original is attached to these minutes and is made a part hereof.

Resolution Amending the Bylaws for the Beaufort-Jasper Water & Sewer Authority to allow for electronic meetings under Article X, Emergency Powers provision – *Approval*

Motion: Donna Altman moved, seconded by Andy Kinghorn approving the Resolution Amending the Bylaws for the Beaufort-Jasper Water & Sewer Authority to allow for electronic meetings under Article X, Emergency Powers provision,

All voted in favor, none opposed,

Motion passed unanimously.

A copy of the Resolution amending the BJWSA Bylaws, was included in the Board packet and its original is attached to these minutes and is made a part hereof.

PUBLIC COMMENT

No comments.

(10:02 a.m.)

EXECUTIVE SESSION

Motion: Donna Altman moved, seconded by Vice-Chair Jimmy Baker, to go into executive session for the purpose of discussing litigation/claim issues regarding: Kinard v. BJWSA; McCracken v. BJWSA; Hopkins v. BJWSA, PFAS MDL pursuant to SC Code Ann. Section 30-4-40(a)(7) and 30-4-40(7) regarding Attorney-Client Communication related to a contractual matter,

All voted in favor, none opposed,

Motion carried.

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

(10:24 a.m.)

RECONVENE

Motion: Vice-Chair Jimmy Baker moved, seconded by Secretary/Treasurer Greg Padgett, to reconvene regular session,

All voted in favor, none opposed,

Motion carried.

ACTION ITEMS OCCURRING FROM EXECUTIVE SESSION

No action was taken.

REGULAR SESSION

TELEPHONIC STATEMENT

“I Chair Michael Bell, the Presiding Officer of this Meeting have previously stated that Lorraine Bond; Brandy Gray; Jerry Schulze WAS ATTENDING THIS MEETING TELEPHONICALLY. This meeting is in full compliance with the criteria for the attendance of this Meeting telephonically as set forth in Article II Section 11 of the Bylaws.”

ADJOURNMENT

With no further business to come before the Board, and without objection, Secretary/Treasurer Greg Padgett moved, seconded by Don Manson, to adjourn the meeting at, 10:30 a.m.

All voted in favor, none opposed,

Motion carried.

APPROVED: 4/23/2020

Respectfully submitted,

Libby Breland, Clerk to Board

Signatures and Attachments on file.