

**MINUTES OF THE BOARD OF DIRECTORS REGULAR MEETING OF THE
BEAUFORT-JASPER WATER AND SEWER AUTHORITY HELD ON APRIL
22, 2010.**

Be it remembered that the Board of Directors of the Beaufort-Jasper Water and Sewer Authority held its Regular Meeting Thursday, April 22, 2010 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: Chair Brandy Gray; Donna Altman; Michael Bell; Jim Carlen; B.G. Pat O'Neal; John Rogers; Bill Singleton; Dr. David Taub and Charlie White. Absent were Secretary/Treasurer Mark Snyder, and Lorraine Bond due to an injury.

Guest:

Paul Sommerville, Vice-Chair Beaufort County District 6

BJWSA Members of Staff: Dean Moss, General Manager; Ed Saxon, Deputy General Manager, E&O; Dottie Hofmann, CFO; John Wells, Director of Administrative Services/HR Manager; Matthew Brady, Communication Manager; Sarah Linkimer, Controller; Paula Power, Purchasing Manager; Charles Sexton, Director of Engineering; Libby Breland, Administrative Assistant.

Legal Counsel: Raymond H. Williams, General Counsel and Gary T. and Margaret C. Pope, Ziegler Pope, LLC, Bond Counsel.

CALL TO ORDER

Chair Brandy Gray called the meeting to order at 9:04 am announced that a quorum was present. Charlie White gave the invocation and the Pledge of Allegiance followed.

APPROVAL OF MINUTES

Chair Brandy Gray requested a motion to approve the March 25, 2010 Minutes.

Motion: Dr. David Taub made a motion, seconded by John Rogers, to approve the Minutes of the regular meeting of March 25, 2010. A vote was held and the motion passed unanimously.

PUBLIC COMMENT

Chair Brandy Gray welcomed and recognized the attending guest, Beaufort County Councilman Paul Sommerville, District 6.

ADOPTION OF RESOLUTIONS

Margaret Pope presented the two following Resolutions to the Board:

Resolution Amending the 1999 Revenue Bond Resolution Adopted on August 26, 1999 and Amended on September 23, 1999.

Motion Gen. Pat O'Neal moved, seconded by Jim Carlen, to approve the Resolution Amending the 1999 Revenue Bond Resolution Adopted on August 26, 1999 and Amended on September 23, 1999 as presented. A vote was held and the motion passed unanimously.

Resolution Amending the 2010B Refunding Revenue Bond Resolution

Motion: John Rogers moved, seconded by Charlie White, to approve the Resolution Amending the 2010B Refunding revenue Bond Resolution as presented. A vote was held and the motion passed unanimously.

Dean Moss commended Dottie Hofmann on her tremendous efforts during the refinancing process. Margaret Pope also commended Dottie on her efforts.

GENERAL MANAGERS REPORT

Dean Moss, General Manager, reported on the following issues:

- March Safety Report. 212 calendar days since the last preventable lost time case. 0 recordable injuries have been reported. One Near Miss report and 48 Take Two's were completed. The Safety Celebration will be held on June 25, from 11:30am-2:00p.m. The location is still undecided and he would let the know when a place was chosen. *The Safety Report for the month of March 2010 is attached to these minutes and made a part hereof. Safety Celebration*
- CAFR Award. BJWSA has received the "Certificate of Achievement for Excellence in Financial Reporting for its comprehensive annual financial report (CAFR) for the fiscal year ending June 30, 2009. This is the sixth consecutive year that the Authority has achieved this prestigious award. Dean recognized Dottie Hofmann for this accomplishment.
- Safety Training. CPR/Blood Borne Pathogen training and fall protection was conducted earlier this month.
- Thad Coleman Fund. The fund balance had been depleted. In the past Beaufort County had been contributing to this program, but had not in the past couple of years. A request was sent to the County asking if they would continue to contribute to the program which assists a large portion of eligible low income Beaufort County residents with connecting water and sewer services. County Administrator Gary Kubic, has agreed to fund the program next year.
- Railroad Corridor Updates. Baker, Sterchi, Cowden, & Rice, L.L.C. is seeking a Class Action lawsuit on behalf of property owners along the railroad corridor to be compensated for the loss of their land because of the railroad rail bank. This lawsuit specifically impacts the Federal Government, and is not material to BJWSA.

- Strategic Planning Initiatives. Ongoing effort, meetings are being planned and policies are being drafted.
- News Article “Water rates goes up”. Gen. O’Neal made a suggestion that the Board consider responding to this article and state that BJWSA has no rate increases proposed in this upcoming Budget. Chair Brandy Gray stated that the Board may want to be cautious on broadcasting this information just yet.
- United Way Campaign. BJWSA received the Silver Heritage Award. This award is for pledges between \$15,000.00 – \$19,999.00. This amount was contributed by BJWSA’s employees.
- Water Quality Standard. Successful with a change to legislation regarding the allowable decrease in dissolved oxygen in surface waters.
- Surface Water Withdrawal Bill S.452. The Senate has approved the Bill and it will be presented to the House next week.
- AWWA Annual Conference & Exposition June 19-24, 2010. The ACE conference will be held in Chicago, Illinois this year. Since the continued budget constraints, he will be the only staff attending and suggested that Michael Bell attend since he is still the Chair of the Public Officials Caucus.

Public Affairs Report

Matthew Brady, Communications Manager, reported on the following issues:

- Military Consolidation Project. The pipeline installation is 100% complete.
- Community Development Block Grant (CDBG) Projects.
Town of Bluffton- sewer extension- Church St. is complete; Bruin St. is waiting on individual homes to connect. Work is being started on Maiden St. and Buck Island and Simmonsville Roads, work will begin around the 25th.
Beaufort County, Dale Area - waterline extension – The waterline, phase III is waiting for Lowcountry Council of Governments to certify the Low-to-Moderate (LMI) list.
- New BJWSA Website. Comments are being received from staff and then will be brought before the Board for review. The launch date is still on track for the first of July.
- Consumer Confidence Reports. Are being distributed to the wholesale customers this week and the inserts will be placed in the Splash newsletter for distribution to the public.

COMMITTEE REPORTS

Executive

The Executive Committee did not meet.

Capital Projects

Committee Chair, Michael Bell, reported that the committee met on April 14 and noted that the Committee received an update on the Strategic Initiatives and the Railroad. A Contract Award will be presented under New Business along with CIP Modifications and

a Change Order. *The Memorandum from Charles Sexton dated April 9, 2010 CIP & Developer Update is attached to these minutes and made a part hereof.*

Finance

Committee Chair, Brandy Gray, reported that the Committee met on April 15, and she reported on the following issues:

- Financial Report March 31, 2010. Total operating revenues were approximately \$1.7M under projection year-to-date. Operating expenses, excluding depreciation, were \$725,000 under budget and with depreciation were \$140,000 over budget. Capacity fees received for the month of March were \$30,000.
- Call Center Metrics. Total call volume increased. Total customers signed up on bank draft were 8106 and the average call wait time was 2.25 minutes. Michael Bell indicated that he would like to have recorded messages playing regarding BJWSA while customers are on hold waiting for the next available representative.
- Proposed FY 2011 Operating Budget. Will be presented in May, with adoption in June.

The Financial Report for March 31, 2010 is attached to these minutes and made a part hereof.

Personnel

Committee Chair, Charlie White, reported that the Committee met on April 13 and reported on the following issues:

- Safety Update. The committee received an update on the in-house training program, the train-the-trainer program and upcoming safety training events. Ken Jordan reported on the trip that he and 2 other managers made to the National Emergency Response Headquarters in Emmitsburg, MD as part of the Beaufort County training.
- Recruiting and Hiring Actions. He reported that there were five (5) vacancies in various stages of the recruitment process and that he expected them to be filled prior to the end of the fiscal year.
- Budget Request. The committee received a summary of the FY 2011 HR Budget requests and a recommendation for COLA for all employees. This information was presented to the Finance Committee and will be brought before the Board in May.

OLD BUSINESS

Adoption - Strategic Communications Plan.

Matthew Brady made a few introductions of the plan and comments were received. Michael Bell suggested having another focus group, that it had been a while since the last one and believes this process was very productive by involving the public. Dr. David Taub expressed a concern with bilingual publications.

Motion: John Rogers moved, seconded by Dr. David Taub, to approve the Strategic Communications Plan as presented. A vote was held and the motion passed unanimously.

Integrated Water Resources Management Plan (IWRMP) Executive Summary.

Dean Moss highlighted the Plan and acknowledged Ed Saxon and Charles Sexton on their efforts developing this plan.

NEW BUSINESS

Contract Award. On behalf of the Capital Projects Committee Chair, Michael Bell presented the relevant CIP requests which have been properly received through all Committees and approved. The staff recommends approval of the following contracts:

CIP # 1522- Alum Pond A Dredging to WeCare Organics, LLC., in the Amount of \$184,000. This project consists of dredging 87,000 cubic yards of alum sludge from Alum Pond A and pumping the sludge to the nearby drying beds. The project will be funded from water capital.

Motion: Michael Bell moved, seconded by John Rogers, to approve the contract award for CIP #1522 Alum Pond A Dredging to WeCare Organics, LLC., in the amount of \$184,000 as presented and referenced in the Memorandum to Ed Saxon and Charles Sexton from Tricia Kilgore dated April 9, 2010. A vote was held and the motion passed unanimously.

CIP Modifications.

CIP #21494 - Miscellaneous Port Royal W/S Extension Improvements in the Amount of \$150,000. This project will connect homes in Port Royal to sewer. The Town of Port Royal has provided BJWSA with a list of homes requesting sewer services. Connections that can be easily made will be completed first followed by homes that require sewer extensions. The funds for this project will be split with \$75k in FY10 and \$75K in FY11 from Sewer Capital. The project was originally funded in FY12.

CIP #22112 - MCRD Building 601 New Military Consolidation Project in the Amount of \$35,000. This project was requested by the military. The project will consist of reconfiguring the connection of building 601 to include isolation valves for demarcation and a fire line connection. Funding for this project will come from Water Capital reimbursed by NAVFAC by a contract modification.

Motion: Michael Bell moved, seconded by Jim Carlen, to approve CIP project additions #21494 Miscellaneous Port Royal W/S Extension Improvements in the Amount of \$150,000, and CIP #22112 - MCRD Building 601 New Military Consolidation Project in the Amount of \$35,000 as presented and referenced in the Memorandum to Ed Saxon from Charles Sexton dated April 9, 2010. A vote was held and the motion passed unanimously.

Military Consolidation CIP #2002 & #2005 Change Orders to R.H. Moore.

Division I-D (Parris Island to PRWRF), CIP #2002 in the Amount of \$226,773.04.

Division I-B (Air Station to PRWRF), CIP #2005 in the Amount of \$71,587.00.

Motion: Michael Bell moved, seconded by Charlie White, to approve the change orders for the R.H. Moore contracts as presented and referenced in the Memorandum to Ed Saxon and Charles Sexton, from Tricia Kilgore dated April 9, 2010. A vote was held and the motion passed unanimously.

PUBLIC COMMENT

Councilman Paul Sommerville indicated that he receives inquires from constituents about sewer lines being built in front of their homes. Dean Moss said that it could be one of two types of projects. It could be a force main line in which case, the residents have the option of connecting to the sewer line, with a pump station. Otherwise, they would have been previously notified of a mandatory tie on to a gravity line.

Mr. Nadjim, Engineer; Phillip Monday, original Commercial Developer and Rev. Lopez, Property Owner, addressed the Board seeking consideration for waiving \$170,000 in cc fees for a project to build a Church on Hwy 17 in the Hardeeville community. Rev. Lopez wants to move forward with his development plans and asked the Board for help with the cost of constructing the pump station.

Action: Chair Brandy Gray thanked the gentleman for attending and stated that the Board would review their request with the staff.

EXECUTIVE SESSION (Time 10:45am)

No executive session was needed.

RECONVENE the following action was taken:

ADJOURNMENT

Motion: Dr. David Taub moved, seconded by John Rogers, to adjourn the meeting. The meeting adjourned at 10:30am.

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Attachments: Safety Report dated March 2010, CIP and Developer Update Memo dated April 12, 2010, Financial Report dated March 31, 2010.