

**MNUTES OF THE BOARD OF DIRECTORS REGULAR MEETING OF THE
BEAUFORT-JASPER WATER AND SEWER AUTHORITY HELD ON
DECEMBER 16, 2010.**

Be it remembered that the Board of Directors of the Beaufort-Jasper Water and Sewer Authority held its Regular Meeting Thursday, December 16, 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:

Present: Brandy Gray, Chairman; Michael Bell, Vice-Chair; Lorraine Bond, Secretary/Treasurer, (via telephonic); Donna Altman; Jim Carlen; B.G. "Pat" O'Neal; Bill Singleton and Charlie White.

Absent: John Rogers and Mark Snyder.

Guests: Skeet Von Harten, Perspective new Board Member; Paul Sommerville, Vice-Chairman, Beaufort County Council (District 7-Ladys Island/Beaufort); Robert Merchant, Long Range Planning, Beaufort County.

BJWSA Members of Staff: Dean Moss, General Manager; Ed Saxon, Deputy GM, Operations; Dottie Hofmann, CFO; John Wells, Director of Administrative Services; Matthew Brady, Communications Manager; Charles Sexton, Director of Engineering; Sarah Linkimer, Controller; Will Bettis, Purchasing Manager; Thomas Mike, Inspector; Andy Miles, Utility Compliance; Dawn Bates and Libby Breland, Administrative Assistant.

Legal Counsel: Raymond H. Williams, Esq.; Gail Clark, Title Clerk; Barbara Thomas, Real Estate Paralegal and Ms. Hedy Williams.

CALL TO ORDER

Chair, Brandy Gray, called the meeting to order at 9:05 a.m. and announced that a quorum was present. Gen. O'Neal gave the invocation and the Pledge of Allegiance followed.

TELEPHONIC STATEMENT

Chair, Brandy Gray, gave the following statement: *"I Brandy Gray, Chair, announce that a quorum for this Meeting is physically present and that Lorraine M. Bond is attending this meeting telephonically".*

APPROVAL OF MINUTES

Chair, Brandy Gray, requested a motion to approve the November 18, 2010 Minutes.

Motion: **Donna Altman, moved, seconded by Dr. Bill Singleton, to approve the Minutes of the regular meeting of November 18, 2010.**

Discussion: **None**

Vote: **Passed Unanimously.**

PUBLIC COMMENT

Chair Brandy Gray, welcomed and recognized the attending guests.

GENERAL MANAGERS REPORT

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

- **September Safety Report.** There were 151 calendar days since the last preventable lost time case as of November 30 with 2 Near Miss reports and 57 Take Twos completed. He noted that the employees are striving towards the goal of another one million hours without a lost time injury. *The Safety Report for the month of November 2010 is attached to these minutes and made a part hereof.*
- **Employee of the Quarter and Employee of the Year.** Recognition was given to Andy Miles, Utility Compliance, for Employee of the Quarter and Thomas Mike, Inspector, for Employee of the Year. Both gentleman were well deserving of these awards and received a round of applause.
- **Proposed Legislation – Tax Commission.** He briefed the Members on how water services would be taxed in South Carolina if the SC Tax Realignment Committee (TRAC) recommendations were enacted by the legislature. Dottie Hofmann, provided a chart showing average residential monthly water use and added the 1.25% sales tax which would be approximately 37 cents per 7Kgal/month average user. Mr. Moss noted that he will keep the Board informed.
- **Sewer Use Ordinance.** The Sewer Use Ordinance, along with the Development Policy and Procedures, Grease Trap Policy, and Industrial Pre-Treatment Program revisions will be brought before committees early in 2011.
- **Sewage Spill on MCRD Parris Island.** Ed Saxon updated the Members on the sewage spill of approximately 31,000 gallons of wastewater that overflowed on Parris Island (not the 90,000 gallons as reported by the media). The spill occurred because of a broken sewer pipe that leaked into a nearby storm drain that empties into the Beaufort River. Vice-Chair, Michael Bell asked if there is a way that this type of situation could be detected earlier. Dean Moss indicated that ultimately the entire sewer will be rehabbed. As ISM's are performed the staff will look for these types of incidents that could occur.

Public Affairs Report

Matthew Brady reported on the following issues:

Community Projects Update.

➤ *Beaufort County*

Dale Area (CDBG) - Waterline Extension, Phase III – Permit to operate has been received and service will begin after meters are connected.

Christine Place (Front Foot Assessment) – Retro-sewering Project –

The potential project did not meet the required votes necessary for the project to proceed. The residents can petition again after 90 days.

Free Chlorine Switch. The switch from chloramines to free chlorine ended last Friday for North of the Broad customers. The same switch will be performed South of the Broad after the first of the year. He will be working with Sun City to get an announcement on their SCHHTV.

Downtown Beaufort Waterline Replacement (Red Water) Project. The engineer began survey work in the area a couple of weeks ago. All affected customers were notified by a mail out/flyer.

BJWSA Website. The site has a new search engine and has experienced approximately 9,000 visits, focusing mostly on the customer service site, bill pay, and the employment page.

COMMITTEE REPORTS

Executive

The Executive Committee did not meet therefore no report was given.

Capital Projects

Charlie White noted that there were no major items for Board discussion and a bid award for the removal of the 28 railroad crossings will be presented under New Business. *The Memorandum from Charles Sexton dated December 7, 2010 CIP & Developer Update is attached to these minutes and made a part hereof.*

Finance

Dottie Hofmann gave a brief report on the Committee discussions:

- **Financial Report.** Revenues for October were \$583,000 above budget. Revenues for November were \$1.3M over last year's revenues. Expenses were \$134,000 above budget at the end of October, but no cause for alarm.
- **Call Center.** A Call Center consultant was brought in and went over some key stats and after implementing her initial suggestions, the abandonment rate went down by 30% and the call wait time went down 41 seconds. The Consultant will come back in January and work on coaching skills with all of the customer service representatives.

- Merchant Fees and Credit Card Transactions. At the request of a committee member, she and Sarah Linkimer will be reviewing merchant fees and credit card transactions. Last year's cost was \$120,000.
- Rate Model. Chairman Brandy Gray inquired about the rate model. Dottie Hofmann reported that she has been updating the old model and would begin preliminary discussions with the Board in February.

Personnel

Michael Bell highlighted the Committee's discussion and reported on the following:

- Recruiting and Hiring Actions. Three positions, purchasing manager, meter reader and a field operator I has been filled. Two positions are still vacant and advertising costs were discussed.
- Office of the Federal Contract & Compliance Program (OFCCP). The staff has been collecting information for the "OFCCP", who is taking a look at non-discrimination and equal employment opportunities. Information has to be submitted by the 20th and BJWSA may be selected to for a site visit.
- Training. A wastewater collection exam will be held at BJWSA's training room on the 9th.
- GM Report. Dean Moss discussed the railroad right-of-way, the Strategic Initiatives and also the selection process of the General Manager.

OLD BUSINESS

Resolution Adopting the BJWSA "High Level" Strategic Initiative Plan.

A few minor wording changes were made and the Chair recommended that a resolution not be passed but that the Board approves the staff's direction for the process. General O'Neal recommended that these Strategic Initiatives be revisited each year in January. Dean Moss asked the Board for acknowledgement on the direction of the SI's. Michael Bell expressed that this process was a tremendous effort with the Board fully involved and indicated that it should have complete board support.

Motion: General Pat O'Neal made a motion that the High Level Strategic Initiatives be included into the Strategic Plan and reviewed annually and formally thanked the staff for their efforts. Donna Altman seconded the motion.

Vote: Passed unanimously.

NEW BUSINESS

Contract Award Presented.

Removal of 28 Railroad Crossings Contract Award to Atlantic Asphalt in the Amount of \$153,224.00. Charles Sexton reported that a total of 28 railroad crossings have been identified for removal. Bids were invited from REA Construction, Atlantic Asphalt, and JS Construction. Atlantic Asphalt was the only quote received with a cost of \$153,224.00 which includes removing the rails from the 28 crossings, adding a new base and paving with 4" hot mix asphalt. Traffic control is included in this quote. The

funding for this project will be provided from operations as a deduction from the proceeds received for the sale of the rail material.

Motion: General Pat O’Neal moved, seconded by Donna Altman, to approve the removal of the Railroad Crossings Contract Award to Atlantic Asphalt in the amount of \$153,224.00.

Discussion: None

Vote: Passed unanimously.

RECOGNITION OF RAYMOND H. WILLIAMS, ESQ., GENERAL COUNSEL, FOR HIS YEARS OF SERVICE TO BJWSA.

Chairman Brandy Gray read into record a Resolution recognizing Ray Williams, for his dedication and service as legal advisor to BJWSA for more than 30 years. Ray Williams will be retiring as General Counsel to BJWSA effective December 31, 2010. After receiving many accolades from the Board and guests, Ray Williams, received a round of applause and a standing ovation. *A copy of the Resolution is attached to these minutes and made a part hereof.*

PUBLIC COMMENT

No comments were noted.

TELEPHONIC STATEMENT

Chair Brandy Gray, made the following statement: *“I, Brandy Gray, the Presiding Officer of this Meeting have previously stated that Lorraine M. Bond 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 II of the Bylaws.”*

ADJOURNMENT

Chairman Brandy Gray adjourned the meeting at 10:00 a.m.

Motion: Michael Bell moved, seconded by Dr. Bill Singleton, to adjourn the meeting.

Vote: Non-Debatable, passed unanimously.

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Attachments: Safety Report dated November 2010, CIP and Developer Update Memo dated December 7, 2010.