

**MINUTES OF THE BOARD OF DIRECTORS REGULAR MEETING OF THE
BEAUFORT-JASPER WATER AND SEWER AUTHORITY HELD ON
FEBRUARY 25, 2010.**

Be it remembered that the Board of Directors of the Beaufort-Jasper Water and Sewer Authority held its Regular Meeting Thursday, February 25, 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: Chairman David Taub, Vice-Chairman Brandy Gray; Michael Bell; Jim Carlen; Lorraine W. Bond; B.G. Pat O'Neal and John Rogers. Absent were Secretary/Treasurer Mark Snyder; Charlie White (due to illness) and new prospective member Donna Altman (due to illness).

Guest:

Paul Sommerville, Vice-Chairman, Beaufort County Council, District 6; Brian Flewelling, Member Beaufort County Council, District 9 and Terry Murray, former Deputy GM/Finance and Administration.

BJWSA Members of Staff: Dean Moss, General Manager; Dottie Hofmann, CFO; John Wells, Director of Administrative Services/HR Manager; Paula Power, Purchasing Manager; Charles Sexton, Director of Engineering; Sarah Linkimer, Controller; Matthew Brady, Communication Manager; Chris Petry, Director of Treatment, Mandy Abbott, Communications Administrative Assistant and Libby Breland, Administrative Assistant.

Legal Counsel: Raymond H. Williams, General Counsel to the Board, Margaret C. Pope, and Gary Pope, Pope Ziegler, LLC.

CALL TO ORDER

Chairman David Taub called the meeting to order at 9:05 am announced that a quorum was present. Michael Bell gave the invocation and the Pledge of Allegiance followed.

RECOGNITION OF TERRY R. MURRAY

Members of the Board honored Terry Murray for her 17 years of dedicated service as BJWSA's Deputy General Manager/Director, F&A and gave her a token of appreciation. The Board expressed their best wishes on her retirement.

APPROVAL OF MINUTES

Chairman David Taub requested a motion to approve the January 28, 2010 Minutes.

Motion: Brandy Gray made a motion, seconded by Michael Bell, to approve the Minutes of the regular meeting of January 28, 2010. A vote was held and the motion passed unanimously.

PUBLIC COMMENT

Chairman David Taub recognized the attending guests:

Councilman Brian Flewelling thanked the Board for allowing Beaufort County Council to hold their Council Retreat in the Executive Board Room of BJWSA.

GENERAL MANAGERS REPORT

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

- January Safety Report. 153 calendar days since the last preventable lost time case. 0 recordable injuries have been reported. Three Near Miss reports and 40 Take Two's were completed. *The Safety Report for the month of January 2010 is attached to these minutes and made a part hereof.*
- Strategic Planning Initiative. Chris Petry provided materials to the Board members and described the steering teams that were formed. The Board was asked to review the information and provide comments. The next step will be for each team to get together to start discussing the initiatives.
- Integrated Water Resources Management Plan. A final draft of the IWRMP will be brought before the Board for review in March and adoption in April.
- Hilton Head Island PSD Off-Peak Agreement. The Agreement dated 9/22/09 to provide an off-peak rate for bulk surface water has been extended through the end of March 2010.
- "Bluffton Today" Article "Project to rid Old Town of septic tanks". Areas of Bluffton, Church Street and parts of Maiden Lane and Bruin Road were selected and approved by Council to be a part of a pilot sewer project. BJWSA is partnering with the Town and leading the design and construction. This is a serious effort by the Town of Bluffton to reduce the discharges into the May River.
- Southside Wastewater Treatment Plant Property. The City of Beaufort is expected to sign the transfer of land documents which officially transfers back to the City of Beaufort most of the portion of the former Southside wastewater treatment facility site. BJWSA will schedule an event so that the transfer of the site to the City of Beaufort can be memorialized.

Public Affairs Report

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

- **Military Consolidation Project.** The force main projects on the Marine Corps Air Station are about 75% complete and on Parris Island is approximately 85% complete. The pipe installation should be completed early March. Cleanup is being done around the area of Dowlingwood drive and should be completed by June.
- **Strategic Communication Plan.** The plan has been reviewed and a draft will be brought before the Board for review in the next few months.
- **Water & Wastes Digest Magazine.** BJWSA was featured with in an article titled “*High Tech in the Low Country*” that featured BJWSA’s cutting-edge cellular SCADA technologies.
- **New Web Site.** The launch date to go live with BJWSA’s new web site is slated for July 1st. The Board will be given an opportunity to review the site in April.
- **News SPLASH Winter 2010.** The winter edition has been mail. Michael Bell commended the staff for promoting the need for contributions to the Round Up program in the newsletter.
- **Consumer Confidence Reports (CCR’s).** Preparations for the CCR’s are in progress for the summer edition release.
- **Drug Take-Back Program.** BJWSA is partnering with the Beaufort County Sheriff’s Office to promote safe disposal of expired and unwanted prescription drugs. The goal is to reduce the amount of medication that ends up in BJWSA’s treatment facilities and ultimately our natural water bodies. BJWSA will be contributing by placing pertinent information on our utility bills.

COMMITTEE REPORTS

Executive

The Executive Committee did not meet.

Capital Projects

Committee Chair Michael Bell reported that the committee met and discussed developer activities. Action items will be presented under New Business. *The Memorandum from Charles Sexton dated February 15, 2010 CIP & Developer Update is attached to these minutes and made a part hereof.*

Finance

Committee Chairperson Brandy Gray reported that the Committee met on February 18, and she reported on the following issues:

- **Financial Report January 31, 2010.** Capacity fees received were approximately \$126,000.00, for the month of January, but still under budget by \$1.2M. Sarah Linkimer is transitioning well in the Controller position and made a great financial presentation to the Committee. Revenues were under budget through January 2010. Operating Expenses without depreciation were \$437K under budget and with

depreciation were \$224,000.00 over budget. The staff is still curbing expenditures and the staff is preparing for the FY11 Budget process.

- Call Center Metrics. The average customer wait time is 2.5 minutes. Chairman David Taub and Michael Bell asked about offering our customers an averaging program similar to SCE&G. The staff will research the possibility.

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

Personnel

The Personnel Committee did not meet.

OLD BUSINESS

Discussion was held on the Memorandum dated February 15, 2010, to Dean Moss from John Wells regarding the planning for General Manager Retirement. During the Strategic Planning Workshop this was one of the Strategic Initiatives (SI) and was decided to give the responsibility to the Board Members only. It was decided that the Executive Committee would take the lead and develop a process and mechanism to hire a replacement and then bring the plan back to the full Board.

Motion: Vice-Chair Brandy Gray, made a motion to task the Executive Committee to begin the process piece of the recruitment of the General Manager. The motion was seconded by John Rogers. Michael Bell wanted to clarify that the Executive Committee sets the process only with timelines, budget, etc and then brings the full Board into the recruiting process. A vote was held and the motion passed unanimously.

NEW BUSINESS

A. Series 2010B Resolution to Authorize the Refunding of Certain Parity Bonds.

Margaret C. Pope gave a presentation of both Series Resolutions. The refunding of revenue bonds includes 11 SRF loans, 2 Bonds and 1 note for a cost savings in interest of \$2.-2.5 M dollars. The exact number and amount might change depending on interest rates at the time of pricing.

Motion: Gen O'Neal moved, seconded by Brandy Gray, to approve the Series 2010B Resolution to authorize the refunding of certain parity bonds as presented by Margaret C. Pope, bond counsel. After discussion, a vote was held and the motion passed unanimously.

B. Series Resolution for SRF Funding of the Military Consolidation not exceeding \$14,000,000.00.

This is a 20 year loan at 3.5 % interest.

Motion: Brandy Gray moved, seconded by John Rogers, to approve the Series Resolution for SRF Funding of the Military Consolidation not exceeding \$14,000,000.00 as presented by Margaret C. Pope, bond counsel. A vote was held and the motion passed unanimously.

C. Contract Awards.

1. CIP 21477 – Duke Street Pump Station Rehab and CIP 21612 Laurens Street Pump Station Rehab. This project consists of rehabilitating the Duke Street and Laurens Street Pump Stations in Beaufort. The rehabilitation includes new pumps, electrical work, building improvements and site work. The project will be funded from sewer capital. The pump stations require more work including a wet well coating, a new manhole, and site work. The staff also is requesting a budget increase for this project.

- Budget Increase in the amount of \$160,000. (\$109,000 for CIP 21477 and \$51,000 for CIP 21612.

Motion: Vice-Chair Brandy Gray moved, seconded by Lorraine Bond, to approve the budget increase in the amount of \$160,000.00 as presented and referenced in the Memorandum to Ed Saxon, Charles Sexton from Tricia Kilgore dated February 12, 2010. A vote was held and the motion passed unanimously.

- Contract Award to DuPriest Construction Company in the amount of \$542,020.06.

Motion: Vice-Chair Brandy Gray moved, seconded by John Rogers, to approve the contract award to DuPriest Construction Company in the amount of \$542,020.06 as presented and referenced in the Memorandum to Ed Saxon, Charles Sexton from Tricia Kilgore dated February 12, 2010. A vote was held and the motion passed unanimously.

2. CIP 21548 – Dale CDBG Waterline Extension Phase 3 to L.W. Inc. in the Amount of \$412,897.00. This project consists of extending water service in the Dale area including Kinloch Road, Porches Hill Road, Vidalia Road, Keans Neck Road and Coker Lane. The project will be funded with a CDBG grant.

Motion: Brandy Gray moved, seconded by Gen. O’Neal, to approve CIP 21548 Dale Waterline Extension Phase 3 to L. W. Inc. in the amount of \$412,897.00 as presented and referenced in the Memorandum to Ed Saxon, Charles from Tricia Kilgore dated February 12, 2010. A vote was held and the motion passed unanimously.

PUBLIC COMMENT

There were no public comments at this time.

EXECUTIVE SESSION (Time 10:30am)

Chairman David Taub requested a motion to go into Executive Session for the purpose of discussing personnel matters.

Motion: Brandy Gray moved, seconded by Jim Carlen, to adjourn into Executive Session for the purpose of discussing personnel matters. Non debatable motion, motion carried.

RECONVENE

The meeting reconvened and there was no action taken by the Board.

ADJOURNMENT

The meeting adjourned at am. 11:15am.

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Attachments: Safety Report dated January 10, CIP and Developer Update Memo dated February 15, 2010, Financial Report dated January 31, 2010.